

HOUSE OF REPRESENTATIVES.

THURSDAY, January 27, 1910.

The House met at 12 o'clock noon.

Prayer by the Chaplain, Rev. Henry N. Couden, D. D.

The Journal of the proceedings of yesterday was read and approved.

CORRECTION.

Mr. FOSTER of Illinois. Mr. Speaker, I desire to have the RECORD of January 25 corrected. In the consideration of the bill establishing a bureau of mines, it appears that I offered an amendment and the RECORD does not show that the amendment was adopted by the House. In the bill as reported to the Senate it shows that the amendment is in the bill. I would like to have the matter corrected.

The SPEAKER. The Chair is informed that the Journal is correct and that the RECORD has already been corrected, as the gentleman suggests.

AGRICULTURAL APPROPRIATION BILL.

Mr. SCOTT. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 18162) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1911. And pending that, I ask unanimous consent that general debate, the time for which was fixed the other day at five hours, be extended two hours, the time to be equally divided between the two sides.

The SPEAKER. The gentleman from Kansas moves that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the agricultural appropriation bill; and pending that, asks unanimous consent that the time for general debate, which was fixed at five hours, be extended two hours, the extra time to be controlled as the five hours was to be controlled. Is there objection?

There was no objection.

The motion of Mr. SCOTT was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. CAMPBELL in the chair.

Mr. SCOTT. Mr. Chairman, I now yield one hour to the gentleman from Illinois [Mr. BOUTELL].

Mr. BOUTELL. Mr. Chairman and gentlemen of the committee: During the next few months the Payne tariff act will be the most interesting and fruitful subject of discussion—interesting, because it will attract the attention of the entire country; fruitful, because upon the result of that discussion and the verdict of the people thereon will depend the complexion of the next House of Representatives and, possibly, the character of the next presidential administration.

The Payne tariff act must justify itself or the Republican party must go out of power. [Applause.] The satisfaction in the applauding of that sentiment by those who hope to succeed us is as near as they will come to the enjoyment of the succession [laughter and applause], because the Payne tariff act has justified itself, is justifying itself, and will continue to justify itself. When it had been in operation about six weeks the President of the United States said that it was the best tariff act that had ever been enacted in this country. That statement met with criticism, but most of the criticisms were profitless, owing to the ignorance or political prejudice—even descending to partisan bigotry—or the self-interest of those who differed with the President. Some of these critics claimed that the President was rash and was indulging in prophecy as to the effect of the schedules; but let me call your attention to the fact that President Taft had in mind much more than the schedules in the Payne tariff act. In the Payne tariff act there are 42 sections, and only the first section deals with the schedules. In the other sections are found legislation improving the administration of the customs, the maximum and minimum provision enabling us to deal on an equality with other nations, an amplification of the present drawback provision, freer trade relations with the Philippines, the provision for the Panama bonds, improvement in many of the internal-revenue laws, the creation of a customs court located here in Washington, removed from the distracting influences of the port of entry, and the establishment of a commission or board of tariff experts.

All these matters were in the mind of President Taft when he said that this was the best tariff law that had ever been enacted. And whoever voted against the Payne tariff law not only voted against the general reductions in the schedules of the Dingley law, but voted against all of these acts of progressive legislation.

President Taft, in his expression concerning the Payne tariff, has shown that same breadth of vision, that same lofty statesmanship, that healthy common sense and sagacity which augur so well for the success of this administration and foretell the triumphant reelection of President Taft in 1912. [Applause on the Republican side.]

In the campaign on which we are about to enter, this Payne tariff act will be held by its opponents to be responsible for every evil from which any section of the country may be suffering. [Applause on the Democratic side.] We will have to meet that; but in addition to that it will be said that the Payne tariff act gave undue preference to certain interests, that it gave undue preference to certain individuals, that it is the present cause of high prices [applause on the Democratic side], that it is encouraging the combination of trusts. [Applause on the Democratic side.] Now, let us see how these objections to the tariff act are to be met. In the first place it will be claimed that the tariff has not brought prosperity [applause on the Democratic side]; it will be claimed that it retards prosperity [applause on the Democratic side]; it will be claimed that the tariff has brought its burdens. [Applause on the Democratic side.]

Mr. Chairman, why is it that Democrats in the mass always applaud any tale of misfortune or prediction of disaster? [Applause and laughter on the Republican side.] I think it must be because such references are so familiar to them, so in keeping with the entire history of their party [applause on the Republican side], and so their applause, instead of being an act of approbation, is a reluctant act of party loyalty. [Applause on the Republican side.]

Mr. Chairman, I want to call attention to how dangerous it is to make predictions in reference to the effect of a tariff. Let me say, in the first place, that the Payne tariff act is an orderly and sane modification of the Dingley Act to meet present conditions, and the Payne tariff act is a monument to the indefatigable zeal, industry, and good judgment of our colleague whose name the act will always bear. [Applause on the Republican side.]

We have to meet the same kind of criticisms of the Payne tariff act that we had to meet when the Dingley tariff act was passed, and so before I proceed to the more important part of my argument I want to fix in your minds the dangers of making predictions in reference to a tariff. I might spend this entire legislative day in reading choice excerpts of violent and extravagant language of almost every Member on the minority side of this House in 1897, predicting dire disaster from the passage of the Dingley Act, but I shall confine myself to simply a few illustrations from some of the leaders of the party. When the Dingley bill was under consideration, Mr. BAILEY, of Texas, then the leader of the minority, on March 19, 1897, said:

You promise to make the times better for all the people, and you must redeem that promise or be driven from the high places which you occupy. Four years of the taxation proposed in this bill will prove a severe drain upon the energies of our people and the resources of our country, but if they demonstrate, as I believe they will, the vicious error of the protective system, the lesson, though costly, will be worth its price.

Of course that was followed with applause on the Democratic side. Again, on April 10, he said:

If you succeed, the Democratic party might as well not make a nomination in the next presidential election.

He might have extended that prophecy to three more presidential elections. [Applause on the Republican side.] He continued:

Now, let us give the country a chance to decide who is right and who is wrong. You have applied your remedy. I am confident it will fail. I am so confident of its failure that I want to raise no other issue. I want the country to decide between your wisdom and ours upon the measures which have already been proposed. Let the country say whether it is tariff revision or financial reform which shall work out our redemption.

Again he said:

If you demonstrate, as demonstrate you will, that a high tariff under a gold standard will not bring prosperity, I will stake my political fortune on the proposition that the American people will then vote to restore bimetalism as the only means of restoring prosperity to this country.

Which, of course, met with Democratic applause. On July 19, Mr. Lanham, of Texas, a gentleman whom we all remember with pleasure, who was subsequently honored with several terms in the governorship of that great State, said this:

Pass your bill, reeking as it does with blight and burden, carrying as it does disaster and distress, freighted as it is with woe and waste, filled as it is with injustice and oppression to your fellowmen.

The distinguished gentleman from Missouri [Mr. CLARK], now the leader of the minority, whom we always like to hear, especially when he is in a prophetic vein, indulged in many prophecies as to what would happen if we passed the Dingley

law. Among other things he told about the reception which this bill would meet with in the South and West—

That the farmers will dig you up with their hoes, plow you up with their plows, beat you with their mauls, hackle you with their harrows, hammer you with their sledges, rake you with their currycombs, pulverize you with their disks, cut you down with their axes, split you to pieces with their froes, ride you on their barbed-wire fences, toss you with their pitchforks, smite you with their pile drivers, grind you through their sausage mills [laughter], mow you down with their reapers, bind you up in great bundles, run you through their thrashing machines, and scatter you as worthless chaff, because you are raising the price of all farming implements by 45 per cent.

If the kind of digging and mauling and hoeing that the people of Missouri gave under the Dingley law they will simply repeat in the same proportion in which their harvests and prosperity have increased, then, Mr. Chairman, there will not be a Democratic Member returned from the State of Missouri at the next election. [Applause and laughter on the Republican side.]

But what he said to which I want to call your special attention—and I simply brought in the prophecy to show how dangerous prophecy was—what I want to call special attention to, in a serious vein, is this. On March 30 Mr. CLARK said:

We—

Referring to the people of the South and West—

may be fools and leather heads, and all that sort of thing, but I tell you, gentlemen, the people living west of the Allegheny Mountains and south of the Potomac have sense to know when they are sandbagged and held up.

[Applause on the Democratic side.]

It was the opinion of the gentleman from Missouri that under the Dingley tariff law prosperity could not come to the farming classes of the West and South. And now I come to the pleasant task set before me this morning, and that is to direct your attention to one section of the country, and that is the section which is supposed would be most injured by the Dingley law and which, it is claimed, has been and will be most injured by the Payne law. I refer to the South, and I will begin with the State of Texas.

Now, bear in mind, gentlemen, the simple task that I have set before myself, because I want to forestall the jumping up of anyone on the other side of the House to ask if I claim that the Payne tariff and the Dingley tariff law bring on the seasons and the full moon and the tides and the early and the latter rains. No; I do not claim that at all, and I am not going to give you any occasion to rise, as you always do when prosperity is spoken of, and ask those questions. The simple proposition to which I propose to address myself this morning is this, that just as the Dingley law did not bring blight and burden, woe and waste, so the Payne tariff law is not bringing blight and burden, woe and waste. I hope it will be my pleasure later on during this session to address myself to some of the other questions which come up in this tariff discussion, particularly those relating to prices, which have been alluded to by my friend from New York [Mr. FITZGERALD], but the time allotted to me this morning will be simply devoted to that one proposition. To show why I address myself to the one proposition, I want to read you what was said in this House only a few days ago by a gentleman from the South, in a carefully prepared speech which he read from manuscript. He said:

Deliberately considering the Payne-Aldrich bill, I here state that, after a most exhaustive analysis, in my judgment it is the most outrageous tax measure ever placed upon the statutes of any government in Christendom.

That, of course, met with applause on the Democratic side. Then, after referring to the Republican platform, the gentleman said:

The plighted faith was not kept but cruelly broken, and the demands for lighter tax burdens answered with a law piling the load still higher upon a groaning people.

This statement was also received with Democratic applause.

I want to ask you gentlemen of the committee, I want to ask the people of the country, have you heard the people of Texas groaning under their burden? That language was used by a Member from Texas—great, strong, rich, free, enlightened, proud, ambitious, courageous, progressive Texas. Texas, the only one of the sisterhood of States that came into the Union clad in the spotless robes of sovereignty and wearing the gleaming star of independence on her brow. [Applause.] Now, then, have you heard the people of Texas groaning?

Mr. STEPHENS of Texas. Will the gentleman yield for a question?

Mr. BOUTELL. With great pleasure, providing it is something bright and cheerful and encouraging, and not anything so dismal that your colleagues will applaud.

Mr. STEPHENS of Texas. The time from 1866 to 1872 we did groan under Republican rule; but since that time, under

the Democratic party, we have prospered as no other State has prospered.

Mr. BOUTELL. I will be very glad to enlighten not only the gentleman from Texas, but the other members of the committee, more fully as to what the present views are in Texas and whether there is any groaning down there.

Mr. STEPHENS of Texas. I speak of the state administration, and that is the reason why we are at present so prosperous. It is because we are under Democratic laws and have been since 1872.

Mr. BOUTELL. I was quite prepared for that, Mr. Chairman and gentlemen. I hold in my hand the message of the governor of Texas to the general legislature, dated January 14, 1909, and it is simply a repetition of the messages of all Democratic governors since the Dingley tariff law was passed. He says:

You have assembled under favorable conditions. The state treasury is on a cash basis. The State is generally prosperous, and the people are contented and happy.

Anybody groaning there? Then he further states:

With respect to the oil and rice industries, the platform of the Democratic party reads as follows:

Recognizing that the oil and rice industries are of great importance to the growth of the State, we recommend legislation that will protect them.

[Applause on the Republican side.]

Mr. STEPHENS of Texas. Will the gentleman yield?

Mr. BOUTELL. I will have to decline to be interrupted until I have outlined a little more fully the conditions in Texas, and then I will be very glad to yield.

The gentleman who made this statement about the groaning people comes from the wide-awake city of Waco. We all like him. I do not know why he made that speech. I believe he is as sorry for it now as anybody. Apparently there are no Republicans in his district. If there was any Republican there that I thought had any chance of being elected I would go down there to help him; but if the gentleman from Texas who made that speech has any kind of a contest with any other Democrat in the eleventh district of Texas I think he can get an indorsement from this side of the House as one of the most attentive, most intelligent, and best Members on either side of the House of Representatives on all matters not involved in politics. And if the reason for his making that address was, as I say, the result of any contest with any other Democrat, I would be willing myself to go down there and endeavor to make the hair fly in behalf of our friend from Texas [Mr. HENRY].

Mr. STEPHENS of Texas. Will the gentleman now yield?

Mr. BOUTELL. Just at this point I must decline to yield. I will say to the gentleman from Texas [Mr. STEPHENS] that I am going to come to his district after a while, but I must decline to yield until I place before the members of the committee a broad view of the conditions in Texas, and then we can carry on the colloquy with a little more intelligence.

I have here the Waco Times-Herald, which is spoken of as the official organ of the city. I therefore take it that it is a good Democratic paper. I judge so from some of its editorials. If it is not, I hope my good friend, the gentleman from the eleventh district of Texas, will correct me.

Mr. HENRY of Texas. Certainly. Any paper supporting me evinces the highest evidence of Democracy. [Laughter.]

Mr. BOUTELL. That is a sufficient hall-mark of its character. If the paper has supported the gentleman from Texas it is a good Democratic paper. Here is what it says in the issue of December 31:

It has been a good old year, this one now departing. The children of men, taking the whole view, have been abundantly blessed. The earth has responded in bounteous measure to the husbandman's appeal. There has been no very great calamity. Despite the assaults of both large and petty despots, the citadel of freedom stands fast and from her ramparts floats the flag of liberty.

Here in Texas we have been afflicted with charlatan statesmanship and with cormorant cunning.

[Laughter.]

I believe the gentleman from the district of 40 counties [Mr. STEPHENS] said that conditions in Texas were entirely due to the Democratic state administration. The paper says further:

But they have not been able to hold us back; we are making progress. Ourselves the recipients of favors from those gone before, we recognize our obligations to those who are to come after, and hence constant endeavor, from which will issue the greatest commonwealth in the American Union.

This city of Waco has greatly prospered, and in all the world there is not a more fit place in which to live. A spirit of good fellowship has presided in our deliberations, and the immediate future holds for us a full realization of our highest hopes.

All in all, you have been good to us, dear old Naught Nme. So long; take keer o' yoursel', old chap.

Any groaning in Waco?

In an editorial in this paper, of January 2, 1910, I find this, and I want to say right here that there is no reading more inspiring or more exhilarating than the editorials and the advertisements from the southern papers at this time, and of all the papers printed in the South, I know of none more full of life and energy and enthusiasm than the papers of Texas. Listen to this from the Waco Times-Herald:

TEXAS.

[Waco Times-Herald editorial, January 2, 1910.]

Yes, Waco is going to have a sky scraper, which is a demonstration that some of us, brethren beloved, are confident as to her future. But shall we be content with one? Why not a dozen sky scrapers? Shall we not make it possible for Sanger Brothers to come to the corner with a magnificent structure? And shall we not have a vision of a royal palace for Goldstein & Migel? And shall we not be getting ready to greet the Mistrots in marble hall? The list can be indefinitely extended if only our old men will dream dreams and our young men see visions.

[Applause on the Republican side.]

And so down there in that part of Texas, where the Mistrots are dreaming of dwelling in marble halls, is it only our friends here that are seeing visions and having nightmares?

Mr. HENRY of Texas. I want to state, Mr. Chairman, to the gentleman that the editorial from the Waco paper, my home paper, was written just after the prospect of tariff reform downward, which the Republican party had promised the country. [Loud applause on the Democratic side.]

Mr. BOUTELL. Why, the applause on the other side of the House greets a statement which is just one year wrong in its date. [Laughter and applause on the Republican side.] The paper is dated January 2, 1910, published just a few weeks ago. [Laughter and applause on the Republican side.]

Mr. HENRY of Texas. Evidently the paper is repeating their good editorials. [Laughter.]

Mr. BOUTELL. Well, it is good enough to repeat. [Renewed laughter.] They can go on repeating it as long as the Payne tariff law stays in force.

Well, I can not linger much longer in Waco, much as I like the dear old town. [Laughter.] But here is something which may explain what the gentleman from Texas took for groaning down in his district.

In the Waco Daily Times-Herald, January 5, 1910, not 1909, there is an editorial entitled "Peffer's proposal," and it quotes something from a magazine article of that venerable and hirsute advocate of depreciated coinage [laughter], and here is what it says:

GROANS IN ELEVENTH DISTRICT, TEXAS.

[Waco Daily Times-Herald editorial, January 5, 1910.]

PEFFER'S PROPOSAL.

Mr. Peffer is seeking to revive the old fiat-money theory. Back of national-bank notes is real wealth. The Government has no money, save what it gets by and through taxation.

The Democratic party lost the country's confidence by proposing to fiat 50 cents in every dollar; Bryan and BAILEY and CHAMP CLARK and all the rest led a well-fed donkey out of the house of our fathers, and the poor old chap is still wandering on the bleak hillsides.

[Editorial, January 15, 1910.]

This is to be Waco's best and biggest year, unless all signs fail. Put your money in Waco dirt.

[Great laughter and applause on the Republican side.]

Now, in all fairness to my good friend from Texas, is it not possible—no; is it not highly probable—that what he mistook for the groaning of the people of his district, struggling under their burdens, was in reality a touching and plaintive braying of this poor donkey, with downcast ears and conspicuous ribs, plaintively braying on the bleak hillsides of political disaster? [Great laughter.] Is anybody groaning in the fifth district, which is the district that has in it, I believe, the splendid city of Dallas? I read an editorial from the Dallas Morning News:

THE NEW YEAR'S PROMISE FOR TEXAS.

This is to be a year of greater achievements in Texas than any the State has known in a like period. Certainly the prospect has never been more promising at the beginning of a year than it is now. It holds forth the promise of many big things, and we ought to adjust our perspective to fit the prospect.

This would be a splendid motto for you gentlemen on the other side of the House and for some gentlemen on this side of the House: "Adjust your perspective to fit the prospect."

How is it in the fifteenth district, along down farther toward the southwest? Any groaning there? I read an editorial from the Mercedes Enterprise, Thursday, January 6, 1910, as well as I can:

Se necesitan 1,000 hombres inmediatamente para que trabajen por sueldo ó contrata en: limpiar, desentrañar, cercar, romper tierra y plantar caña. Todo trabajo por contrata será bajo la responsabilidad del solicitante. Las personas que deseen trabajar pueden dirigirse al establecimiento del Sr. White ó escribir bajo la dirección J. D. White.

Is there any groaning in the fifteenth district? [Laughter.] I am glad to welcome to our midst the representative from the fifteenth district; but let me say, lest perhaps he lets fall all that he has in his mind, that if there is any groaning in the fifteenth district, I think it must be from the shock which the people have sustained down there in hearing me try to read this Spanish.

Mr. GARNER of Texas. Mr. Chairman, I want to ask my friend from Illinois to include in the RECORD his pronunciation of the article which he has just read. [Laughter.]

Mr. HENRY of Texas. Would it be in order to ask the official reporter to read it, so that we may determine whether the gentleman from Illinois should be called to order or not? [Laughter.]

Mr. BOUTELL. We have it all here in a good Democratic paper translated into King's English:

Mr. J. D. White needs 1,000 men. He has a contract to clear, grub, fence, plow, and plant 2,000 acres of land in sugar cane. His contract must be completed not later than the middle of March, and he must have the men. This is the cooperative acreage, a combination recently effected among the owners of small tracts of land, by which it is believed cane can be grown very profitably on the smaller tracts. It is authoritatively conceded that the Rio Grande Valley is the best sugarcane-growing proposition in the United States, and the combination referred to permits the man of moderate means to get into the proposition. The acreage which Mr. White has contracted to plant lays along the Mercedes Canal and the La Feria Canal. Six cars of seed cane have been planted in this vicinity already during this planting season, and it is estimated that the acreage planted to cane along these two canals will not be less than 5,000 at the end of the planting season.

No serious groaning in the fifteenth district.

Is there an "groaners' club" in the tenth district, the district represented by my good friend Mr. BURLESON? I am glad to welcome him to this love feast over conditions in Texas. I hold in my hand the Austin Daily Statesman of January 1. I will read an editorial entitled—

THE NEW YEAR.

"Since the radiant morn of creation broke" and the morning stars sang together for joy there has been no year dawned upon the earth so fraught with illimitable possibilities for human achievement, so freighted with resplendent hope and world-wide expectancy, or one more darkly lowering with ominous responsibility for civilization than the year 1910 just dawning upon the world to-day.

Nineteen hundred and nine brought almost to full bloom the flower of human rights and human freedom planted in the wilderness of the New World less than two centuries ago. Will 1910 take up the work and carry it to fruition? With the absolute conquest of the elements of earth, air, and water, and the lessons of sixty centuries, can not the human mind at last realize its fondest ambitions and secure to mankind the permanency of his acquirements and the lasting benefits of his efforts and his toils.

Coming to our own fair Southland, the year just ushered in is full of glorious promise and the fulfillment of its possibilities is something better to engage the attention than controversy concerning unprofitable mistakes or misfortunes of the past. With the present indications that the world's demands for cotton will continue to exceed the supply, which will maintain the present profitable prices, owning the largest timber supply in the country, and with its coal and iron ores in inexhaustible quantities, it is independent of the world in natural resources, while its great agricultural staples are continually creating new markets and extending the area of its commercial efforts. What more is wanted? All of these things mark a high destiny for the South, and to be reached and secured the proper effort must be put forward in 1910, and southern thought and southern energy should be directed to the future, with no time to wrangle over old issues or resent imaginary insults—not that she has anything to be ashamed of in her past. She has no apologies to make and no convictions to surrender. She is secure in the cherished virtues of the home and fireside, and her chief aim is to grasp the immense possibilities held so dazzlingly before her eyes by the young giant, "1910."

The groaning in that district seems very cheerful.

Is there any "groaners' club" in the twelfth district? In order to find out I shall have recourse to the Fort Worth Record of January 1. I read from an editorial entitled:

NEW YEAR GREETINGS.

To superficial observation Texas has had a hard year, but even a casual glance at reports in to-day's Record will convince the most morose pessimist that he is in error. It has not been a hard year. There has been compensation for the loss of crops in the higher price; there has been no lagging of industry, no halt in development; Texas is still bounding forward in all the strength and vigor of healthful youth, and her people were never so confident and resolute as they are to-day. There is inspiration in the messages of good cheer and high purpose which our correspondents bring from every quarter.

And the same confident and persevering purpose prevails in Fort Worth. The announcements of business men are not the airy talk of boomers or dreamers, but the firm declarations of seasoned enterprise that has tested itself and knows its power to do what it undertakes.

Fort Worth and Texas have every reason to indulge the hope of a prosperous and happy New Year.

And on the front page of this fine, enterprising paper is this New Year's resolve:

Resolved, That I will work harder in 1910 than ever before for my business, my town, and my State; that I will do a citizen's duty; that I will not wench; that I will not mock; that I will do my best every day and help to make Texas hum all the year.

No audible groaning going on where that paper is published. How is it in the sixteenth district? I have here the San Angelo Press-News of January 1, 1910:

ENTER 1910.

We bid farewell to 1909 with hearts attuned to the sentiments of the great bard who declared that "parting is such sweet sorrow."

Sometimes we wonder if the world would not be a little brighter and the people more contented if we could never look back.

The good men do oft die with them, even through the evil is not interred with the bones.

The past is gone, gone forever, save from the hearts that grieve and the souls that have been seared. Darkness is a natural state. The sun alone furnishes us with light. And so it is natural for the heart to hold memories of the past that depress and forget the memories of the past that cheer.

But 1909 has been a good year, one in which great deeds have been performed; one that has marked additional conquests by man; and one that will have a page of ample fullness in the histories that will be written in the years to come.

For 1910 let us pitch our hopes high and then let us keep our energies unbent until we realize the ideals that inspire us.

We can unite all the little deeds of kindness done during the coming year and show that the world is growing better, just as we can marshal all the deeds of evil that marked 1909 to show that the world is not making Christian progress.

The Press-News knows not how to express its great appreciation of the many favors this paper has received from the good people of San Angelo. We came among you and you received us with kindness. We worked with you and you inspired us with vigor. We have learned to have affection for you, and affection is the momentum that keeps love going forever and forever. We have not endeavored to overreach ourselves, but we have tried to keep abreast of the times and to keep pace with the growth of this city.

And now when 1910 is fragrant with newness; when the last echo of the year ago has died upon the air of time, never again to be heard on earth, the Press-News, under the solemnity of the moment can but use the words of a poet to the friends, whom we hope will abide with us, always:

"May the birds of love build nests in your house; may your pathway be strewn with sweet lotus, and may your troubles be but mirages that vanish into thin air when you approach them."

Any indications of groaning in that part of Texas?

How is it in the fourteenth district? I have here the San Antonio Daily Express of January 1:

Prosperity has smiled on Texas throughout the year just ended, and San Antonio and the southwestern portion of the State have been especially favored. The fruits of husbandry have been most satisfying, and commercially and otherwise the city has moved forward by leaps and bounds. Looking around us on all sides we see the evidences of growth and development in industry, in population, in material progress, in the higher purposes of moral and aesthetic uplift, and in spiritual as well as material advancement and the spirit of harmony and concord that is all-prevailing.

Looking about us this New Year's morn there are to be seen only rosy prospects of the coming season. The farmers and stockmen have been singularly blessed in the moisture that has prepared the ground for the crops to be and for the grass that will early cover the range and make sleek and fat the stock that will feed thereon. The merchant and business man will profit by the prosperity of the farmer and stockman and the city derive its share of the benefits.

The future looks bright and promising for us all, and the wish for a happy new year seems almost realized even before it has been spoken.

Mr. SLAYDEN. Mr. Chairman, will the gentleman permit an interruption?

The CHAIRMAN. Does the gentleman from Illinois yield to the gentleman from Texas?

Mr. BOUTELL. Certainly; with great pleasure. I will be glad to have his addition to this song of prosperity.

Mr. SLAYDEN. I shall be pleased to contribute, Mr. Chairman. One of the delights of congressional life is the opportunity occasionally of hearing this glowing tribute to the prosperity of Texas, by my friend from Illinois [Mr. BOUTELL]. I want to say to him, however—

Mr. BOUTELL. "The gentleman from Illinois" does not wish to be discourteous, and would gladly yield, but I am admonished by the chairman of this committee that my time is very rapidly running out.

Mr. SLAYDEN. Well, just a moment. I want to say to the gentleman that he can not get up a quarrel with me about the prosperity of Texas.

Mr. BOUTELL. Nor on any other subject, I hope.

Mr. SLAYDEN. Texas is prosperous, but it is despite of and not because of the Republican party.

Mr. BOUTELL. The gentleman was not in the Hall when I began my speech.

Mr. SLAYDEN. And permit me to say that if the Government is successful in its criminal prosecution of those distinguished members of the Republican party, the constituents of the gentleman, the Big Four Beef Trust, we will be much more prosperous in Texas. [Applause on the Democratic side.]

Mr. BOUTELL. Mr. Chairman, I am sorry to have to call attention to the fact that the gentleman from Texas [Mr. SLAYDEN] did not hear the opening of my address when I forestalled exactly the remark which I thought somebody would make who came into the House after I got started.

Mr. HENRY of Texas. Will the gentleman yield for a question?

The CHAIRMAN. Does the gentleman from Illinois yield to the gentleman from Texas?

Mr. BOUTELL. I will, provided it is in 1910 and not somewhere back in 1909, as the other was.

Mr. HENRY of Texas. I agree that it shall be in 1910. The gentleman from Illinois has been very kind to me and I have listened to him with pleasure; and while he has discussed prosperity in Texas we would like for him to explain to this House and the country why it is that only a short while ago, in the city of Chicago, three or four hundred school children were sent to school without breakfast because their parents are poverty stricken under a Republican administration? And I would furthermore like to hear him discuss the railway strikes in the West, and the meetings held all over the United States by distressed and poverty-stricken citizens, fighting the beef trust and high prices of food products everywhere, and why the people are now groaning under high prices here in Washington City and many cities, where living has increased so enormously under a Republican administration. [Applause on the Democratic side.]

Mr. BOUTELL. The gentleman from Texas will please stand up and not sit down. The gentleman has interrupted me, and now I want to ask him a question. Does the gentleman think prices are too high?

Mr. HENRY of Texas. Yes, I will stand up and continue to do so, for I am right. He must answer and not dodge my question. Certainly I think prices are too high.

Mr. BOUTELL. What does the gentleman want to lower the price on, cotton? [Laughter and applause on the Republican side.]

Mr. HENRY of Texas. I want to say to the gentleman—

Mr. BOUTELL. Mr. Chairman, I decline to be interrupted until I answer these remarks, until I have answered the questions the gentleman has asked me.

Mr. HENRY of Texas. Let me complete my answer, and you answer my question if you can.

The CHAIRMAN. The gentleman from Texas will refrain until the gentleman from Illinois yields further.

Mr. BOUTELL. I will yield no further until I signify that I have answered the questions.

Mr. HENRY of Texas. I had not completed my reply.

Mr. BOUTELL. Mr. Chairman, I have got exactly the question I hoped would be asked me. I had to take three-quarters of an hour—

Mr. HENRY of Texas. But the gentleman did not get my whole answer about cotton—the short crop, present prices, and so forth.

Mr. BOUTELL. I had to take three-quarters of an hour before I got that question and now I will answer it.

Mr. HENRY of Texas. But there are other things besides raw cotton, cotton goods, and manufactures of cotton.

Mr. BOUTELL. Mr. Chairman, considering my infallible good nature and my courtesy pending these interruptions, I simply have to submit a request that further interruptions will cease.

Mr. HENRY of Texas. I did not intend to be discourteous to the gentleman, and if the gentleman from Illinois had listened to what I said he would have seen that I was not. But I am here entitled to reply to his question about cotton, and to receive that courtesy at his hands.

Mr. BOUTELL. The gentleman seems to be so excited over the prospect of a decline in the price of cotton that he has not heard what I said. I said that, considering the courtesy with which I had taken the interruptions, and considering my limited time, and considering my well-known good nature, I did hope gentlemen on the other side of the aisle would refrain from interruption, at least while I was answering their questions, which were intended to be confusing, but the answers to which are much more confusing to the gentlemen who put them. As I was saying, I received exactly the inquiry I hoped I would, and it took three-quarters of an hour to get it from the other side of the House, until finally the gentleman from Texas, instead of enjoying and listening to this song of prosperity that comes up from his own State and from the Southland, has asked these questions relative to matters which I said it would be my pleasure to discuss at some later time, and finally wound up by saying that there were school children in Chicago going to school without their breakfasts. On the authority of Jane Addams—no one better able to answer—I say there is no truth in any such newspaper statement about Chicago school children. [Applause on the Republican side.]

He asked me if I did not hear the people of the country groaning under the burden of high prices, and with a smile of triumph on his face he prepared to sit down, but when he got up I asked him if prices were too high, and he said, immediately,

"Yes;" and, of course, the first thing that came into my mind was the great staple of Texas, and I could not help asking him if he wanted to lower the price of cotton. I could not hear what he said, on account of the deafening applause that went up from both sides of the Chamber.

Mr. SLAYDEN rose.

Mr. BOUTELL. I decline to yield until I answer the gentleman's question. It is the same old question with which politicians have attempted to deceive the people. We shall have to meet the charge that the Payne tariff has raised prices. This charge, as I stated, has its origin in three causes—ignorance, political prejudice degenerating into partisan bigotry, and pecuniary self-interest.

Let me give you three illustrations of self-interest. A few weeks ago some lumber dealers met in a western city and said they regretfully must raise the price of common boards on account of the Payne tariff. Think of it, Mr. Chairman and gentlemen! They must raise the price from 50 cents to \$1 a thousand on account of the Payne tariff! Why, we reduced the tariff on common boards 75 cents a thousand, and these men meet in convention and attempt to deceive and bunco and hoodwink the people and tell them that on account of the Payne tariff they have got to raise the price of common boards \$1 a thousand. When any man puts that up to you, ask him this conundrum: If the lumber dealers have to raise the price a dollar a thousand when we reduce the duties 75 cents a thousand, how much will they have to raise the price when we put lumber on the free list? [Applause and laughter on the Republican side.]

Mr. Chairman, it was the same way in reference to hides. We were told that the price of hides would come down if we would put hides on the free list, and that then the price of shoes would be reduced. I have here Dun's Review of last week, giving the wholesale prices in New York of all staple commodities, and all kinds of shoes have gone up in the wholesale market—not one reduction quoted in Dun's. One of the ablest writers in the United States on economic subjects, in his letter to the Record-Herald and other papers last September, said that the Payne tariff law was the best and most scientifically adjusted tariff law that had ever been passed.

Mr. WEISSE. Mr. Chairman—

Mr. BOUTELL. Then he calls attention to the fact that the woolen dealers had got together and said they must raise the price of wool on account of the Payne tariff—

Mr. WEISSE. Mr. Chairman—

Mr. BOUTELL. Mr. Chairman, I decline to yield. He then goes on to say that that is a trick that was attempted under the McKinley law in the same way. There is not in the Payne Act one change made in the wool or woolen schedule except two minor ones, and both of those were reductions. I give these three illustrations of how men who had pecuniary self-interests at stake are going to attempt to discredit the Payne tariff law, and I say to you gentlemen—and I am very sure that I am facing men on the other side of the House who will agree with me—that that sort of criticism, that attempt to discredit a statute law of our common country for base, selfish, pecuniary gain is little short of moral treason. [Applause on the Republican side.]

Mr. Chairman, I said that there was a second cause for the charge that the Payne tariff had been the cause of rising prices, and that was political prejudice, often degenerating into partisan bitterness or even partisan bigotry. I hope, I sincerely trust, that in the discussions of this tariff act there will be none of that feeling exhibited upon the other side of the House.

My friends, do not join these selfish traders in trying to make the country believe that the Payne tariff law is responsible for that for which the Payne tariff is no more responsible than the changes of the moon. As I have said I hope to discuss the relation of the tariff to prices somewhat fully at a later date, now I will ask the gentleman from Texas [Mr. HENRY] on this subject of prices, how are you going to have high priced cotton and low-priced prints; how are you going to have high-priced wheat and low-priced flour; how are you going to have high-priced oats and low-priced porridge; how are you going to have high-priced corn and low-priced johnnycake; how are you going to have high-priced wool and low-priced woollens; how are you going to have high-priced cane and low-priced sugar; how are you going to have high-priced cattle and low-priced beef; how are you going to have high-priced hogs and low-priced hams? You gentlemen who attack the Payne tariff law and say that it has raised prices have got to pick out the articles affected by the tariff that have been raised in price owing to increases of duty before you can show that any alteration in the price is made by the tariff, and then you have got to be sure

in complaining of high prices that you do not condemn the very high prices on which your prosperity depends.

Mr. Chairman, this subject of final retail prices to the ultimate consumer is one which I shall give myself the pleasure of discussing at some later date during this session, and I simply throw out these present suggestions to bring about further discussion of this important question.

Now, let me continue my subject, Mr. Chairman, without further interruption. Remember, what I am speaking about is this: Not that the Payne tariff law has brought additional prosperity, but I am addressing myself to the text as given in the address of the gentleman from Texas, that the Payne tariff law is not making anybody groan under the burdens which they are bearing. I am going to insert here in the RECORD, as showing what has taken place in the South, a table from the Manufacturers' Record, a southern weekly journal, published in the southern city of Baltimore. I may say in passing that this journal gives from time to time the most interesting and exhaustive accounts of the progress of agriculture and commerce in the South. If a man will read the Manufacturers' Record, of Baltimore, and the Southern Planter, of Richmond, he can tell all about what is going on in the South, and it is a song of prosperity which this journal sings.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. SCOTT. Mr. Chairman, I would like to ask the gentleman from Illinois [Mr. BOUTELL] how much further time he would like to have yielded?

Mr. BOUTELL. Mr. Chairman, if the chairman of the committee has half an hour at his disposal, I will be glad to use it.

Mr. SCOTT. Mr. Chairman, I think, in justice to others, the best I can do is to yield the gentleman twenty minutes more.

Mr. BOUTELL. I thank the gentleman.

The CHAIRMAN. The gentleman is recognized for twenty minutes more.

Mr. BOUTELL. And I want to say to the chairman and to the gentlemen of the House that I would have completed my own remarks if it had not been for these additions to the song of prosperity which have come from the other side of the Chamber.

This Manufacturers' Record publishes what is called the "Annual Blue Book of Southern Progress," and the table that I would like to put in the RECORD is on the first page and called "an inventory of southern progress and prospects." It is a comparison of conditions in the South in 1900 with what they are in 1910. Let me just read a few figures there to show the character—

Mr. FORNES. Will the gentleman yield?

Mr. BOUTELL. The gentleman declines to yield further solely and only on account of the shortness of time.

The CHAIRMAN. The gentleman from Illinois declines to yield.

Mr. BOUTELL. The South in manufactures has increased from \$1,153,000,000 in 1900 to \$2,214,000,000 in 1910. The cotton mills have a capital invested of \$299,000,000, as against \$183,000,000; 11,000,000 spindles, as against 4,000,000; 244,000 looms, as against 112,000; 1,300,000,000 pounds of cotton used, as against 744,000,000. The Manufacturers' Record of January 6, 1910, publishes a most interesting and instructive table giving fifty years of southern progress, comparing the conditions in the South in 1860 with the conditions of 1910 and showing the increase in the South as compared with the increase of the whole country, and I will put that table in the RECORD. In other numbers of this interesting journal are letters from all over the southern country showing conditions not only in the rural districts, but in the manufactures that are springing up in the South, and in closing my remarks I want to call attention to the wonderful series of letters that begin in the number of the Manufacturers' Record bearing date of January 27, 1910. The editor of this journal wrote to bankers throughout the entire South and the States of Missouri and Oklahoma. Those letters are printed in this issue. The States are printed in alphabetical order, beginning with Alabama, and the story that they all tell is one of increasing prosperity, advancing land values, and augmented bank balances.

I will insert all these letters in the RECORD in full.

Mr. LONGWORTH. Will the gentleman yield?

The CHAIRMAN. Does the gentleman from Illinois yield to the gentleman from Ohio?

Mr. BOUTELL. With pleasure, as a member of the Ways and Means Committee, and the only gentleman on this side who has asked me to yield.

Mr. LONGWORTH. For a very brief question, by way of supplementing the gentleman's remarks a few moments ago as to the rise of prices. My attention was called to this because I happen at the moment to be occupying the desk of the gentleman from South Dakota [Mr. BURKE], and I observed a report of a bill which passed the House to allow a certain Indian school to spend an additional amount of money for the purchase of cast-iron pipe. I remember that the gentleman from South Dakota said that one of the reasons for the necessity of the passage of that bill was that cast-iron pipe was rising in price.

I want to ask the gentleman from Illinois what the Payne law did with respect to the duty on cast-iron pipe?

Mr. BOUTELL. The cast-iron pipe was lower under the Dingley law than under the Wilson bill, and is lower under the Payne law than under the Dingley law.

Mr. LONGWORTH. I think, if I remember correctly, the Payne bill reduced the duty on cast-iron pipe 50 per cent.

Mr. BOUTELL. The gentleman is correct.

Mr. LANGLEY. Mr. Chairman—

The CHAIRMAN. Does the gentleman yield?

Mr. BOUTELL. The gentleman must decline to yield, and only gave way to the gentleman from Ohio [Mr. LONGWORTH] as a colleague on the committee dealing with the subject which is now under discussion.

Now, Mr. Chairman, I will ask permission to insert in the RECORD other articles and other letters from all over the southern country which bear unanimous testimony to the proposition that I made, the simple proposition, and the first proposition to be met in discussing this tariff, namely, that the Payne tariff law has not burdened the United States. And I have taken that section of the country which the opponents of the bill say would be most burdened by it, that section of the country which the opponents of the protective principle have always said would be most burdened by putting a protective tariff law into effect.

Later on, as I have said, I shall be glad to take up the other subjects which we will have to meet and discuss in this campaign. I think now I have made it clear that in the agricultural districts of this country, particularly in the South and the Southwest, there is prosperity such as was never seen there before.

And I must close with this observation. I would like to say to those on this side of the House who voted against the Payne tariff act, that that act will abundantly justify itself. No tariff act can satisfy everybody. It can not be a perfect law in the estimation of any individual, but the Republican party, that was responsible for the Dingley tariff, the financial act of March 14, 1900, and the Payne tariff act, is not the party of reaction. It is, if I may give it the name, the party of realism. It is the party that sees the necessities of the country as they are, knowing that from duties on imposts must come about \$350,000,000 of revenue, the party that takes the law on the statute books and carefully and honestly endeavors to make that law meet modern conditions. This has always been the record of the Republican party; the devotion to meeting and dealing with things as they are, not wasting and frittering time away in high-spun theories which never come to realization, but in doing that which the country expects us to do, doing that which the majority of the people send us here to do, namely, to raise \$350,000,000 of revenue in the best way we could out of duties on imports and at the same time confer the maximum of good upon all the people and do a minimum of ill. That I think is the doctrine of enlightened realism.

So, let me say to those gentlemen who voted against the Payne Act, study it carefully, study it outside of the mere schedules. Read what the head of our party said about this law. Study its effect in the country, as I have tried seriously to do this morning with all the lightness and good nature that we could interject into a dry tariff discussion. Study it in the light of the history of the past, and you will see that the protective principle brought to the Southland just what was dearest to McKinley's heart, the prosperity which that section needed to bring it back into closer union and harmony with all the country. Read this Payne tariff act in the light of our future necessities, and then I think you gentlemen, by whatever title outsiders may call you, will rejoice and be glad that you are Republicans, will rejoice and be glad that we were right and you were mistaken, will rejoice and be glad and be proud of President Taft that he was the first one to come out, after this act had been put upon the statute books, with his approval of it as the best tariff law that had ever been passed. [Applause on the Republican side.] Look at it in that light, my friends who voted against it, and I am sure you will be glad to find that

you were wrong. I am sure you will be generous and courageous enough to admit it. And then you will be glad that we were right in passing just such a law as we did.

And to my friends on the other side of the House who are going to talk about the burdens of the high prices, you rejoice and be glad of the prosperity which has come to the beautiful Southland, to every county in it, and in the language of that eloquent and wide-awake Texas editor, "Adjust your perspective to the prospect," for the prospect is one of hope and radiant prosperity and of the future triumphs of the Republican party. So quit groaning and adjust your perspective to the prospect. [Loud applause on the Republican side.]

APPENDIX A.

SOUTHERN BANKERS TELL OF FARMERS' PROSPERITY.

[Written for the Manufacturers' Record.]

One of the clearest and most comprehensive surveys of the condition of farmers in the fourteen Southern States and in Oklahoma and Missouri ever presented is given in the following eight pages of brief letters from bankers, mainly in county seats of those States. It is a survey of abounding prosperity. In close touch with agricultural communities and vitally interested in all that concerns their welfare, the bankers are in an excellent position to measure things as they are. A sure index is the amount of deposits belonging to the farmers in the banks. Throughout the South generally there has been a marked increase of money to the credit of farmers in the banks during the past few years. For example, in one West Virginia city the deposits have increased in ten years from \$225,000 in two banks to \$750,000 in three banks. They are 50 per cent greater at Charlotte, N. C., than they were five years ago, and about 20 per cent greater at points in Missouri. A Mississippi banker notes that the betterment in this respect has come to small farmers particularly. Danville, Ky., reports the largest deposits in the history of the five banks of the county; the Virginia Peninsula about three times what they were fifteen years ago.

At some points the increased cost of living and a part failure of the feed crops have checked the tendency to an increase in deposits, but at other points the very fact of higher prices has more than compensated the farmers for the shortage due to drouth or other causes. Another cultivator of deposits is the increasing tendency of farmers to "live at home," as voluntarily in a realization of the uncertainty of single-crop methods, or through the species of compulsion on account of the boll weevil in Texas and Louisiana, especially, they have entered upon a period of diversification.

The prosperity of southern farmers is shown, however, in other ways, promising even greater things for the future. Old debts have been paid off, mortgages have been lifted, and former debtors are now creditors. Sometimes, under the spur of retail merchants insisting upon a cash basis of trade, they are becoming more economical and more careful about machinery and implements. Those with a surplus are investing in other lands, in finer grades of stock, in new houses and barns, in improved machinery, in more mules, in wire fencing, in clearing new lands, in local building associations, or in county bonds. There is comparatively little unwise speculation, save here and there, as in West Virginia, where some of the money derived from the sale of coal lands or from the granting of oil and gas privileges is not only sending farmers to town, but making victims of "gold-mining stocks;" or, in Tennessee and Oklahoma, where the run at some points seems to be toward doubtful life insurance and fire insurance schemes; or in Georgia, where cotton futures seem to have some slight call.

Permanent investments in land have meantime increased in value, according to location or other circumstances, and they range from 15 per cent in Kentucky and 25 per cent in South Carolina to 50 per cent in portions of Missouri, where wet lands have been reclaimed, and from 100 to 300 per cent in portions of Arkansas and Texas. Better roads and better schools, convenient telephone communication and more intelligent farming have contributed to this end; but another factor has been the trend of immigration from other parts of the country, most notably in Texas and Florida, but also having some effect in the trucking regions of Maryland and the Carolinas, in Virginia, Louisiana, Arkansas, Georgia, Alabama, Tennessee, Mississippi, and, of course, Oklahoma, with its virgin soils.

Taken as a whole, the situation is most satisfactory to every man interested in the welfare of the South. The danger in the situation is suggested in the following from a leading Georgia banker:

"I am only afraid that the wave of prosperity which has struck the South will cause a reckless spirit to abound and make our people undertake more than they can safely manage. Unusual prosperity is not best for any section, unless it continues long enough for the people to accustom themselves to it and to learn how to regulate their business affairs in the midst of good times. If the farmers of Georgia and the South will only keep their heads and be conservative in these prosperous times, not buying too much land or planting too much cotton, and if the merchants will not undertake to sell too many goods on credit and buy too much on time, I see nothing in the way of our having the best times in Georgia and the South that we have had in ten years."

The letters follow:

ALABAMA. BIRMINGHAM.

W. P. G. Harding, president First National Bank, Birmingham, Ala.: "I regard the present business and financial outlook as sound and promising. The farmers and merchants are generally in good condition. Real estate values in cities are firm, and values of farm and mineral lands show an advancing tendency. No unusual influx of settlers or investors is apparent yet, but a considerable movement in this direction is anticipated in the spring. There is more continued cold weather this winter than usual."

DECATUR.

First National Bank, Decatur, Ala.: "General financial conditions look better than for several years. Farm lands have increased in value within the last year 25 per cent. We frequently have new settlers and investors locating in this vicinity. The extensive Louisville and Nashville Railroad shops are running on full time, employing a large force, and the American Tanning Company has recently resumed operations. The only drawback to farmers is the scarcity of fine stuff and the exorbitant high price for mules and all farm supplies."

TALLADEGA.

J. C. Bowie, vice-president Talladega National Bank, Talladega, Ala.: "High prices for cotton more than offset the shortness in the cotton and corn crop in this section. More intelligent farming, better roads and schools, and free telephone communications are greatly adding to farm values. Mercantile interests are improving. Settlers from other sections are locating here, but not in great numbers. Our manufacturing industries, principally in cotton yarns, are doing well. The ability of this soil to produce so many of the essentials in good quantities is sure to attract desirable settlers. Altogether, the outlook is quite attractive."

MOBILE.

City Bank and Trust Company, Mobile, Ala.: "Business and financial conditions generally are showing noticeable improvement. Merchants report business better and conditions good. Manufacturing interests have practically gotten back to normal. The lumber business is improving, and prices have shown a steady advance for the past six months. Farm and real estate values are better, and there is more inquiry at increasing values. A large number of investors are buying country lands in Mobile and Baldwin County, adjoining us. Large plantings in fruits, oranges, and grapes and other semitropical products. This city's financial condition is the best since the war."

ARKANSAS.

BENTON.

E. S. Rodman, cashier First National Bank, Benton, Ark.: "The farmers in this immediate vicinity, as a rule, are in debt less than ever before, and the business outlook for the coming year is good. We have a good, steady growth here, and the value of farms is increasing each year."

BERRYVILLE.

D. J. West, vice-president Carroll County Bank, Berryville, Ark.: "On account of the resources of this country being opened up by the building of the Missouri and North Arkansas Railroad and the immigration from other States, the deposits of the farmers in this county are at least ten times what they were fifteen years ago, and at least twice what they were five years ago. The value of farm lands has about doubled in the last twenty years, and there is more demand for land now and at better price than ever before."

LITTLE ROCK.

Charles McKee, vice-president State National Bank, Little Rock, Ark.:

"The financial condition of the farmers in the vicinity of Little Rock is probably better than at any time in the past. A short crop of cotton was made up to the farmers in the high price. The deposits by farmers in local banks have been on the increase for many years, and we should say that the bank deposits of farmers have doubled during the past five years. The outlook for all kinds of business for this year is good."

"During the past six years there has been some disposition in this section to make investments in wild-cat enterprises both in and outside of the South. However, we believe this is at an end."

"The value of farm lands in Arkansas has materially increased, and the price of good lands has steadily advanced. Arkansas lands in general have been very low, and are still, compared with similar lands of other States. A large amount of money has been invested in Arkansas lands during the past year, especially in rice and timber lands. Settlers are looking this way. The steady growth and improvement of our cities, farms, manufactories, and mines is most gratifying to the business men of this State."

MARIANNA.

W. P. Weld, cashier Lee County Bank, Marianna, Ark.:

"The farmers in our vicinity are in much better condition than in former years, their deposits in local banks running at least 50 to 75 per cent larger than some few years ago. The general business outlook is fair, the surplus money from cotton and other crops being used in local developments rather than enterprises outside of the county and State. Values of farm lands have increased in the last five years from 100 to 300 per cent, and settlers are beginning to come from the Northern States, especially from Illinois and Indiana, and are investing heavily in real estate in this section. We have in this (Lee) county thousands of acres of very fine timber growing upon the alluvial Mississippi and St. Francis River bottom lands, while west of Marianna, the county seat, some 10 or 12 miles, begins the wonderful new rice development of this country. Would pay you to give special attention to the rice industry, and if you desire I can have an article prepared by perfectly reliable parties which will open the eyes of the people in the older section of the country as to the immense possibilities of this business."

PARIS.

W. R. Cherry, cashier Bank of Paris, Paris, Ark.:

"In the main the country is prosperous, yet there are a great many shiftless people who are hard pressed, and the very high cost of living is sorely felt by this class, while individual farmers are growing wealthier and they are accumulating some little surplus of money, and the banks hold better deposits than was held a few years ago. This is due to two causes—the increase of surplus cash and the more general use of banks. There has been an upward tendency in both real estate and live stock of every description. There is a slow, steady growth in population, but nothing spasmodic. There is no surplus of cash to be diverted into wild-cat investments, as there is good demand at fair rates at home. This is purely an agricultural country, and the thrifty, industrious farmer is doing well."

PINE BLUFF.

M. E. Bloom, cashier the Citizens' Bank, Pine Bluff, Ark.:

"The financial condition of the farmers in this section is more healthy than in several years past. Our section practically produces nothing but cotton, and the short production in the cotton States, resulting in the high price of the product, and the producers taking advantage and selling on the high market reaped the benefit at the right time. The general business outlook, as well as industrial, is very flattering indeed. Our city is improving in the way of better buildings, and the condition of our local merchants is above the average. Farm lands in this section are in demand at good prices, and there have been some good sales recently. The cotton land, producing from three-fourths to a bale per acre, lying in districts above overflows, sells readily for \$50 to \$75 per acre. I am not advised in reference to any new settlers coming into this section recently."

SHERIDAN.

Phil T. Lewis, cashier Grant County Bank, Sheridan, Ark.: "Grant County is comparatively a timber county, though being settled with a few farmers at almost all parts of it. The farmers, taking them as a class, are cotton and corn raisers, occasionally varying toward live stock, and their financial condition is better than at any former time, a great number of them being able to take care of themselves with their own resources. Our bank is carrying the account of quite a number of farmers, and their balances the past two years have shown material increases, and it is conservative to say that their bank balances in comparison with five years ago exceed themselves by 50 per cent, and their home comforts show a decided improvement. They seem to feel good, and very few have the moving fever. We are beginning to sell farms to out-of-State settlers, and in course of a short time hope to be able to interest more with the cut-over timber lands, lots of which will make good farms, and can be bought at reasonable prices."

WARREN.

S. B. Meek, president Warren Bank, Warren, Ark.: "The financial condition of farmers is much better than for a few years back, and are less in debt. Would say between 25 and 50 per cent better than five years ago. Farm lands have improved in value, and surplus money is being invested in lands. Lands have increased at least 50 per cent, and we still have the cheapest land under the sun."

FLORIDA.

OCALA.

Z. C. Chambliss, vice-president the Monroe & Chambliss Bank, Ocala, Fla.:

"The farmers in this section are in better condition than they were five years ago, and are doing more business with local banks, although their deposits now are not so large as they were during the early part of 1907. Business is brisk, though there is but little cotton raised in this section. There has been a substantial increase in the value of all classes of lands during the past twelve months, approximating perhaps 75 to 100 per cent."

"Swarms of settlers and investors are coming into this immediate section, principally on account of the sensational advertising of some Chicago and Fort Wayne land-booming companies. We think that a great many of these people will be disappointed, but that a great many really substantial citizens will be gained. Many of the people coming seem to have believed everything which they have seen covering all extremes of crops and productions, taking the extremes as an average. They think coconuts and corn grow on the same land at the same time, whereas one is produced in the extreme southern end of the State and the other in the central and northern, which are perhaps 500 miles apart. We have all kinds of soil and climate, and there are many very fine opportunities here, and we are encouraging that class of people who want to come among us to do things, and not expect to find money growing on trees."

PERRY.

W. L. Weaver, cashier First National Bank, Perry, Fla.:

"The farmers are in a fairly prosperous condition in this county. They met their obligations more promptly during the past fall than they have in the history of our institution. We have only a small number of farmers in our county, but what few we have who try are doing well and have money in the banks. They are using their surplus money in improving their farms, putting up wire fencing in place of the old rail fences, and building good, comfortable homes, etc."

"This county is almost a solid belt of round yellow-pine timber that is just beginning to be manufactured, and there is but very little land open to cultivation. There are no new settlers or investors in farm lands coming into this vicinity at present, but we think it due to a lack of advertising the value of the farm lands here and the fact that so little of it is open for cultivation. There has been an advance in farm lands within the past twelve months of at least 25 per cent."

MARIANNA.

W. H. Milton, president the First National Bank, Marianna, Fla.:

"The farmers of this vicinity are in better condition than they have been in the past two or three years; still crops were comparatively short in 1909, but the increased price of cotton more than offset the smallness of the crop. There are more farmers carrying deposits in banks than there were five years ago. I have not had time to examine the matter sufficiently to give the percentage of increase. The general business and industrial outlook is much better than it has been for some time. I do not think that the farmers will take much stock in speculation enterprises."

"Land values have increased considerably more than 10 per cent within the last year. There are new settlers coming in from other sections. In this part of the State they are coming principally from Georgia and Alabama, though we receive quite a number of letters in regard to land from people in the Northern and Western States, and I think some few sales are being made to them. This portion of Florida is strictly an agricultural, timber, and turpentine section, and this county's principal money crop is cotton. This is not generally known among prospective immigrants from Northern States, and usually those who write about land are prospective fruit growers, and for this reason I think the immigration to western Florida is less than it should be, as most of the farmers, i. e., of staple farm crops, usually write to other parts of the South, and farm lands here, which are really as fertile and sell at a less price, are principally known only to immigrants from near-by States like Georgia and Alabama, and a great many of them are buying lands in this section and moving on them."

ST. AUGUSTINE.

G. B. Lamar, vice-president and cashier the First National Bank, St. Augustine, Fla.:

"In our immediate vicinity (that is, St. Johns County, the business of which section is tributary to this town) the financial condition of the farmers is much improved over last year. The Irish potato crop, which is the principal staple raised for the market, was bountiful and sold at excellent prices. The result has been a considerable increase in the acreage, which will amount to possibly in this county and the adjoining county 50 per cent. This and the exploitation of farming lands throughout the county, which epidemic has reached us some months since, has given inflated value to all lands the least desirable for farming operations."

"On the other hand, the surplus from the result of last year's crop has been used almost altogether in the betterment of their original holdings or in acquiring additional desirable land.

"In our immediate vicinity there has been a similar influx of new farmers of a very desirable type, and in territory somewhat beyond what we consider our immediate province many thousands of acres have been sold at prices far exceeding their present legitimate value to persons reputed to be desirable and who intend to make this section their home. The general conditions in this city are healthy and the outlook promising."

GEORGIA. JESUP.

D. M. Parker, cashier Jesup Banking Company, Jesup, Ga.:

"The financial condition of the farmers in this section has not been better in years, if ever, than at the present time. The good prices received for their cotton has made the majority of them independent. They have harvested good crops of corn, hay, etc., and have considerable meat stored away or ready to kill. The deposits of the two banks here have never in their history recorded as much on deposit as at this time. They have at least 25 per cent more than they have ever shown before.

"The outlook for the coming year is very good. The farmers are raising more horses, but are buying more mules than in several years. They are using their money on farm improvements in the way of wire fences, new buggies and wagons, up-to-date farming implements, better cattle, clearing new lands, etc. Lands have more than doubled in price in the last ten years, and within the last twelve months there has been a tendency to higher prices, we should say from 10 to 20 per cent. A few new settlers are coming in, and desirable ones are wanted. Lands easy to clear and cultivate, and produce good crops first year under cultivation. Large tracts are for sale at reasonable prices."

LAGRANGE.

J. E. Dunson, president the Lagrange Banking and Trust Company, Lagrange, Ga.:

"The farmers of our community are in better condition as an average than for several years. While some of them are yet in debt by reason of the fact the crop was very spotted, taken as a whole, their condition is much improved. They are carrying at least 100 per cent more deposits than at the same period five years ago.

"As to the general outlook, it is fairly good. The high price of food products and the failure to a certain extent of feed crops will necessitate an investment of a large part of the surplus in that direction, but as to wild-cat schemes, I think the time has passed when the conservative farmers of the South can be led off with such schemes. There has been an advance of farm lands from 25 to 100 per cent; an average of 33½ to 40 per cent would appear to be about right. There are no investors or settlers coming into our section from elsewhere at present. Taken as a whole, conditions are satisfactory, and if the price of cotton continues remunerative, as at present, farm lands will continue to increase and every department of business as well."

SANDERSVILLE.

Banking house of Louis Cohen, Sandersville, Ga.:

"Financial conditions of our farmers are a shade better, and in better condition; not as much in debt. Deposits compared with average five years is more than double.

"Business outlook seems good for banks; as to industrial outlook, have nothing of the kind in our county worth mentioning. What surplus money the farmers have will be used almost exclusively on their farms. Fortunately, we have no farmers investing in wild-cat or speculative ventures.

"Our farm lands in this county have materially advanced in price per acre. Would consider the advance within the past twelve months to be fully 25 per cent."

SAVANNAH.

Mills B. Lane, president the Citizens' and Southern Bank, Savannah, Ga.:

"The farming interest in Georgia is now in better shape than it has been since the war between the States; in fact, it is the first time that the farmers to any great extent have been able to pay up in full and carry balances in bank; of course, there have been exceptions to this, but the bulk of them have been constantly in debt for the past forty-five years.

"All lines of business seem to be prosperous, and the money derived from cotton and other crops seems to be used in investing in local securities and developing farm properties, and not invested in wild-cat enterprises outside of the South. There are, however, a few cases where parties are speculating in cotton futures, and, of course, they will meet the usual result."

QUITMAN.

The Bank of Quitman, Quitman, Ga.:

"The financial condition of the farmers in Brooks County is very good. While some may owe money, others have substantial deposit accounts, and most of the obligations are for current necessities, and are retired in the early fall. We can not give you any near estimate of the increase in deposits in five years of the farmers' accounts, as we do not separate them by occupation, but the debts are greatly reduced and deposits increased very much during that time. I think a safe estimate for the past five years in the financial improvement in the farmers' conditions is 35 to 50 per cent.

"The business outlook is good. Farmers, as a rule, do not invest in securities or take stock in wild-cat enterprises. They buy more land, and still more land. Some of them, of course, take stock in local institutions—banks, cotton mills, etc., where they know the people who are to operate them, but the great bulk of their savings go back in land, stock, and improvements. Farm lands are higher—from 10 to 15 per cent on average.

"Some settlers are moving in here from North Georgia and buying small farms. The lands are cheaper, more easily cultivated, and thus more profitable. The newcomers are welcomed, and we have room for a great many more good, substantial farmers in this section."

SPARTA.

John D. Walker, president and financial agent Walker Banks, Sparta, Ga.:

"The financial condition of the farmers in this vicinity is first class on the whole. They are less in debt than in former years, and, in fact, some farmers have paid out of debt this fall who have been trying to get out for four or five years. They are carrying their surplus funds

in local banks, and their deposits, in my opinion, are at least 50 per cent better than five years ago.

"The general business and industrial outlook is very favorable, and I am only afraid that the wave of prosperity which has struck the South will cause a reckless spirit to abound and make our people undertake more than they can safely manage. Unusual prosperity is not best for any section unless it continues long enough for the people to accustom themselves to it and to learn how to regulate their business affairs in the midst of good times. If the farmers of Georgia and the South will only keep their heads and be conservative in the midst of these prosperous times, and not buy too much land or plant too much cotton, and the merchants will not undertake to sell too many goods on credit and buy too much on time, I see nothing in the way of our having the best times in Georgia and the South that we have had in ten years.

"The effect of high-priced cotton in this section is to enhance the value of land, for whenever money is plentiful land values go up. More land has been sold this fall in this vicinity than in several years.

"In a general way, I should say that our people were never in better shape nor the future brighter with hope than at the present time."

SUMMERVILLE.

N. K. Bitting, cashier Bank of Commerce, Summerville, Ga.:

"Notwithstanding our having had a severe hailstorm in this county in November, which proved very disastrous to our cotton crop, our farmers are less in debt than for years; deposits from farmers are larger than at any previous time.

"Business outlook is very promising. Our farmers do not speculate in any sense, but are using their money to improve their farms, both in buildings and fertilizers. Prices of farm lands have advanced about 10 per cent within the past twelve months. The increase has been brought about largely by recent business improvement. Within the past two or three years we have had quite a number of settlers from other sections, principally Ohio, Illinois, Texas, and the West."

VALDOSTA.

J. F. Lewis, president the Citizens' Bank of Valdosta, Valdosta, Ga.:

"The farmers in our section are in better financial condition this year and less in debt than in former years. Their deposits are fully as much or more than ever before. The industrial outlook is better than ever before. Their surplus money, however, is being used to improve homes and for development work. Farm lands have advanced in value from 25 to 50 per cent. Some few settlers and visitors have come to our section."

KENTUCKY.

DANVILLE.

J. A. Quisenberry, cashier the Citizens' National Bank, Danville, Ky.:

"The financial condition of the farmers of this section is better than it has ever before been. High price of tobacco and farm products and live stock have put them in fine fix. On January 1, 1910, there was on deposit in the five banks in this county \$1,245,691.46, and of this amount there was on that date in the three banks in this city \$1,095,691.46. This is the largest deposits the banks have ever had in their entire history. As a result, the farmers are less in debt than ever before, and their financial condition, as a rule, is good.

"The general business and industrial outlook is good, especially if we can get some legislation through our present legislature upon the matter of methods of taxation, whereby capital will be invited to come into our State, instead of being driven out, as it has been for some years past.

"The surplus money from the crops will be invested in other lands, stock and improvements, partially, and some of it will doubtless go into questionable investments. This section of our State is almost entirely agricultural, and too little of a manufacturing section; consequently we do not have that avenue for investment of capital.

"Lands in this section have advanced a good deal—say, perhaps, 15 per cent in the past year. We have a steady demand for good lands, but the buyers, as a rule, are not from the outside of the State, but come from our mountain sections, where they have sold mineral lands and want to invest in better farming lands than the mountains afford. In the past eighteen months we have had a considerable increase in our population, largely due to the fact that the Cincinnati, New Orleans and Texas Pacific Railway Company (now operated by the Southern Railway) has made this city an end of its first division out of Cincinnati, and the further fact that this community has this year developed into quite a large loose-leaf tobacco market. This has stimulated the growth of tobacco, and we look for about 100 per cent increase in the acreage for the coming season of 1910."

CLINTON.

C. V. Heaslet, cashier the First National Bank, Clinton, Ky.:

"An intimate connection during the past eight years I have been in the banking business in this (Hickman) county leads me to say that the financial conditions are very much better at the beginning of this year than at any time for the past eight years in this, a truly agricultural country. There has been made just a beginning of the intensive methods of farming, and the idea is spreading and spreading as the success of it is noted by the surrounding neighbors. Crop rotation is being more carefully and systematically done, and grain crops are being used for feeding live stock upon the lands, producing the grain to an extent never known before.

"Again, in the retail business done by merchants the cash system is rapidly being adopted, and is a very potent factor in preventing the purchase of articles not necessary, and is causing the people to take reasonable care of machinery that formerly was left in the open weather when crops were harvested, as frequently, under former conditions, the owner of this or that piece of machinery would be struggling to pay notes executed for the purchase price long after the machine had been thrown in the scrap heap.

"Our people are more generally doing a banking business than in the years past, and there is an independence and satisfaction felt by a man with money in the bank not known to the individual without it.

"The price of farming lands has advanced something like 25 per cent upon land within reach of speedy marketing in the past six or seven years, and while there has been no marked immigration into this section, yet many farmers have, one by one, found better lands here at cheaper prices than in their former homes, and in that way have assisted in bringing in advanced methods of agriculture as practiced in sections of high-priced lands.

"There is a spirit of optimism prevailing here, and the dawn of still greater activity and prosperity is breaking. Education of the youth to present higher standards will fit them for that better appreciation of

the natural resources and advantages so lavishly distributed over this western portion of Kentucky, widely known as the 'Penny-rile' district of Kentucky."

LOUISIANA. NEW ORLEANS.

Sol Wexler, vice-president Whitney-Central National Bank, New Orleans, La.:

"The financial condition of the farmers of this vicinity is, in my opinion, better than it has been for a great many years. Not only has their credit been restricted in order to enforce a more general diversification of crops, but there has been a general disposition on the part of farmers to live more nearly at home and to use their credit to a lesser extent. The best evidence that they have a large surplus of cash is the fact that local banks in this vicinity have larger balances in the hands of their depositaries than at any time during the past five years."

"The general business and industrial outlook is unusually promising. I believe that the funds will remain in this section of the country, and will be kept more or less in liquid form, rather than for investment or development work of any kind, either here or elsewhere."

"There is a growing increase in immigration into this section of the country and considerable inquiries for farm lands coming from western farmers, and I believe that our farming lands at the present time are probably selling at the lowest price we shall see them for many years to come. There has not been an advance in the last twelve months, but rather a decline, owing to the prevalence of the pest known as 'boll weevil,' and during the interim, in which a general change of farming methods will take place, there has been a process of elimination of such farmers as are unable to adjust themselves to more general diversification of crops and new conditions."

SHREVEPORT.

P. Youree, president Commercial National Bank of Shreveport, Shreveport, La.:

"The financial conditions of the farmers in our vicinity are much better than they have been for the past two or three years. They are less in debt and have more surplus than they have had in some time; the deposits compare favorably with five years ago; in fact, are much better than they were five years ago."

"The general business and industrial outlook in this vicinity is good. I do not think there will be any surplus money invested other than locally here. There have been some speculative or 'wild-cat' enterprises this year in way of cotton futures, but these were confined to the people who gamble in that way every year."

"While the boll weevil has affected the value of farm lands in this section of the country, yet the improvement and the betterment of farm conditions is very great. There has been no advance in the value of farm lands during the past year."

"We have a few settlers and investors from other sections of the country coming into this immediate section the past year. That seems to be the trouble with this part of the country. If we could get immigrants of good Swede or German stock, or Illinois farmers, we think this would be the greatest country on earth. When you consider that we can raise everything that is raised on lands, and the South has the monopoly on the cotton crop, and the State of Louisiana furnishes about 80 per cent of the sulphur of the world, with inexhaustible salt mines, and more virgin timber than any other State, and more alluvial land than any State; that more corn and as much alfalfa can be raised here than in any section of the United States, then you can not but recommend people to move to this country. I am pleased, indeed, to answer your questions."

WINNFIELD.

H. T. Pye, president Bank of Winnfield, Winnfield, La.:

"The financial condition of the farmers here is good. Very few in debt, and at least 95 per cent carry bank accounts, compared with about 25 per cent five years ago. General business outlook is good; very little local capital invested outside immediate territory. Immigrants are beginning to settle on the cut-over lands, and more attention being given diversified farming."

MARYLAND. ANNAPOLIS.

J. Wirt Randall, president the Farmers' National Bank, Annapolis, Md.:

"In response to your circular of inquiry I will briefly state the situation in this portion of Maryland—Anne Arundel County. The farmers have not had a good year in 1909; the drought was general and most pronounced through the later summer and the autumn. The upper half of our county is given up almost exclusively to raising fruit and vegetables for market, and the drought was particularly severe upon them. What was raised, however, particularly in the way of grain, hay, etc., commanded good prices, and some made unusually large profits. The deposits in our local banks compare very favorably with prior years, and emphatically so compared with the period of five years ago. This increase is particularly in the savings banks and savings departments of the other banks, indicating a more general habit of saving than ever before."

"The city of Annapolis itself is steadily improving in development of all kinds, and is experiencing a boom as a 'residential city.' Since the final settlement of the question whether the Naval Academy will be permanently located in Annapolis many people connected with the navy, officers and employees, have been making it their fixed home. The electrifying of the railroads between Baltimore and Washington and Annapolis has also given a stimulus to subdivisions of farms and the building up of suburban residences near the lines of these roads. Water-front property is being appreciated as never before in this section, and values have been going up by leaps and bounds. For the past five or six years very many handsome residences and attractive villas have been building along the Severn and other rivers and the bay fronts of Anne Arundel County, and land companies and development companies are being formed constantly to buy up and subdivide such properties. The result is very favorable to the business and industrial outlook of this part of the State, as many settlers and men of means from other sections are coming into it."

"The northern portion of the county, between Annapolis and Baltimore, and the western portion, along the line of the Washington, Baltimore and Annapolis electric road, are receiving many foreigners, who are buying up small tracts of land and illustrating the advantages of 'intensive cultivation.' They are largely from Eastern Europe—Hungarians, Bohemians, Lithuanians, Russians, etc.—and seem a very industrious class of people. There are several also from the northwestern portion of the Dominion of Canada who have become tired of the long winters

there prevailing and have sold out there and bought land in Anne Arundel County. They predict that there will be quite a movement of that sort in the near future."

OAKLAND.

R. E. Sliger, cashier First National Bank, Oakland, Md.:

"Regarding the general business conditions of our community, I must say that there has been a great improvement in the last few years, and particularly in the case of the farmer. While Garrett is the largest county in the State it is also the youngest, and not so thickly settled as the older counties. Up to within the last few years it has had many acres of good timber land, nearly every farmer having a portion of his land covered with virgin forest. He has been able to sell this timber for enough to pay his mortgage, if he had one, and to improve the balance of the farm. This also applies to some coal that has been sold, the surface being retained. There is no tendency here to invest the surplus in 'wild-cat' enterprises, so far as I know, but it has been put back on the farm in the shape of improvements, or deposited in the savings department of the national banks. I should say that their deposits have doubled in the last five years, and in many cases the farms have more than doubled in value. Each farmer is becoming more scientific each year and getting better results from his labor. He is using improved machinery more and more, raising better crops and erecting better buildings. There are a number of cases where investors from other sections have bought land and settled here, and a farmer who is getting up in years sometimes sells his farm and moves into Oakland, the county seat. There is always a demand for residence property in Oakland, which is a delightful resort the year round and has the reputation of having a summer climate that is unsurpassed. The new state road that is now being built through each county has already increased the value of the land that is near it, and when completed will do a vast amount of good to the whole State. I look for a great improvement in the next two years."

MISSISSIPPI. CARROLLTON.

J. R. Bingham, president Bank of Carrollton, Carrollton, Miss.:

"The condition of the farmer in this vicinity is improving somewhat. He is still in debt, as of yore, and still a borrower. Few of them have money on deposit, though their numbers increase steadily, as does the amount. The business and industrial outlook is good and grows better. Local money will be used to develop our natural resources. Our people are not inclined to go abroad for investments, and lack funds if they had the inclination. Price of farm lands has doubled within recent years, but there has been no change within twelve months. Investors and settlers from other sections do not come here."

HATTIESBURG.

F. W. Foote, vice-president First National Bank of Commerce, Hattiesburg, Miss.:

"The financial condition of the farmers of this section is very much better than heretofore. They are less in debt, and many of them are out of debt. A great many deposit with the local banks, and such deposits are considerably higher than they were five years ago. Regarding the general outlook, it appears to us that the present year should witness prosperity on the part of the people. The people of this section are more conservative, careful, energetic, and economical than heretofore, and they are consequently better managers. The value of farm land has not increased during the past year, but desirable farm land brings a good price—very much more than such land brought a few years ago. There is some immigration to this section, but not a great deal."

VICKSBURG.

B. W. Griffith, president First National Bank, Vicksburg, Miss.:

"The general condition of farmers in the territory tributary to this city is much better than for many years. Crops were somewhat short, but they were raised on a more economical plan than usual, and prices were excellent. Almost all farmers—the small farmer particularly—has money to his credit in bank. In consequence, the banks have larger deposits than ever before."

"The outlook is most hopeful. Diversified farming has become the rule instead of the exception, and very few have failed to raise sufficient foodstuffs for the coming year, thus being far more independent than formerly. Their investments are going into home industries only, and in the main such as look to farm improvements."

"Immigration is slow, and that of the best kind—sober, industrious, intelligent, and thrifty—is the one and only great need of this part of the country. Our climate and soil offer the best opportunity for such immigrants of any in my knowledge, and land—good land—is now cheaper here than it will ever be again."

MISSOURI.

CENTERVIEW, JOHNSON COUNTY.

R. C. Hull, cashier Bank of Centerview, Centerview, Mo.:

"Farmers are less in debt than five years ago, and are carrying probably 20 per cent more deposits than five years ago. The business outlook is excellent. Most of surplus will be invested at home, placed on deposit with local banks. A small per cent will get into the wild-cat schemes. Farms and homes have been improved, and land has advanced 15 per cent in twelve months, 30 per cent in five years. Investors from other sections probably bought one farm in twenty every year for the last five years. I want to qualify my answer to the first question. Some investors have bought farms at the advance and placed probably larger mortgages on farms than they ever carried before. Of course, that class is more in debt than formerly."

CLAYTON, ST. LOUIS COUNTY.

F. J. Hollocher, secretary the Trust Company of St. Louis County, Clayton, Mo.:

"The financial condition of the farmers of this vicinity is good. As a rule, they are not debtors, but are creditors, loaning their surplus funds or buying additional real estate. The deposits are larger than they were five years ago by at least 10 per cent. The general business and industrial outlook appears promising. All surplus funds from the crops of this vicinity are, as a rule, employed to develop the local territory. The value of farm lands is appreciating along with all other commodities. The advance within the last twelve months in real estate is estimated at least 10 per cent."

EDINA, KNOX COUNTY.

E. O. Parsons, cashier Knox County Savings Bank, Edina, Mo.:

"The land in this county has doubled in price in the last eight years. The loans on real estate have increased in that time in propor-

tion to the increase of the price of land. The lands that have changed hands the last two years have been between local people. Last year was a very bad crop year in this county, but what the farmers have had to sell is bringing extremely high prices.

"There are lots of money in the banks, but we have a strong demand for loans, and interest is getting higher. In the last statement of the banks, last November, I noticed the banks had lost about \$50,000 in deposits in this county in the last year. Our home people are beginning to realize that our land is not going to be any cheaper and are getting land hungry. In the last year the good class of land has advanced \$10 per acre, and that by local buyers. The surplus made by the farmers is used to improve or buy more land; when not used for either it is generally loaned out on real-estate security."

KIRKSVILLE, ADAIR COUNTY.

E. Conner, assistant cashier the Citizens' National Bank, Kirksville, Mo.:

"The financial condition of the farmers in our section is far in advance of what it was in former years. They are less in debt and are carrying more surplus deposits in local banks—we would think as much as double the amount of five years ago. The general business outlook is fine. We do not think the surplus money in this section will be invested in speculative or visionary schemes. There seems to be more of a sentiment of improving property of all kinds. Farm lands have almost doubled in price here in the last five years. A great many new settlers are coming into this section from Iowa and Illinois, which is largely responsible for the increase of land values. Business in general seems to be very prosperous."

LAMAR, BARTON COUNTY.

Charles B. Edwards, cashier First National Bank, Lamar, Mo.:

"Our farmers are in very much better financial condition than for five years. I do not think that there is any material increase in deposits, but many farmers have reduced their mortgages, have their farms better improved, and a great deal more stock and other personal property. As this is a farming community we look for business generally to be good, providing prices hold up."

"I think in this community that what surplus money our people get hold of will be spent in local investments and development work. Farm conditions and improvements are very much better than they were a few years ago, and land has advanced about 25 per cent. We have had quite an immigration from Illinois, Wisconsin, and Dakota, most of whom are investing in Barton County land."

LINNEUS, LINN COUNTY.

W. P. Thorne, cashier Citizens' Bank, Linneus, Mo.:

"The financial condition of the farmers in this locality was never better. A great many farms have been sold in the last few years to men from other States that had but little to pay down on them, but the advance in the land has been on the increase, so most of them could sell with a profit. We are having a good demand for money. Our deposits have been on the increase for some time, but this is the time of year that they will decrease to some extent. Land has increased from \$15 to \$20 per acre in the last four or five years. I think we have a bright future if money keeps easy. Farm products of all kinds are bringing the best prices they have in years. With good crops and plenty of money this county will bloom like a rose."

MONTICELLO, LEWIS COUNTY.

G. W. Marchand, secretary Monticello Trust Company, Monticello, Mo.:

"As a general rule the farmers in this county are in a prosperous condition. They have been for the last several years reducing their indebtedness on their farms. The amount of money carried by the banks at the present time is practically double that of five years ago, and as this is a farming community it therefore means that this increase of deposit is largely due to the surplus money belonging to the farmers. The business outlook is good. Our surplus money will be used on home improvements. Our people are not inclined toward speculation. Farm lands in this community have been on the increase for several years. I do not know that there has been a special increase in the last twelve months, but there has been an increase of from 50 to 100 per cent in the last three or four years. Very few settlers or investors from other sections are coming in here. Most of the changes made in the ownership of farms have been from local sources."

PERRYVILLE, PERRY COUNTY.

Thomas L. Phillips, cashier Bank of Perryville, Perryville, Mo.:

"Farmers are doing well, getting on an average 20 per cent more for stuff this year than last. Investing their funds mostly in farm loans. No new settlers coming into the community. Things as a whole are unusually prosperous among the farmers, but the laborers are not at all satisfied with conditions and the prices they are securing for their labor."

POPLAR BLUFF, BUTLER COUNTY.

N. B. Cook, cashier Bank of Poplar Bluff, Poplar Bluff, Mo.:

"The farmers of this locality are in a much better financial condition than ever before. They have for the past five years given more attention to farming, cleared more land, planted more crops, and received better prices for their products. The higher prices have stimulated them to increase the acreage and reduce their indebtedness and live better, while, perhaps, their cash on hand is but little more. General outlook is good, with prospects for greatly increased agricultural products and industrial output, with a marked tendency toward conservatism in investments. In the lowland districts, where the ditch system is being put in operation, the land has increased 50 per cent in the last twelve months and is being bought up rapidly at the increased price by settlers from the North and East, where land is high. What is known as the 'swamp lands' of southeast Missouri will in a few years be the proverbial 'Garden of Eden.'"

ROCKPORT, ATCHISON COUNTY.

Dean T. Wyatt, cashier of Bank of Atchison County, Rockport, Mo.:

"The financial condition of the farmers in this section is better than ever before. The past five years have been years of good crops and good prices for all farm products; consequently the farmers have made plenty of money. This is strictly a corn and cattle-feeding country. We raise large acreage of corn, with little wheat and oats, and, of course, different hay crops. The corn is nearly all fed here in the bank deposits for the past few years have been steadily increasing, and the deposits are practically all farmers' deposits. There have been three new banks organized in the county during five years, and the deposits of the former banks are larger than before their organization."

"Land values have, of course, advanced materially. I would judge there has been an advance of 25 per cent in five years, and when you consider that our lands sell for \$100 to \$150 per acre, you know that

is quite an advance. There is no immigration into this county, on account of the high-priced land, all land sold going to people already residing here."

"Taking it altogether, our people are enjoying much prosperity, paying mortgages, and the financial condition of our farmers is splendid."

ROLLA, PHELPS COUNTY.

J. H. Smith, cashier Merchants and Farmers' Bank, Rolla, Mo.:

"The general business conditions in this section are very good. Farmers are enjoying the highest prices for all products known for years. This, together with fairly good crops, has brought many of them 'out of the woods.' More money is being handled than ever before. Demand for loans is strong, but with supply adequate. This has always been a borrowing community, but many farmers are paying off their loans in full or in part. Land values have been steadily increasing for four or five years, and are yet in good demand. Farmers are putting up better buildings. The log house has become scarce. A better grade of stock is being produced. There is but little speculation except in stock, and that can hardly be called such. Quite a number of people are coming in from the Northern States. Prices on food articles are very high, and in some cases almost prohibitive. Labor is scarce and wages high."

TROY, LINCOLN COUNTY.

Charles Martin, president Farmers and Merchants' Savings Bank, Troy, Mo.:

"The financial condition of the farmers of this vicinity is better than it has ever been. They are carrying larger deposits in the local banks than ever before. The surplus money of the farmers is derived from wheat, corn, and live stock. This surplus will not be invested in wild-cat enterprises. Farm lands have advanced in value 25 per cent in the last two years. Very few investors from other sections."

VALLEY PARK, ST. LOUIS COUNTY.

R. J. Walters, secretary and treasurer Valley Park Trust Company, Valley Park, Mo.:

"There has been a wonderful improvement in every direction in this section in the last five years. Farmers were never in a better financial condition; their deposits with us have quadrupled during the period mentioned, and where we formerly were able to place our funds out on local farm mortgages, that class of loans is now scarcely to be had, the most of the farmers either being out of debt or they loan among one another at a rate that would not be profitable to us. Land values have increased at least 40 per cent, and the farmer is now enjoying some of the luxuries of life. Their houses, as a rule, are new and modern, and they have telephones, and in some cases have automobiles."

APPENDIX B.

[From Dun's Review, November 6, 1909.]

Without exception, the reports of trade, both wholesale and retail, in all parts of the country are more than satisfactory and hold out the promise for 1910 of a year of unequaled business. What this means, expressed in almost inconceivable figures, is that the United States is now increasing its wealth at a rate never before achieved. Neither the high prevailing prices nor the discussion of disputed economic policies seems in any way to shake confidence or check the industrial progress. There has been no further advance in money rates and financial conditions which, three or four weeks ago appeared somewhat threatening, are now undisturbed. The volume of bank clearings, measuring the business transactions of the Nation, are in many cities greater than ever before, and all records in New York for one day were broken during the week.

APPENDIX C.

An inventory of southern progress and prospects.

On the eve of the Thirteenth Decennial Census the Manufacturers' Record ventures upon a forecast of the showing that the South will make in 1910 in comparison with 1900 in the following table:

	1900.	1910.
Population.....	23,548,401	28,085,000
Density.....	29.1	34.7
Manufactures:		
Capital.....	\$1,153,002,368	\$2,214,000,000
Products.....	\$1,463,643,177	\$2,777,000,000
Cotton mills:		
Capital.....	\$112,837,000	\$298,900,000
Spindles, active.....	4,453,729	11,335,000
Looms, active.....	112,806	244,000
Cotton used.....pounds	747,744,096	1,310,000,000
Cotton-oil mills:		
Number.....	369	850
Capital.....	\$34,450,000	\$105,000,000
Pig iron made.....tons	2,604,671	3,800,000
Coke made.....do	5,799,384	10,786,000
Lumber products, value.....	\$188,114,000	\$440,000,000
Lumber cut.....feet	13,699,107,000	21,000,000,000
Farm products, value.....	\$1,271,654,000	\$2,550,000,000
Cotton crop: *		
Bales.....	9,003,296	11,500,000
Value, without seed.....	\$339,958,000	\$900,000,000
Grain products: *		
Corn.....bushels	476,655,808	735,829,000
Wheat.....do	93,358,836	60,781,000
Oats.....do	83,998,256	50,409,000
Mineral products, value.....	\$114,945,099	\$358,000,000
Coal mined.....tons	49,048,059	113,800,000
Iron ore mined.....do	4,707,449	7,000,000
Petroleum.....barrels	17,093,973	31,200,000
Phosphate mined.....tons	1,489,907	2,592,000
Railroad mileage.....	52,594	69,400
Exports, value.....	\$484,644,177	\$650,000,000
National banks:		
Resources.....	\$516,798,036	\$1,251,000,000
Capital.....	\$86,371,980	\$175,000,000
Individual deposits.....	\$264,368,284	\$670,000,000
Other banks, deposits.....	\$254,439,168	\$716,000,000
Common schools, expenditures.....	\$26,535,848	\$36,000,000
Property, true value.....	\$13,863,073,149	\$21,500,000,000

* The figures are for the year preceding the census year.

CONDENSED FACTS ABOUT THE SOUTH.

It is a fact that this year the South's cotton crop will be worth not far from \$1,000,000,000, or twice as much as the output of all the gold mines of the world for the same year.

It is a fact that the South is producing 800,000,000 bushels of grain a year.

It is a fact that the total value of the agricultural products of the South this year will be \$2,550,000,000, which is more than the total, excluding slaughtered animals, of the United States in 1890, when the population of the country was 63,000,000, while the population of the South at present is 27,500,000.

It is a fact that such remarkable agricultural advance proves the agricultural capabilities of the South and the activity and energy of the farmers of the South.

It is a fact that the Rothschilds and other English financiers, in connection with leading New York financial people, are building at a cost of several million dollars a great steel plant in Alabama which will employ about 3,500 people, and that one of the associates of the Rothschilds who recently visited the South, in referring to the resources and progress of this section, said to the Manufacturers' Record:

"I am astonished beyond words to express. I have visited California and Canada, but have never seen anything to equal the great development that is going on in the South."

It is a fact that the South has 62,000 square miles of bituminous coal lands, as against 17,000 in Great Britain, Germany, France, and Austria combined.

It is a fact that the South is now mining over 90,000,000 tons of bituminous coal a year, as compared with 42,000,000 tons, the entire bituminous coal output of the United States in 1880.

It is a fact that according to official records the South has more iron ore than foreign experts claim for all of Europe.

It is a fact that the United States Steel Corporation, having already invested about \$50,000,000 in Alabama, is carrying out vast improvements, including the building of a \$3,000,000 steel and wire plant, a storage reservoir lake for the use of its own works, to hold 2,500,000,000 gallons of water, a coke-oven plant to produce 3,000 tons of coke per day, and other undertakings which will add immensely to the prosperity of the whole South.

It is a fact that the United States Steel Corporation is handling a large part of its export trade in steel rails through its Alabama plant, and that it is now filling an order for 110,000 tons of Birmingham-made rails for shipment via southern ports to the Argentine and Brazil.

It is a fact that the Birmingham-made steel rail has no superior in the United States.

It is a fact that southern cotton mills are now consuming 2,500,000 bales of cotton a year, or as much as all other mills in the United States are consuming of southern-grown cotton.

It is a fact that the South is producing nearly one-half the sulphur of the world, and is absolutely dominating the world's sulphur trade.

It is a fact that phosphate rock, the foundation of the great fertilizer industry, is found in larger quantity and under more advantageous conditions of mining than elsewhere in the world, and that the rest of the world must largely depend upon the South for its supply of phosphate rock.

It is a fact that over 40 per cent of all the standing timber in the United States is in the South.

It is a fact that a southern port outranks all other ports in the United States in export trade except New York, and that the trend of foreign commerce through southern ports is increasing more rapidly than elsewhere in the country.

It is a fact that the greatest railroad builders of America are straining every nerve to extend their lines to the centers of southern activity and to reach southern ports in order to win strategic positions in this section, which they recognize is to be the center of the world's greatest industrial interests.

It is a fact that nowhere else on earth are found in the same country the foundations of all great manufacturing interests—cotton, coal, iron, lumber, phosphate rock, oil, sulphur, gas, water powers, and many other things.

It is a fact that the marbles, granites, building stones, and clays of the South are unsurpassed in quality and scarcely equalled in quantity elsewhere in America, furnishing a limitless field for development work.

It is a fact that the South offers greater advantages than any other region in America; that apple growing in the South is as profitable as apple growing on the Pacific coast; that the production of oranges, grape fruit, and early vegetables in this section offers better opportunities for money-making than similar industries anywhere else in the United States.

It is a fact that these facts are at last beginning to make their impression upon the people of the whole country, and that over 200,000 northern and western people are annually pouring into this section, at present mainly into Texas and Florida, but with an increasing movement into every other Southern State.

It is a fact that this vast host is only the advance guard of a mighty army of people who, realizing southern opportunities more than the people of the South themselves, are coming into this section because they find it more inviting for home making, for agricultural operations, for industrial pursuits, for health and climatic advantages than any other region of America.

It is a fact that southern railroads must spend \$2,000,000,000 in ten years to provide facilities needed in southern growth.

It is a fact that what is probably the most comprehensive and remarkable warehousing system in America is being developed in a southern town, and is, in part, already in operation.

It is a fact that the South is building two of the most remarkable railroads ever constructed in America, and that one of them is the most unique ever built in the world.

It is a fact that the South is now spending \$20,000,000 in building cotton mills.

It is a fact that good roads, which mean more for agricultural prosperity than anything else before the public, are being built all over the South as never before, at a cost of many millions of dollars.

It is a fact that all of the present development of the railroad and industrial work in the South is only the revival of what was being done prior to 1860 on a relatively still larger scale, which shows the inborn trait of southern people to turn to industrial interests.

It is a fact that the South lost by emigration between 1865 and 1900 about 2,500,000 of its own white people, and this was a far greater loss than the ruin and destruction by war.

It is a fact that this drain has largely stopped, and that southern men and boys are now finding more avenues of employment at home than elsewhere.

It is a fact that the tide of investment of American and foreign capital and the movement of population is turning southward as never before, and that wonderful things are in store for this section.

It is a fact that with a population less by 3,000,000 or 4,000,000 than what the total population of the United States was in 1860 the wealth of the South is \$6,000,000,000 greater than the total wealth of the whole country in 1860.

It is a fact that great drainage undertakings are now being carried out in the South, reclaiming wet or overflowed lands and making susceptible to cultivation some of the richest lands in the world. Much of this easily reclaimed land has a soil not surpassed, if equaled, in the world for fertility and depth. Through the utilization of such land the wonderful development of rice growing in Louisiana and Texas was made possible, and the hundreds of millions of values thus created will be more than duplicated by further drainage operations.

It is a fact that these things should be known to every man and woman, every boy and girl in the South, that they may have a better appreciation of the possibilities of their own country and be inspired to do their full part in the utilization of its resources.

APPENDIX D.

[Annual message of T. M. Campbell, governor of Texas, January 14, 1909.]

TEXAS PROSPERITY.

You have assembled under favorable conditions. The state treasury is on a cash basis. The State is generally prosperous, and the people are contented and happy.

OIL AND RICE.

With respect to the oil and rice industry, the platform of the Democratic party reads as follows:

"Recognizing that the oil and rice industries are of great importance to the growth of the State, we recommend legislation that will protect them."

APPENDIX E.

Fifty years of southern progress.

	The South.		United States, 1860.
	1860.	1910.	
Population.....	11,021,146	28,085,000	\$1,443,322
Density.....	13.6	34.7	10.5
Manufactures:			
Capital.....	\$142,368,237	\$2,214,000,000	\$1,009,855,715
Products.....	\$240,609,780	\$2,777,000,000	\$1,885,831,676
Cotton mills:			
Capital.....	\$12,139,721	\$298,900,000	\$98,535,239
Spindles, active.....	352,946	11,335,000	5,235,727
Looms, active.....	8,542	244,000	123,313
Cotton used..... pounds..	58,909,746	1,310,000,000	422,704,975
Pig iron made..... tons..	130,761	3,500,000	937,539
Lumber, value.....	\$20,936,783	\$440,000,000	\$95,912,288
Agricultural products, value ^a ..	\$300,000,000	\$2,550,000,000	\$1,750,000,000
Cotton crop grown: ^a			
Bales, 500-pound.....	4,157,470	10,000,000	4,158,461
Value, without seed.....	\$182,928,680	\$750,000,000	\$182,972,284
Grain products: ^a			
Corn..... bushels..	258,154,000	735,329,000	830,452,000
Wheat..... do.....	44,885,000	60,781,000	171,183,000
Oats..... do.....	28,497,000	50,409,000	172,555,000
Coal mined..... tons..	1,874,720	113,600,000	14,610,042
Iron ore mined..... do.....	229,237	7,000,000	2,514,232
Railroad mileage.....	9,897	69,400	39,794
Exports, value ^c	\$188,000,000	\$350,000,000	\$373,000,000
Banks, deposits.....	\$61,741,183	\$1,836,000,000	\$259,802,129
Common schools, expenditures.....	\$4,474,870	\$56,000,000	\$22,548,519
Property, true value.....	\$5,286,214,108	\$21,500,000,000	\$16,159,616,068

^aYear preceding census year. The southern cotton crop does not include cotton grown in Missouri, Oklahoma, or other States outside the South.

^bEstimated.

^c1860 included specie.

APPENDIX F.

INDUSTRIAL HOUSTON—ITS ADVANTAGEOUS POSITION FOR MANUFACTURING ENTERPRISES.

[Special correspondence Manufacturers' Record.]

HOUSTON, TEX., January 4.

While Houston has for the past twenty years occupied a prominent position on the map of Texas, its growth within recent years has been so phenomenal as to have attracted universal attention. The result has been that its possibilities and inherent advantages are being investigated by capitalists who are seeking investments which promise flattering returns and a steady advancement in values.

With a population of 105,000 robust and enterprising citizens who have absolute faith in the future of this city, the scheme of development has become so varied as to include many lines of human endeavor, and the fact that all of their industrial enterprises are in a flourishing condition emphasizes the fact that Houston has become a recognized manufacturing center, its factories, of diversified character, all running to their fullest capacity, and many enlarging their plants.

Manufacturing industries do not continue to flourish and expand where conditions are not favorable. The peculiar location of Houston,

with its 17 distinct lines of rail transportation and its ship channel giving access to the Gulf of Mexico, affords facilities for the distribution of her manufactured products such as are enjoyed by no other city of the Southwest. Proximity to raw material is an economic proposition of the greatest consideration, and with a wealth of iron ore, valuable forests of hardwoods and pine, and with the oil and coal fields of eastern Texas within easy access, many new industries have been established within the past few years. The character of labor available and the wages paid are essential items which the manufacturer must consider in seeking a location, and while the prevailing wages are about the same as are paid in other cities, it is a fact that the character of the labor to be secured here as regards intelligence, skill, sobriety, and good order, is above the average, and is composed only of representatives of the most desirable nationalities, the kinds that make good citizens, a majority of whom own their own homes. Houston is a stranger to strikes and riots, and upon the same wages the workingman lives better and enjoys more than in any other city of equal size.

Its 173 industries, representing an investment of \$11,061,216, turning out products valued at \$50,000,000, and with a wage expenditure of \$5,313,208 to 9,016 employees, embrace a variety of articles ranging from the giant freight locomotive to the minutest articles of household economy, and their qualities are of such a high order as to almost eliminate the problem of competition. The latter condition is largely made possible by reason of the material reduction in freight transportation rates because of the utilization of the great Houston ship channel, for the completion of which the Federal Government has made an appropriation of \$4,500,000, a portion of which has already been applied to this project, with the result that at present there is a continuous depth of 19 feet between the turning basin and the outlet to the Gulf of Mexico. The further dredging of the ship channel to a depth of 25 feet, which has been recommended by the United States engineers, has been vigorously agitated at the recent convention of the National Rivers and Harbors Congress, the city of Houston obligating itself to issue bonds in the sum of \$1,250,000 upon the Rivers and Harbors Committee recommending a like appropriation by the present Congress, it being estimated that its completion would necessitate an expenditure of \$2,500,000. A tract of land at the turning basin, consisting of 137 acres, belonging to the city of Houston, is being made available for shipping facilities, such as slips, wharves, warehouses, etc., the use of which shall be absolutely free to shipowners. No monopoly of terminal facilities by transportation lines, such as exists at freight concentrating points on other navigable streams, will be possible on the Houston ship channel. Several of the rail lines entering Houston, realizing the volume of business which will eventually develop, have already begun extensive improvements, which will soon be utilized. The completion of the ship channel will make this city the distributing point for the entire Southwest and a port of magnitude second to none. The import trade with Mexico, the South American Republics, and Panama will be stimulated, and the fact that the port of Houston is 500 miles nearer to the granaries of the West than are the eastern ports and 300 miles nearer than New Orleans, with a grade offering the least traction resistance, how logical it is for this city to become the concentrating point for our vast foreign shipments.

Essential to every manufacturing enterprise are the banking facilities of a community. In this respect Houston is particularly well represented by 10 national and state banks and 4 trust companies, with an aggregate capital of over \$6,000,000, deposits subject to withdrawal amounting to \$27,000,000, and cash amounting to more than \$13,000,000. The gross bank clearings for the past fiscal year aggregated \$1,250,000,000. The condition of its banks is the surest barometer of the city's commercial and industrial greatness. The fact that loans and discounts have increased, the fact that every item indicative of increased business shows an increase over conditions of the previous year, is absolute proof of an enormous increase in every line of trade and industry.

The 17 rail lines entering Houston, several maintaining the most extensive shops in the South, employ a total of 6,198 men, with a payroll aggregating \$4,866,221 annually. The Houston Belt and Terminal Company will, when its improvements now under construction have been completed, have expended over \$4,000,000 for terminal facilities. Railroads do not incur such vast expenditures where conditions do not warrant. The rail lines maintain in Harris County 516 miles of trackage, valued at \$9,485,364. For the fiscal year ending June 30 there was received at this city a total of 2,604,034 bales of cotton, that portion of the staple moving over the ship channel approximating in value the sum of \$26,000,000. The six Houston cotton-oil mills, representing an investment of \$2,250,000, turn out products valued at more than \$4,000,000 annually. Houston is the lumber center of Texas, with an annual business aggregating \$37,000,000, representing a total of 46 corporations and a capitalization of over \$30,000,000. This city is the oil center for Texas and Oklahoma, there being a pipe-line connection with all the Gulf coast field, as well as with the Oklahoma field. The production of the Gulf coast fields for the twelve months ended July 31 was 13,746,037 barrels. Houston is also the center of the rice industry, its 6 mills handling a large proportion of the production of the coastal belt.

The wholesale trade aggregates \$125,000,000 annually, and the retail trade \$51,000,000. Its free public schools represent a valuation of \$965,100, and its churches, several among the handsomest houses of worship in the South, are valued at more than \$2,250,000. The Rice Institute, with an endowment of \$7,000,000, will be the most approved institution of learning of its kind in the South, and construction will begin with the new year.

The city has 80 miles of paved streets and 200 linear miles of paved sidewalks. The commission form of government prevails, and all general expenditures for the upkeep and improvement of the municipality are met with current funds. The death rate is only 10.4, and the thrift, enterprise, and development of Houston forms a conspicuous page in the history of human achievements in the Lone Star State, and Houston to-day, with its broad streets, attractive business houses, and comfortable homes, impresses the visitor with the fact that her citizens are among the most wide-awake in the entire South.

Brains and grit, pure Gulf breezes, and the finest of artesian water, together with enlarged opportunities for profitable business operations, tell the story of the growth of a city that is not wanting in a single element of the highest modern civilization. Generalities have been omitted, for the reason that this is an era of commercialism, when capital is not influenced by abstract propositions. The endeavor has been made to place the city of Houston before the reader in a concrete form, with a cordial invitation to come and abide.

WM. C. CLOYD.

APPENDIX G. AUTOMOBILES AT DALLAS.

CHAMBER OF COMMERCE,
Dallas, Tex., January 7.

Editor Manufacturers' Record:

The preeminent advantage of the city of Dallas as a distributing point is especially demonstrated in the wonderful development which has taken place during the year 1909 in the automobile industry.

One year ago there were 268 automobiles in the city of Dallas, these having been purchased for the most part in the larger cities of the North and East where the Dallas automobile enthusiasts have gone to market. A year ago there was but one dealer in Dallas. Now the market has come to Dallas to a most remarkable extent, and a careful compilation of the conditions in Dallas at present develops the following facts: That there are 911 automobiles in operation in the city; that during the year there have been established 21 jobbing houses, aside from 9 dealers in supplies, accessories, and motor cycles, making a total of 30 wholesale concerns in the city of Dallas established here during the year 1909, handling nothing but automobiles and supplies.

Four of the concerns have built magnificent salesrooms and warehouses, with a total investment of \$164,000. The total number of cars actually sold and delivered this past year for Dallas is 3,544, amounting in wholesale sales to \$4,206,380.59.

These concerns have branch agencies all over the Southwest, and their cars have been distributed in Texas, showing conclusively that Texas has acquired the automobile idea very rapidly, and this is attested from the fact that there is one county in Texas in which there are only 56 families; 42 of these families own automobiles.

The cow pony has given way to the automobile, and some of the ranchmen of Texas are now "riding fences" in automobiles rather than on horseback, but, above all things, it demonstrates the fact that there is a remarkable development of the cities and towns in Texas; that the people are most progressive; that we have good roads; that we have a climate where an automobile can be used twelve months in the year.

The taxicab business of the city shows that Dallas people get there, and "get there in a hurry." There are three taxicab companies in Dallas, operating 17 taxicabs and 5 touring cars, and they are all doing a good business. This in a city of 100,000 people means more than the number of vehicles that there are for hire in New York City.

One company has just scored a wonderful triumph in the line of advertising for Texas in demonstrating the possibilities of this field in the automobile line. On December 21 a trainload of its automobiles left the factory at Flint, Mich., reaching Dallas December 30, making a daylight trip all the way, advertising to the world by means of monster banners on each side of every car proclaiming the fact that it contained automobiles for Texas.

The total value of the automobiles in this shipment amounted to \$163,970. The total tonnage of freight in the train was 459,200. It was a solid train of 40 carloads, containing 127 machines.

In examination of the facts and figures compiled along the line of the automobile industry it is sometimes regarded that the automobile investment on behalf of the public is a withdrawal from circulation of an immense amount of money which should be used in the commercial and industrial development of that town.

While this is true in a sense of Dallas, we have to stop and consider that this industry employs 105 mechanics in this city; that there are 380 chauffeurs and employees, making, together with the salesmen, over 500 men who for the most part have come to Dallas, bringing with them money, energy, and brains, and developed for us a new industry, and while there has been withdrawn from circulation for the purchase of automobiles by the citizens of Dallas perhaps \$1,250,000 during the past year, the loosing of money in the channels of trade by those who can best afford to spend it has brought prosperity in many lines, and this is only one phase of the economic question which is involved as to the advantage which is gained from an industry of this character.

The automobile business is but one of the many wholesale lines which are a great factor in the upbuilding of Dallas. As a jobbing center the figures this year show that Dallas has done \$128,856,380 in a wholesale jobbing and manufacturing way, and has demonstrated the preeminent advantage which Dallas has as a distributing point to the most fertile territory in the United States.

J. R. BABCOCK, Secretary.

APPENDIX H.

[From the Manufacturers' Record, January, 1910.]

THE SONG OF PROSPERITY.

The Baldwin (Ala.) Times has a new editor—new to the Times—though long a factor in the newspaper work of that State. In his initial editorial in the Times, he says:

"The present management of the Baldwin Times takes hold of the helm to guide the future destinies of this paper at a most opportune and propitious season, with a clear sheet and a fair wind. The tide of immigration has set strongly to the southward, and Baldwin County is in the direct path of the movement. It has been said with apparent truth that this is the best advertised county in the Southern States. Still the half of the possibilities and potentialities of this favored section have not been told to the world. The song of the builder's saw, the creaking of the stump puller of the clearer of land, and the 'Whoa, mule!' of the plowman combine in a daylight chorus from one end of the county to the other, and the beacon fires at night, made by those who are clearing up for tilling what was but recently barren, cut-over land, are so numerous on the hills and in the valleys of Baldwin as to remind one of an army encamped. All this means prosperity. It means more homes, more products for the market, more business for the merchant, and, incidentally, more subscriptions and advertising patronage, more readers, and more friends for the Baldwin Times. It means more churches, more fraternal lodges, more and better schools, and more children loving life, laughing and living in the sunshine."

The story as thus presented is a thousand times more interesting to the people of Baldwin County than would be reports of murders and suicides and scandals. The story of material development when rightly told can be made interesting to every reader of every country paper in the South, for this material development, as the Times says, "means more churches, more fraternal lodges, more and better schools, and more children loving life, laughing and living in the sunshine."

That is the meaning of material progress. That is why the people in the South who are working for its material upbuilding are bending their energies to this work. They have a broader vision than simply the material side, for the people of the South are catching a glimpse

of the possibilities of the good that may come out of material development. We take it that the Baldwin Times will devote its energies largely to telling from week to week the story of the successful farm, the well-contented settler from elsewhere, the new church and the new school, and the new and better roads that are built, and in publishing such news as this it will create friendly rivalry to make other farms successful, to build other churches and other schools and other good roads, all for the betterment of the whole community. And what the Times ought to do, and we presume will do, may be followed to good advantage by all the papers, large and small, throughout the South.

What a splendid hit could be made by some leading daily in every State if it had on the editorial page of every issue a column headed "A song of prosperity," and in that column had from every part of its State brief items of news telling about the betterment of farms, the building of better roads, of new schools and new churches, the advance in the value of agricultural lands, the incoming of settlers from elsewhere, the rise in the value of local securities, and other things that tell of progress and prosperity. It would be the best column to be found in any daily paper in the South. It would take a Frank Stanton to do justice in this "song of prosperity." In other words, it should be the product of one of the ablest, sunniest men on the staff, a man who knows such news and knows how to present it.

Mr. LAMB. I now yield to the gentleman from Indiana.

Mr. ADAIR. Mr. Chairman, on the first day of the Sixtieth Congress and the first day I ever occupied a seat on the floor of the House as a Member, I introduced a bill to increase the pensions of civil war soldiers, and since that time have made the best effort within my power to secure the passage of such legislation.

I regret to say, Mr. Chairman, my efforts have not resulted in all I hoped to accomplish, but I have the satisfaction of knowing I have been true to my soldier constituency, that I have made the best effort I could to reward them for the patriotic service they rendered in behalf of their country, and that if Members of Congress had believed as I did every soldier who carried a gun in defense of the Union would now be drawing a pension of \$1 per day. One of the first bills I introduced two years ago was a bill to equalize the pensions of widows. Under the old law a widow whose soldier husband died with a disease contracted in the service received \$12 per month, while the widow whose husband died with a disease not contracted in the service received but \$8 per month. There never was any justice in that law, and I am truly glad we succeeded in passing the act of April 19, 1908, which equalizes the pensions of all widows by placing them on the rolls at \$12 per month.

I regret, however, that the act of April 19, 1908, applies only to widows who were married prior to June 27, 1890. When the bill passed the House I protested against this provision and insisted that it apply to all widows married up to that time, but on that proposition I was voted down.

Mr. Chairman, I have introduced a bill (H. R. 13409), now pending before the Committee on Invalid Pensions, striking out that arbitrary date of June 27, 1890, and making the law apply to all widows married prior to April 19, 1908, at which time the bill was passed. I sincerely hope this bill will be reported out of the committee and passed at an early date. While I am anxious for the passage of the bill mentioned, I think it even more important, Mr. Chairman, that we proceed without delay to enact into law another bill I have introduced, now in the hands of the Committee on Invalid Pensions, known as House bill 12390, which bill provides that all soldiers who rendered military or naval service in the war with Mexico or in the late civil war, and have been honorably discharged therefrom, shall be placed on the rolls and receive a pension of \$30 per month.

Mr. Chairman, I have here a copy of the bill referred to, which I will insert in the Record as a part of my remarks upon this subject:

A bill (H. R. 12390) granting pensions to certain enlisted men, soldiers and officers, who served in the civil war and the war with Mexico.

Be it enacted, etc., That any person who served ninety days or more in the military or naval service of the United States during the late civil war, or sixty days in the war with Mexico, and who shall have been honorably discharged therefrom, shall, upon making proof of such facts according to such rules and regulations as the Secretary of the Interior may provide, be placed upon the pension roll, and be entitled to receive a pension of \$30 per month; and such pension shall commence from the date of the filing of the application in the Bureau of Pensions after the passage and approval of this act: *Provided*, That pensioners who are now receiving pensions under existing laws, or whose claims are pending in the Bureau of Pensions, may, by application to the Commissioner of Pensions in such form as he may prescribe, receive the benefits of this act; and nothing herein contained shall prevent any pensioner or person entitled to a pension from prosecuting his claim and receiving a pension under any other general or special act: *Provided further*, That no person shall receive a pension under any other law at the same time or for the same period that he is now receiving a pension under the provisions of this act: *And provided further*, That no person who is now receiving or shall hereafter receive a greater pension under any other general or special law than he would be entitled to receive under the provisions herein shall be pensionable under this act.

Sec. 2. That rank in the service shall not be considered in applications filed hereunder.

Sec. 3. That no pension attorney, claim agent, or other person shall be entitled to receive any compensation for service rendered in presenting any claim to the Bureau of Pensions or securing any pension under this act.

This bill, if enacted into law, will give every soldier who served ninety days and was honorably discharged a pension of \$1 per day. Now, Mr. Chairman, there should be no time lost in passing this bill. It will be an act of tardy justice. The old soldiers are now dying at the rate of one every thirteen minutes; over 115 each day; 42,000 I am informed died last year, and still you say, "Wait, wait, wait." Once a year you tenderly scatter a few flowers on the graves of those who have answered the call; now let us scatter a few flowers in the pathway of those who yet live.

Those of us who were not old enough to participate in that memorable struggle should remember that the many blessings we now enjoy and which came to us by reason of their patriotism and devotion to the country, their fidelity and bravery, should prompt us to give them in their old age a pension adequate to provide for them in such a way that their last years may be filled with the pleasures and comforts of life. To do this will not be an act of charity, but an act of justice.

We owe it to them for the gallant service they rendered and as an evidence of our thankfulness and gratitude and our grateful appreciation, and in remembrance of the sacrifices they have made in behalf of liberty and justice, and for the perpetuity of our institutions and in the establishment of true freedom and genuine liberty in the greatest Republic the sun ever shone upon.

Ah, Mr. Chairman, we will never be able to pay in full the debt we owe the men who endured hardships and privations, who offered their lives on the altar of their country that the Union might be preserved. I do not plead for the passage of my bill on the ground of charity; but I contend, sir, that the soldiers of the civil war were never paid in full for the service they rendered. As you all know, they were paid in depreciated currency, the same currency the Government received from the Wall street money loaners who bought the bonds issued and sold by the Government to pay the cost of the war.

The old soldier was never paid with money worth a hundred cents on the dollar, but the bondholders have been paid in gold. By an act in 1869, known as "An act to strengthen the public credit," Congress made these same bonds payable in gold, and millions of dollars of the people's money went into the pockets of men who loved their money more than they loved their country, while the men who loved their country better than their lives and who were willing to give up all God had given them for the preservation of the States are still unpaid.

By national legislation we have declared that money is more sacred than manhood; that lucre is more valuable than patriotism; that greed shall be recognized in national legislation above and beyond the blood of martyrs shed in a sacred cause.

Mr. Chairman, the passage of the bill I now propose, by reason of its merit, will not only strengthen the public credit, but will also strengthen the public conscience. If the soldiers of the civil war had been paid in money worth a hundred cents on the dollar, they would have received in excess of what was paid them the sum of \$51,061,222. In other words, this was the amount of depreciation on their monthly pay and has been withheld from them for a period of forty-six years. The interest on this sum of money for forty-six years, not compounded, but simple interest, at 6 per cent, would be \$140,929,072. Add to this the principal and you have the sum of \$191,990,294 honestly due and as a matter of justice, leaving out any patriotic consideration, should be paid.

Mr. Chairman, we are unnecessarily expending a vast sum of money each year that should go to the soldiers in the way of increased pensions. It costs us annually \$400,000 to maintain the 17 pension agencies, and the Government has no more use for them than a dog has with 17 tails. The Secretary of the Interior and the Commissioner of Pensions have time and time again recommended their discontinuance and assured us that pensions can be paid just as quickly, and even quicker, from Washington than by the present methods. Then we are spending \$380,000 every year for pension detectives, and, in addition, a vast sum of money for special examiners, boards, and so forth. How much better it would be to cut out all this useless expense and place all soldiers on the rolls at \$1 per day.

Two years ago, when I pressed a bill I then had before the committee for the relief of soldiers, I was met with the argument that Congress had not long before passed the McCumber Act, and that no pension legislation would be considered at that time. Then again, one year ago, when I made a plea for the old soldier, I was met with the argument that there was a deficit in the Government Treasury of nearly \$100,000,000, and that we had no money to pay increased pensions. Mr. Chairman, during the two sessions mentioned Congress appropriated over \$2,000,000,000, a vast amount of which was unnecessary and absolutely thrown away. Over 14,000 new offices were created,

and the raise of salaries, together with the salaries of the new officers, amounted to the enormous sum of \$28,990,289.

Plenty of money, Mr. Chairman, to increase the President's salary from \$50,000 to \$75,000 per year, but no money to increase the pensions of the old soldiers. Plenty of money to provide every convenience and comfort for yourselves, but no money with which to pay the honest debt we owe the men who saved the Union. Plenty of money to appropriate \$136,000,000 for the use of the navy, a large amount of which was positively wasted, but no money to appropriate for the men who offered their lives for the preservation of the States. Plenty of money to appropriate \$101,000,000 for the use of the army, a considerable amount of which was dissipated in the payment of high salaries and for useless experiments, but no money to pay the boys in blue whose service made it possible for you and me to enjoy a united country. Plenty of money to appropriate millions for rivers and harbors, but not a dollar for the men who gave the best years of their lives in defending the flag. Plenty of money to appropriate that special committee may travel all over the country, making expensive investigations of various subjects, but no money to pay an honest debt we owe the men whose heroic efforts and patriotic service made possible the greatest and grandest Nation the world has ever known.

Ah, Mr. Chairman, I have no patience with the plea that the old soldier has been properly cared for. You have provided soldiers' homes, and the records show that it costs from \$400 to \$700 a year to care for each and every soldier provided for in this manner. Pass this bill of mine, giving them a dollar a day, and they will go back to their old homes and live among their relatives and friends, and the tremendous expense of maintaining soldiers' homes will be reduced to a minimum.

Now, Mr. Chairman, I sincerely hope this bill will have an early consideration, and I ask Members of the House to join me in bringing it to a vote. I want to know who in the House are the true friends of the soldier. Many of you when the campaign is on tell the soldiers in your districts how you love them and how anxious you are to see their pensions increased, and then, after the election is over, you come to Congress and never raise your voice in their behalf. I am glad, however, to know the old soldier does have many friends on the floor of the House, and I appeal to each one of you to aid me in bringing about the passage of this bill.

I serve notice on you now that if my bill or a similar bill is not passed during this session I will be back again next winter and continue the fight for more liberal pensions, to the end that full justice may yet be done the few who remain as representatives of the bravest, the noblest, the most patriotic and self-sacrificing soldiery ever seen on the field of battle.

Mr. LAMB. I now yield forty-five minutes to the gentleman from Alabama.

Mr. HEFLIN. Mr. Chairman, I have been expecting to hear some speeches on that side of the House in line with the one just made by the gentleman from Illinois [Mr. BOUTELL].

I knew that the Republican side of this House had realized that it was absolutely necessary to come to the defense of the Payne-Aldrich tariff law, for that law is indeed in bad repute throughout the country. The high price of foodstuff, doubled and trebled under your tariff after it leaves the producer, is pinching with hunger millions of our people and driving them to vow they will eat no more meat forever. When your party looks upon the distress and suffering that it has wrought in its efforts to serve its tariff masters, it tries to lead the people away from the truth, and in the hope of hiding the hand that smites us it declares that the farmers are responsible for the high prices of foodstuff. The meat trust and high tariff, twin monsters of distress and misery, the offspring of the Republican party, are responsible for the terrible conditions that confront the masses of the people to-day. [Applause on the Democratic side.]

The farmer, who sells his beef on foot for 6 cents per pound, is far removed from the unreasonable profits that the beef trust receives when it sells that same beef for 30 and 40 cents per pound to the consumer, and the man who gets a dollar per bushel for his wheat is far removed from the \$12 and \$14 that the beaten biscuits and the short-loaf bread brings in the market. Before I close I shall refer to some other things mentioned by the gentleman from Illinois.

Now, Mr. Chairman, while we are considering the agricultural bill, I want to discuss some matters regarding agriculture especially appropriate at this time. When I came here I found that the agricultural interests of the South were not being treated right by Congress. I saw that these interests could be helped by legislative action, and I set myself to the task of bringing certain matters to the attention of this body and to show

how we could be materially benefited by the enactment of certain fair and just laws; and while I have not by any means been able to do all the things that needed to be done, I feel that I have accomplished some things of real value to our people.

The gentleman from Illinois has said something about the high price of cotton, and I wish to say in the outset that no people on this earth have ever produced any crop under such difficulties as the people of the South produced the last cotton crop. We have never produced a cotton crop that cost as much as the crop that has been marketed and the remnant of which is now being marketed. The high cost of living and the high price of agricultural implements, and so forth, have contributed to the great cost of producing that cotton crop, and the high cost of these things that the farmer used in making this crop is the fruit of the Republican party. [Applause on the Democratic side.]

But, Mr. Chairman, I want to say a word in passing about cotton. Cotton has not brought any more than it ought to have brought, when you consider the cost of production and the short crop made, in the light of the world's demand for cotton. Fifteen cents per pound, or \$75 per bale, is not too much when we consider the price that the consumer has to pay for the finished product—cotton in cloth. We are told, Mr. Chairman, that a bale of cotton weighing 500 pounds, when manufactured into socks at 10 cents per pair, brings \$350; and at 20 cents per pair, brings \$700; and handkerchiefs at three for a quarter, brings \$500.

I wish to say to my New England friends that, if they had the natural monopoly that we have in the South, if they owned the cotton belt as we do, they would make us pay 20 cents per pound for cotton every year, and fill their newspapers and magazines full of arguments until they convinced us that we were getting it cheap and that we ought to be thankful to them and to Providence that we did not have to pay more than 20 cents per pound. [Applause on the Democratic side.]

Cotton is being put to more uses now than ever. Mercerized cotton so resembles silk and is so much cheaper that it is being substituted for silk. It is used in the manufacture of woollen goods, and the demand for it as a substitute for wool is on the increase. Cotton is the master production, and enters into nearly every phase of American life. It was behind cotton bales at New Orleans that Jackson won the victory over the British. Wherever the American soldier goes the white fiber of the cotton field goes with him, and wherever he strikes camp the field is dotted with white tents made of cotton.

The flying sails of the ships at sea come from the snowy cotton fields of the South. The cord that rings the bell on the train and puts on the emergency brake in time of danger is made of cotton. In the springtime, when the agricultural army is in motion, cotton enters into the paraphernalia of the mule; a cotton backband gauges the depth that the plow shall go, whether shallow or deep; and cotton plow lines constitute the strong cords that guide and control the stubborn mule.

In traveling through the cotton belt on a warm day there is nothing more refreshing than a deep draught of water from "The old oaken bucket that hangs in the well," and here the cotton rope is the kindly agent that brings it from the cool, dark depths below.

If, while strolling through the cotton belt, you should find a swarm of mosquitoes, conspiring to disturb your rest at night, there is the mosquito bar made of cotton, spreading its white wings above your head, hovering about you while you sleep. [Applause on the Democratic side.]

Mr. Chairman, dressmakers and tailors have at last learned how to "make up" cotton goods in the most fascinating and attractive way. The cotton suit that I wore here last summer, and those worn by other Members, looked better than the flannel suits worn by other gentlemen here, and they did not cost one-third as much. They were cooler and more comfortable every way. I have advocated it, and I believe the day will come when the southern people will wear cotton almost exclusively from April to September. By this means the South will consume nearly 4,000,000 bales more than is now consumed. For spring and summer cotton is the coolest and cheapest wearing apparel in the world, and our people are at last beginning to realize the value of patronizing this home industry. Civilized men the world over are coming to know that cotton is the healthiest and most comfortable fabric that can be worn next to the skin. The man who suffers from colds and grip in the winter by reason of wearing woollens next to the skin can obtain health and happiness by putting on the South's sensible garment made of cotton.

Cotton is used in making wheels for automobiles, and nearly 500,000 bales a year are being used for this purpose. When we go to using cotton as bagging for wrapping our cotton bales we

will consume a great deal for this purpose. We will make a rough bagging and soak it in a composition of cotton-seed oil and coal tar, which will give it sufficient weight and make it waterproof, and this will become the greatest cotton bagging in the world.

There are more people who wear cotton goods, who use cotton in various ways, than ever before in the history of cotton production. There are more cotton factories in the world and more men weaving cotton into cloth than ever before in our history.

So, Mr. Chairman, the fairly good price that we have received for cotton this season is accounted for, as I will show you later, by natural conditions—short crop and increased demand for cotton and cotton goods—together with the work of the farmer and merchant in intelligently handling the crop in the selling season.

You may make up your minds to one thing, and that is, the intelligence and courage of the cotton producers of the South have been aroused, and our people are at last beginning to figure on the cost of production, and they are beginning to estimate what the crop yield in money will be when a reasonable profit is added to the cost of production. And, I may add, they are actually beginning to demand the cost of production, with a reasonable profit added. It is high time that the farmer had something to say about the price that he should receive for his cotton, since he is about the only fellow who has not asserted his God-given right to demand a fair return for his efforts and his labor. He has been badly imposed upon, but he is at last beginning to assert himself intelligently. His representatives in Congress have exposed the illegitimate speculation done in the exchange, condemned its rules, and had investigations made by the Federal Government.

Mr. Chairman, when we commenced to inquire into the conduct of the New York exchange, we found it handling fictitious products instead of cotton; bogus sales were made and no cotton ever required to fill a contract. Differences were settled with money, and it was never intended that cotton should play any part in the transaction. The practice that obtained, under the rules of the exchange, did not contemplate a delivery of cotton, and this irresponsible concern, self-constituted judge of cotton prices, had permission to sell, in unlimited quantities, margins, without actually demanding the delivery of cotton or being required to deliver it. Prior to the agitation of this question by myself and other southern Representatives and intelligent action on the part of the growers, the exchange, controlled by the "bears" in the interest of the spinners of New England and the United Kingdom, had its way.

The New York Exchange sold in a season a hundred million bales of fictitious stuff called cotton. They did not have any cotton, they did not want any cotton, they had no use for cotton. Not a pound of cotton figured in their transaction; no demand was made upon the producer for a single bale, and yet this aggregation of men composing the exchange assumed the right to fix the price of the real cotton. The producer was not considered in the matter of determining the price of cotton. The law had permitted the exchange to fix the price so long that the producer accepted what they did and said nothing, and the spinners of the world had come to look to the exchange to fix the price upon the raw cotton. Desiring to buy the raw material as cheaply as possible, their sympathies were, of course, on the "bear" side, and in times past they have assisted the "bears" in creating the impression throughout the cotton belt that a large crop was being made and that they had plenty of cotton on hand at the mills to run them for a long time, and that the price would not be very good. For a long time the cotton producer did not know what the trouble was. He knew that something was at work depriving him of a fair price for his cotton. The evil has been pointed out. If we could have a real cotton exchange, spot cotton would be in demand and the producer would be consulted, as he should be, about the price of cotton. The cotton grower has been enabled to see just how he has been imposed upon by the exchange that claimed to reflect the operation of the law of supply and demand, and that it misrepresented the facts regarding the supply of cotton always on the side of a large crop and low prices. Very often it covered the country with circular letters claiming that there would be an overproduction—more cotton than the world could use. Out of all this agitation has come great good to the Southland. The people of the cotton belt have at last realized that much depends upon the handling of the cotton crop intelligently.

Time was when the whole South sold cotton on a declining market. In fact, the bulk of the cotton crop was sold on a declining market. Just let the market break and all was bustle and stir in the cotton belt. The people with cotton to sell rushed to the market place. They did not realize that they were the masters of the situation; that if they would quit sell-

ing at destructive prices, the law of supply and demand would control in the interest of reasonable prices. They felt that they were in the grasp of some mysterious power, and that they would have to hurry and get rid of their cotton before it became a drug on the market. But, Mr. Chairman, times have changed. Farmers and merchants in the South now look in amazement on the time when they obeyed the New England and foreign spinners' "bear" agents in the exchange. They know more about cotton, its uses and abuses, now than they have ever known. When the exchange in control of the forces that make low prices undertakes to fix a price low and unprofitable to the cotton producer, cotton goes to the market very slowly and very little is sold. When there is a sharp break in the price, such as once caused a rush to the market, our people quit selling and wait for the return of a reasonable price. They are forced to do this or be robbed. One thing is certain, since our people have become aroused and are becoming acquainted with the forces that have been at work robbing and plundering the cotton growers of the South, since the regulation of the cotton exchanges have been receiving the attention of southern Members in Congress, the evil features of the exchanges pointed out and condemned, cotton has fared better and the average price during these years has been higher than for any like period when the exchange, undisturbed, executed its own sweet will. [Applause on the Democratic side.]

The theory of a spot-cotton exchange has been put into practice this season. Haynes, Scales, Brown, and Patten bought cotton—real cotton—and held it for a profit, and therein lay their power as factors in helping to fix the price of cotton. When the foreign spinner and the New England spinner went into an agreement in October to quit buying cotton, to withdraw from the market and put it back to 10 cents, these men that I have named bought actual cotton, and what happened, Mr. Chairman? What effect did it have on the spinners? It made them sit up and take notice that when the farmer and the merchant of the South were inclined to demand and help secure a fair price for cotton that men with money saw their opportunity to make more money by dealing in cotton. Men who could command large sums of money knew that the crop was short, and that the people of the South had the courage and the intelligence to refuse to accept a low and unreasonable price; so they bought what cotton they could and held it. Where was the spinner then, with his secret agreement to injure the cotton farmer by depriving him of fair prices and living profits? He was up in the air. With the producer handling his cotton intelligently and selling it sparingly, and men of means buying what cotton they could get and holding it, actual cotton became the controlling power; then what happened? The foreign spinner broke his agreement without a word of warning and hurried back to the market place bidding for cotton, real cotton. Next came the New England spinner, and competitive buying under the law of supply and demand of real cotton fixed the price. The principle of the spot-cotton exchange was at work and real cotton was in demand, for the spinners of the world had to have it. [Applause on the Democratic side.]

I was instrumental in passing the law requiring statistics to be gathered from the manufacturers of cotton in the United States. As the printed hearings in the Agricultural Committee will show, I brought this matter to the attention of the Committee on Agriculture and proved by the Chief of the Bureau of Statistics that if it were just and fair to make reports on crop conditions and have gin reports as to the number of bales of cotton ginned, for the benefit of the manufacturer, it was fair to the cotton producer to have the Government report the number of bales of cotton on hand at the various factories in the United States. I introduced a bill for this purpose, and made a speech on it in the House. It was so plain that my cause was just that Members on both sides of the House told me that I was right and that they would vote for my bill. Mr. LEVER, of South Carolina, introduced a joint resolution on the same subject. He was a faithful member of the Committee on Agriculture, and was present when I first brought the matter to the attention of the committee. In order that we should not fail to have action taken on the matter at that session of Congress, I had my bill referred to the Committee on Agriculture, of which I was a member. Then I introduced a joint resolution, which was referred to the Committee on the Census, the same committee to which Mr. LEVER's resolution had been referred. The Lever resolution, as amended, had some of the dates contained in mine, as to the time of reporting. It was reported and passed the House late in February and is now the law.

Mr. Chairman, I did not quibble with the committee as to whose name the resolution should bear, Mr. LEVER's or mine. I was anxious that the law be passed. I knew that it was

meeting the just demands of the cotton growers of the South, and that it would enable the cotton producer to sell his cotton intelligently, because he would have the information necessary regarding the amount of raw cotton on hand at the mills. The March report will give him the number of bales of old cotton on hand in the United States, and this will be valuable information in determining the size of the cotton crop for the coming year.

Time was when the New England manufacturer would help the "bears" in the exchange by claiming to have all the cotton that they would need for quite a while. The producer did not know—he had no way of knowing. The producer became frightened and would sell his cotton as rapidly as he could market it, but since he knows by these reports how much cotton is on hand he can judge for himself what the market ought to be and govern himself in the light of this information. It has enabled him to see the folly of rushing his cotton to market and selling it at destructive prices. With this information about the supply of cotton at the cotton mills, he can know something of what the real demand for real cotton will be. Mr. Chairman, when I brought this matter to the attention of the Committee on Agriculture, and when I urged this legislation in the House, it was my purpose to do simple justice by the cotton producers of the South. It was my desire to do the same for them that Congress had done for the manufacturer of cotton. It had given the manufacturer of cotton, in the crop report and in the ginners' report, all the information that he needed to run his business intelligently; and it was nothing but simple justice that the producer of cotton should have the benefit of a government report telling him, from time to time, the amount of baled cotton on hand in the United States. He needed this in order to run his business intelligently. Mr. Chairman, it was not my purpose to injure the cotton mills, but it was my desire, purely and wholly, to be as just to the man who makes the stuff that feeds the cotton mills as the Government has been to the man who owns the cotton mill. The manufacturer knows how the cotton crop is progressing in the spring and summer, for the crop report tells him. He knows how much cotton is being ginned in the ginning season, for the ginners' report tells him twice a month. He has all the information that he could wish—all that is necessary for his business—but before the passage of this law that I suggested, requiring the reports on the amount of baled cotton on hand at the cotton mills of the country, the manufacturer had the producer in the dark. He knew nothing, absolutely nothing, about the supply of cotton in the United States. [Applause on the Democratic side.]

Here is what one of the newspapers of Wall street, in the gentleman's [Mr. PAYNE] State of New York, had to say about me at that time:

Expressing the wish of the southern cotton planters, Representative HEFLIN, of Alabama, introduced in Congress the other day a joint resolution instructing the Director of the Census to ascertain from the manufacturers of cotton in the United States, every sixty days, the amount that has been purchased and manufactured during the previous two months. That would be a fine thing for the cotton planters. The information would enable them to know just how much cotton the manufacturers had on hand, just how large the supply at any particular time happened to be. Knowing this, the planters could act more intelligently in sending their cotton to the market. Having the cotton manufacturer where the hair—or cotton—was short, planters could make him pay what price they liked.

Naturally the manufacturers do not want to give up any such information. As a matter of fact, the Hefflin resolution is paternalistic, populist, and somewhat inclined to be anarchistic.

So, Mr. Chairman, for doing for the cotton producer just exactly what Congress has done for the cotton manufacturer, I am denounced by papers in New York as being a Populist, a paternalist, and an anarchist. The criticism of these papers is the best evidence that I am in the right and doing my duty.

Last year, even after the law for obtaining the amount of cotton on hand went into effect, some of our cotton manufacturers, in September, claimed that they had enough old cotton to run them for a long time, but the government report on baled cotton for November 1, 1909, the first report under this new law, knocked this claim of the manufacturers to pieces and the southern farmer and merchant, for the first time in the history of our country, saw behind the doors of the manufacturer and cotton advanced in price; then in November they gave out the statement that with what old cotton they had on hand and what new cotton they had bought they would have enough to run the mills without buying any more, but the January report on baled cotton, by the Government, disclosed the fact that the bulk of the cotton sold had been shipped to foreign countries—that is, it was not to be found in this country. Then what happened? Men with money—big money—bought cotton as an investment. Patten bought 3,000,000 bales. They had information that told them the condition in the cotton world.

The producer had the information that he needed to enable him to sell his cotton intelligently, and the man with money to invest in a safe thing had the information to show him his opportunity, and for one time the theory of a spot-cotton exchange was put into practice. The dealing was in cotton, and it took cotton to fill the contract. For the first time producer and manufacturer stood on equal footing. [Applause on the Democratic side.] So in bringing this matter to the attention of the Committee on Agriculture and discussing it in the House, it was my purpose to give the cotton farmer and merchant of the South the information that they needed and were entitled to—the same character of information that was given to the manufacturer long ago. If it was fair to give to the manufacturer crop reports and ginners' reports, which furnished him all the information that he needed about the cotton crop, it was equally fair to give to the cotton producer some information regarding the movement and consumption of cotton and to inform him about the supply of cotton in the country. [Applause on the Democratic side.]

Before this proposition of gathering statistics as to the amount of baled cotton in the United States became the law, the manufacturer of cotton had all the information that the Government could afford to help him run his business, and the cotton producer had none, absolutely none, except that manufactured by the "bears" in the gambling exchange, and the information that they gave him was given for the purpose of making him sell his cotton as rapidly as he could possibly market it, and this he did for many years at low and destructive prices. The manufacturers could claim that they had enough cotton to run them for quite a long time, and the "bears" would spread the news all over the South, and the farmer who produced cotton for the world had no way of telling how much was on hand at the mills, how to get at the truth of the situation. He groped in the dark, helpless in the hands of "bears" and spinners; but now, since justice, in a measure, has been done him, he is enabled to get at the truth by the aid of a government report.

Two things operated to raise the price of cotton—the fact that England realized from accurate crop reports as made by farmers, men who knew the actual condition of the crop, that the crop was short, and the fact that the spinners here knew that the November report on baled cotton would disclose the fact that the bulk of the crop was going and had gone abroad. Then, what happened? Actual cotton was in demand, and a day was coming—and that day was November 1—when the truth of the amount of actual cotton available in the United States would be made known. We had simply devised the means for obtaining the truth, and only the knowledge of the truth regarding the cotton business will bring about the operation of the law of supply and demand, and this is what the producer of cotton has been struggling for for years and years.

I do not object to the exchange that does a legitimate business—that means to deliver, and have delivered, the commodity in which it deals. I am heartily in favor of such an exchange. Such an exchange is conducted in Bremen, Germany. If a man contracts for a thousand bales of cotton, he is certain to have a thousand bales of cotton delivered to him. This helps the producer, for he must furnish the cotton. Such an exchange is a useful thing; and when its contracts are made and filled, it takes real stuff to fill them, and the producer is helped by their operation. A horse is a useful animal, but you would not harness him up, hitch him to a buggy, pull the bridle off, and let him go about at will with your family in the buggy. An exchange is all right if it is properly harnessed and controlled—made to conform to certain just rules—but it is not safe for the producer to be left at the mercy of the "bear" speculator when that speculator has the moral support and financial backing of the spinning interests of the world. Hence the necessity for certain regulation of the exchange. I have seen the price of cotton futures in the exchange a cent and a half lower than the price of real cotton in the local market.

The representatives of the Farmers' Union are here. They came to urge legislation that will give the farmer an honest and stable market for his cotton and grain and free him from the uncertainty of the gambling exchange. Just before coming to Washington Mr. C. S. Barrett, president of the Farmers' Union, issued an address December 29, 1909, a part of which I will read:

In January of the new year the Farmers' Union, represented by national officers, by experts, and by state officials, the country over, will assemble in Washington, there to make a determined and organized fight against the New York Cotton Exchange, and all other like aggregations that use its methods, or variations of them, to pick the pockets of the rural population of this country.

The time has come for the politicians, the Representatives, and Senators who profess friendship for the farmer to show their friendship in something more substantial than promissory notes compounded of language and evasion. We want action against the New York Cotton Exchange. We demand action against the New York Cotton Exchange.

We have at last learned how to go about the enforcement of the rights of American farmers, and that is by using the ballot as a bullet.

To that end at the coming session we expect to keep our eyes on every Member of Congress, seeing how far his professions of friendship are borne out in action upon the floor and marking indelibly those Congressmen aligned directly or indirectly against the farmers' interests. We have secured data, minute and detailed, regarding the methods of the New York Cotton Exchange, and we are prepared to submit it to any congressional committee, with a demand for action thereupon.

But we also expect to push this war to a successful conclusion, regardless of who is lined up with us or against us. Playing lottery with the products upon which the individual and collective prosperity of our people depends must cease. Economically it is wrong; ethically it is wrong.

Betting on the Nation's products is an indefensible practice that reaches into the pockets of yourself; that takes clothes from the backs of your families; that takes food from their mouths; and that keeps education from the children who are to carry on your name in this world.

I am heartily in favor of this legislation, Mr. Chairman. I have advocated it for years. If we can destroy gambling in fictitious stuff, we will establish all over the South spot-cotton exchanges, and then the producer will have some voice in fixing the price of cotton.

The "bear" gamblers in the exchange have insisted for years that if we did not permit them to gamble on our cotton we would not know what it is worth; that we must rely on a concern that does not use a pound of cotton to grant us a reasonable price. We have had time and again an example of the gamblers' generosity; especially do I recall a time when the producer and merchant offered no resistance—they did not know how to resist—in fact, they trusted the exchange implicitly, and what did it do? It reduced the price of cotton to 4 cents per pound, far below the cost of production, and bankrupted thousands of farmers and merchants in the South. [Applause on the Democratic side.]

Hereafter the producer of cotton is going to be a factor in fixing the price of cotton.

Senator John T. Morgan, in the last speech that he ever made in Alabama, said:

The day will come when the producer will fix the price of cotton at his own door.

Mr. Chairman, what the producer wants and must have, ultimately, is something stable in cotton prices. The cotton industry is in a hazardous condition when it must depend on the mood of this or that set of gamblers. We have seen recently, when the cotton crop was nearly all sold—when real cotton cut no figure at all in cotton transactions—the "bear" gamblers in the New York Exchange in one week reduce the price of cotton \$15 per bale. Just think of that! In that transaction no real cotton was bought or sold—no real cotton delivered.

A majority of the regular members of the exchange are always "bears," and they represent the spinning interests. Now, it is known to all men that the spinner wants to buy cotton just as cheaply as he can. Well, if the "bear" represents the spinner, and he is nine times out of ten the controlling power on the gambling exchange, how is it possible for the producer, who wants a reasonable price for his cotton, to have a fair deal, when his deadly enemy, the "bear," decides the case?

The producer does not demand and he does not want outrageous prices for his cotton. He does want and he does demand fair prices and living profits.

The argument of the cotton gamblers that we would have no market but for them, that they must tell us what it is worth, is rot of the commonest order. The pig-iron industry is vast and it is worth millions, and yet there is no gambling in pig iron as there is in cotton. Still, the pig-iron business flourishes, in spite of the failure of a gambling exchange to aid it.

There is no speculation in futures on wool, and yet the woolen industry is worth millions and millions, and always does a flourishing business. No speculative exchange tells us the price of wool. There is no speculation in futures on hay, and yet the hay crop in the United States is greater than the cotton crop, and there is a good hay market, and the gambling exchange does not tell the hay grower what his hay will be worth.

Now, then, if the man who owns pig iron, and the man who owns wool, and the man who owns hay, all have sense enough to demand and obtain a reasonable price, year after year, for their product without the interference of a gambling exchange, is it not reasonable that the southern farmer and merchant can and will demand a fair price for cotton? [Applause on the Democratic side.]

Now, Mr. Chairman, I desire to discuss a few other things.

While a member of the Committee on Agriculture I introduced a bill and got it favorably reported by the committee, to prevent any employee of the Government from selling information regarding the cotton crop to the cotton gamblers of the country, and to prevent making false reports or giving out any information before the day fixed to publish this information. I introduced a resolution in the House denying the correctness of

the cotton-crop estimate made by the Department of Agriculture for 1907, and I proved before the committee that the department had overestimated the crop. The evidence finally showed that it was estimated at 600,000 bales too much. I helped to pass the Burleson law standardizing cotton grades—taking this power away from the New York exchange. I amended the law regarding crop reports so that the farmer himself should be consulted and not have to rely on other classes of men to make these reports, as was done before. The law, as I wrote it, provides and now reads: "Shall be gathered, so far as practicable, from practical farmers;" and I said if you should ask about the practice that obtained in courts you would not consult a farmer or a doctor, you would ask a lawyer. If you wanted to know the facts about an epidemic of disease in a community you would not ask a farmer or a lawyer, but you would ask a doctor. And I said if you want to know the true condition about growing crops you should consult the honest farmers of the South, and you will get the truth. [Applause.]

And I first suggested and helped to secure the law requiring reports on baled cotton on hand from time to time in the United States. [Applause on the Democratic side.] I mention these things that the House and the country may know that, as a member of the Committee on Agriculture, I was alive to the interest of my people and trying to do something of value for the farmers of the South. With no desire to boast of what I have been able to accomplish for them, I challenge the Speaker of this House to name a single member on that committee who has done more than I have for southern agriculture. [Applause on the Democratic side.]

Mr. Chairman, my service on that committee was such, and I refer to this with pride, that President Barrett, of the Farmers' Union of America, wrote to the Speaker and asked him to reappoint me. In that letter Mr. Barrett said:

Mr. HEFLIN has shown himself in strong sympathy with the farming people of this country, North as well as South.

And he also said that I was giving and had given great study to "agricultural matters." If I had not been faithful on the Committee on Agriculture, could I have had such a testimonial as that?

President Jordan, of the Southern Cotton Association, wrote the Speaker of the House asking him to reappoint me on that committee; and he said in that letter:

Mr. HEFLIN has always taken great interest in all matters pertaining to the development of the agricultural interests.

And he said further, that my appointment would meet the hearty indorsement of the people of this entire section. If I had been unfaithful on that committee, could I have had such an indorsement as that?

President Cameron, of the Farmers' National Congress, wrote to the Speaker of this House and asked him to reappoint me on the Committee on Agriculture, and in that letter he said:

His services on that committee have been satisfactory, and your reappointment of him will be agreeable to our agricultural interests.

If I had been unfaithful on that committee, could I have received such an indorsement as that?

Hon. CHAMP CLARK, minority leader, wrote me that if he were allowed to name the Democrats on the committees, as had been the custom heretofore, it would give him pleasure to put me back on the Committee on Agriculture, and I informed the Speaker of Mr. CLARK's wishes. So, Mr. Chairman, I have the proud consolation of feeling and knowing that the Speaker of this House did not refuse to reappoint me because I had been derelict in my duty or unfaithful to the farming interests of my country; but because of my advocacy of certain right principles and my activity in the interest of certain laws that would help the farmer. [Applause on the Democratic side.]

Here is what the newspapers said at the time he undertook to punish me for doing what I knew was right:

One of the most glaring punishments in Mr. CANNON's list is the removal of HEFLIN, of Alabama, from the Committee on Agriculture. The Alabama delegation is pretty angry over this reported action of the Speaker. Mr. HEFLIN was indorsed for this place on the Agricultural Committee by the National Farmers' Congress, the National Farmers' Union, and the Southern Cotton Association. The removal of HEFLIN is believed to have been due to the fact that some time ago he was the leading spirit in a movement against grain and cotton speculation.

[Applause on the Democratic side.]

In doing my duty by the agricultural interests, I had antagonized certain interests that did not want me to go back upon that committee, and it is very evident that their wishes prevailed with the Speaker. The Speaker never even intimated that there was objection to me from any source.

Mr. Chairman, in depriving me of the power that I had and was using on that committee in the interest of the farmer, the Speaker was serving the enemies of agriculture, so the paper says, and in refusing to reappoint me he disregarded the wishes

and recommendations of the three greatest farmers' organizations in the United States. While the Speaker can pack committees and remove Members who think for themselves and have the courage to refuse to do his bidding, I thank God that we still have the right to speak our convictions on this floor, and exercising that right to-day, I am giving the truth of the situation to this House and to the country. If the changes in the rules of the House continue to be made, taking power from the House and conferring it on the Speaker, the day will come, if the Republicans remain in power, when no Member will be permitted to criticize the Speaker's conduct, and then we will be unable to get the truth of conditions as they exist here to the country. But the people are waking up, and the evils of Cannonism are becoming known to the country, and I am proud of this fact, Mr. Chairman, that the editor of one of the magazines that has done so much to educate the people on the tyranny and arbitrary action of the Speaker wrote me a letter that my speech discussing the Speaker's way of suppressing legislation was a distinct contribution to the literature of the country against Cannonism.

Mr. Chairman, I am not the only man that the Speaker has removed or failed to reappoint on the Committee on Agriculture. I have in mind now particularly a gentleman who incurred the displeasure of the Speaker in the Fifty-ninth Congress, the gentleman from Mississippi [Mr. CANDLER]. No man since I have been in Congress has been more untiring in his efforts to materially aid the agricultural interests of the South than the gentleman from Mississippi.

Wherever the interest of the farmer could be found, there could the gentleman from Mississippi be found also. The Speaker refused to reappoint the gentleman [Mr. CANDLER] on that committee in the Sixtieth Congress, and no other reason can be found except the devotion of the gentleman from Mississippi to the interest of agriculture, the faithful discharge of his duty to the agricultural interests. [Applause on the Democratic side.]

When I was a member of the Committee on Agriculture, and had secured a unanimous report on my bill to prevent the selling or giving away of statistics regarding cotton, on the 25th day of May, 1908, I requested unanimous consent to call up the bill and put it on its passage, and the Record of May 25 shows that this is what happened:

AGRICULTURAL STATISTICS.

Mr. HEFLIN. Mr. Speaker, I ask unanimous consent for the passage of the bill (H. R. 21847) to prevent falsifications in the collection and compilation of agricultural statistics and the unauthorized issuance and publication of the same.

The SPEAKER. The gentleman from Alabama asks unanimous consent for the present consideration of a bill, which the Clerk will report.

The Clerk read as follows:

"Be it enacted, etc., That it shall be unlawful for any person in the employment of the Government of the United States to divulge, or cause to be divulged, or in any way to give out, or cause to be given out, publish, or make known to anyone not authorized by law to have or receive the same, any information, statistical or otherwise, acquired by virtue of his employment by or official position with any department of the Government of the United States regarding the reports on crop conditions prior to the hour that the crop estimate is published as is now required by law.

"Sec. 2. That it shall be unlawful for any person in the employment of the Government of the United States to divulge, or cause to be divulged, or in any way to give out, or cause to be given out, publish, or make known to anyone not authorized by law to have or receive the same, any information, statistical or otherwise, obtained by virtue of his employment by or official position with the Government of the United States regarding the amount of cotton ginned prior to the day fixed by law for the publication of the ginners' report obtained by the Census Department.

"Sec. 3. That it shall be unlawful for any officer or employee of the United States of America, whose duties require the collection, compilation, or report of statistics or information relative to the products of the soil, knowingly to collect, compile, or report for issuance or issue any false statistics or information relative to such products.

"Sec. 4. That any person who shall violate any of the provisions of this act shall upon conviction be punished by a fine of not more than \$10,000 or by imprisonment for a period of not more than five years, or both fine and imprisonment, in the discretion of the court."

The SPEAKER. Is there objection?

Mr. PAYNE. I object, Mr. Speaker.

Mr. HEFLIN. Will the gentleman withhold his objection a moment? Mr. PAYNE. No; this matter is thoroughly understood by the House. I object to the passage of the legislation and want the opportunity to vote against it.

The SPEAKER. The gentleman from New York objects.

Mr. Chairman, I was astounded at the statement of the gentleman from New York [Mr. PAYNE], the floor leader on the Republican side, and I have not yet been able to reconcile the gentleman's act on that day with what I conceived to be the duty of a Representative on this floor toward securing honest legislation. In view of the fact that it was a cotton gambler in the gentleman's own State of New York who bought information about cotton from an employee in the Agricultural Department in 1904 or 1905, it comes in bad taste for the gentleman to object to the passage of this legislation. But I was

determined to do all in my power to secure this legislation, so I circulated a petition addressed to the Speaker, requesting him to allow me or some one else to call up this bill and put it on its passage. That petition was signed by nearly a hundred Members, and I gave it to the Speaker. Here is the petition:

To the Speaker of the House of Representatives:

We, the undersigned Members of the House, respectfully request that you recognize Mr. HEFLIN or some one else to move a suspension of the rules and pass the bill above mentioned. It is an important measure, and ought to pass at this session of Congress.

After this petition was presented, thinking that the Speaker would certainly allow us to pass the bill, I arose, and the Record of May 28 shows that this is what occurred:

Mr. HEFLIN. Mr. Speaker—

The SPEAKER. The Chair had reason to suppose there would be objection.

Mr. HEFLIN. I was going to move to suspend the rules. I move to suspend the rules and pass H. R. 21847. It is a bill to prevent falsifications in the collection and compilation of agricultural statistics and the unauthorized issuance and publication of the same.

The SPEAKER. The House is waiting for a bill, the original of which was with the committee, and will soon be here. The Chair, to be entirely frank with the gentleman, at this time at least can not recognize the gentleman to move to suspend the rules.

This record discloses a secret and reveals a deplorable situation in the House. There was the Speaker announcing from the chair that he had "reason to suppose there would be objection," and he refused to allow me, after nearly 100 Members had requested it, to even ask of the House unanimous consent to call up the bill. I was curious to know why he had made the announcement that he had "reason to believe there would be objection." So I went up to the Speaker's stand and told him that my bill was unanimously reported by the Committee on Agriculture; that it was a good bill and ought to become the law. And what do you suppose he told me? He told me that he had promised the gentleman from New York [Mr. PAYNE], the same Member who had objected before, that he would not allow me to call up that bill during his, Mr. PAYNE's, absence from the hall. [Applause on the Democratic side.]

Think of that! The Speaker of the American House of Representatives entering into an agreement with another Member of the House to deprive a Representative on this floor of his rights, and by secret agreement preventing this honest and just legislation. By that secret agreement that honest legislation at that session was defeated, and in order to accomplish it the Speaker had refused the request of nearly 100 Members. [Applause on the Democratic side.]

After I had tried to obtain permission from the Speaker to call up that bill I decided to pursue another course. So the gentleman from Virginia [Mr. HAY] was kind enough to yield me some of his time and I managed to say a few words on my bill in the House, and here is what I said:

Mr. Speaker, I want the country to know that there is no law now to punish an employee of the Government for obtaining and selling statistical information to the cotton and grain gamblers of this country. There is no law to punish them for giving out false information on the day fixed by law for publishing crop reports, and so forth.

Mr. Speaker, we can pass my bill in one minute, if the gentleman from New York will withdraw his objection. Speculation in the coming crop will amount to a great deal to the speculators, and in the absence of some law to protect agricultural statistics the farmers are at the mercy of the smart rascals of the gambling exchanges. If a man can be found like Holmes, who will sell this information, the gamblers will rejoice and the man can not be punished.

Mr. Speaker, it is true that the objection to the passage of my bill was made by the gentleman from New York [Mr. PAYNE], the Republican floor leader. But, sir, I was pained to see that not a single Member on that side would rise in his place and ask him to withdraw his objection and allow the bill to pass. There are some clever Republicans here, but, sir, you have lost your courage in miserable submission to your floor leader's will. When the gentleman from New York [Mr. PAYNE] takes a position, you dare not oppose him. No deliberative body on earth was ever afflicted with such an utter disregard of the people's will as that side of the House displays here day after day. [Applause on the Democratic side.]

Now, what happens? In order to keep me from giving the truth of the situation to the country, the gentleman from New York [Mr. PAYNE] arose, and here is what he said and here is what occurred:

Mr. PAYNE. Mr. Speaker, I make the point of order that the gentleman is not speaking to the resolution.

The SPEAKER. The gentleman from Alabama will suspend. The point of order is made that the gentleman is not addressing his remarks to the matter pending before the House, and the Chair sustains the point of order.

Mr. HEFLIN. Mr. Speaker, since the Chair sustains the point of order of the gentleman from New York, I think the country will understand the Republican party's attitude on this question. [Applause on the Democratic side.]

This record, Mr. Chairman, discloses the purpose on the part of the Speaker of the House and the Republican floor leader, Mr. PAYNE, to stifle and defeat this just legislation and to keep the real facts from being discussed, so that they could keep these facts from the country.

In conclusion, Mr. Chairman, I want to say a word or two about "Cannonism," and I want to offer some Republican testimony to prove my case.

Who is the Member over on the right,
With arm uplifted and fist clinched tight,
Whose arraignment of Cannonism would do justice to old Horace?
Listen, my friends, his name is NORRIS.

[Laughter and applause on the Democratic side.]

He, too, is a Republican, and here is what he says:

When our forefathers framed the Constitution that part of it nearest and dearest to the people was the part which provided for the House of Representatives. It was the only place in the national fabric where the people had a direct voice and vote. To-day, as far as the enactment of legislation is concerned, the House of Representatives bears about the same relation to the National Government as the appendix does to the human body—it has no well-recognized function. For all practical purposes our National Government, like Gaul of old, is divided into three parts—the Senate, the President, and the Speaker.

This perversion of the real intent and object of the Constitution has been brought about so gradually and quietly that until recently the people have not understood the method of its accomplishment. That the Speaker possesses a power second only to the President has been well understood by the people at large for several years. That by some mysterious power he controls the House of Representatives as with a rod of iron, and at will moves its Members like pawns about the political checkerboard of national legislation, is known of all men.

The existence of this authority was accepted by the country as a matter of fact, and many people believed that by some constitutional provision or some enactment of statute he had been given the power that he had been exercising. Members of the House of Representatives, who first stood off in amazement and wondered at the system of control, and then searched for the source of this power, soon discovered that the Constitution and the statutes enacted thereunder had given to the Speaker no authority whatever, but that all the power he possessed he obtained entirely and exclusively from the rules of the House. Even in these rules it was not possible to find any specific enactment that gave to him in direct terms the wonderful authority over men and measures that he seemed to be in possession of. His control seemed to be absolute and almost without limit, and yet the specific authorization of his power was more or less a mystery and a secret.

The Speaker, under existing rules, had the sole power of making such appointments, and by virtue thereof he controlled, to a great extent, the political destiny of every Member. By this authority he rewarded the faithful and punished those who refused to obey.

This, then, was the secret of the Speaker's power. It enabled him to influence the individual Member, to intimidate the committee, to control the House, to hold up the President, and to defy the country. The country has condemned the man more than the rule. While the removal of the man from the office is very desirable, the change of the rule is absolutely necessary if we would retain any vestige of representative government in national affairs.

This testimony of the gentleman from Nebraska, a Republican, discloses an awful condition in the people's House of Representatives. [Applause on the Democratic side.]

Now, I wish to put another distinguished Republican on the stand. Here is what he says in Success Magazine:

THE END OF CANNONISM.

[By J. C. Welliver, of the Washington Times.]
FIFTY INSURGENT REPUBLICANS IN CONGRESS.

The surpassingly important fact to-day is that the end of the Cannon era is at hand. That fact has been made as plain as reasoning man could wish since the opening of the long session of Congress. The return to Washington of the warring forces with their loins girt up for the resumption of the fight has been followed fast by developments which leave no room for doubt of the event.

The last session—the tariff session—saw the insurgents able to muster barely more than a score of insurgent Republicans. Now they have returned to the attack, confidently claiming that they have half a hundred. They list more than twice as many as they could count last session. Why these gains, when there has been no change in the personnel of the House?

Simply because the Members have "been to the country" and have learned what is in the minds of the people. They have been out among their constituents. They have felt out the sentiment of all classes of the community. They have learned that there is just one proposition on which the preponderance is overwhelming, and that is a demand that an end be put to the rule of the House by CANNON.

It is CANNON v. The United States. CANNON himself forced the issue. His challenge was promptly accepted by the Republican leaders of the West. Cannonism has therefore reached the last stage, the beginning of the end. No petty politics, no temporary victories of trick and stratagem, not even his final frantic effort to appear as a friend of progress, can now save CANNON. The Middle West, supported by the honest, healthy thought of 45 States, is against him. He is doomed.

Reports of the same purport came from all sections. "If I want to come back to Congress next session I've got to pledge myself to vote against CANNON," one supporter of the Speaker declared, with sincere regret. "And I've got to tell 'Uncle Joe' just that."

Among the "regulars" there early developed a strong sentiment that CANNON must take himself out of the speakership consideration for the Sixty-second Congress, or gravely endanger the Republican party. More than that, it was agreed that the Speaker must be told this in the plainest terms.

"If the Republicans control the next House, it will be because CANNON will have been eliminated before the election," is the common expression.

Even now the seeing men of the old CANNON régime realize that the end is at hand. They know he can never again be elected Speaker, and they are preparing to save the machine and the rules and the paraphernalia of legislative asphyxiation by sacrificing CANNON and taking up some other man of his very truest kidney as their candidate for the gavel. With them it is the system, not the man who may chance to head it.

"The king is dead! Long live the king!"—and keep us as his courtiers and ministers and satellites!" That is their motto.

These in due time will find courage to brave the wrath of the Iron Duke of Danville, and tell him he must get out of the way. Then they will take TAWNEY, or SMITH of Iowa, or STEVENS of Minnesota, or LOUDENSLAGER, or PAYNE, or some other well-trained old wolf of the CANNON pack, rig him out for the nonce in a shimmering lamb's fleece of insurgent apparel, and invite all the lambs to enter the trap by electing this masquerader to represent the new régime in the chair. God help the cause of parliamentary reform if it shall fall into the hands of such friends. It is just as important that Cannonism shall not choose the next Speaker as that CANNON shall not succeed himself.

Or ask yourself what would happen in England if Messrs. Gompers, Mitchell, and Morrison were Englishmen, sentenced to jail without the right of jury trial. For years and years Cannonism has blocked the way of legislation to limit and define judiciary powers in contempt cases.

These are some of the differences between the progress of other countries and the stagnation of our own, and if you would have the answer, it is in one word:

Cannonism!

Do you know that under some recent legislation in Germany no privately owned coal mine may be opened in the Empire? Compare that with the reckless waste and monopolization of our remaining coal deposits.

THE NATION CRIES FOR RIDDANCE FROM CANNON.

The income tax is established as a basic feature in almost every nation's fiscal scheme. We are just setting about on the probably futile effort to amend our Constitution so that we may establish that tax.

Everybody agrees that our money system needs thorough overhauling and modernizing. The greatest and richest country on earth, we have a currency system that is a standing menace to the financial stability of the whole commercial world, and yet we are afraid to permit an attempt to improve it, because we see prospect that the work would be dominated by ALDRICH and CANNON, and nobody is willing to trust the patriotism of the one or the intelligence of the other in such a vital work.

And when the fight is won, when the House has resumed its representative character, when its committees are once more named with the view to facilitate rather than to smother business, when the Committee on Rules shall administer the rules rather than the garrote, when Cannonism and Toryism have been routed and progress and enlightenment shall hold sway—then the country will go back to that imposing list of the things left undone when they ought to have been done.

PRESIDENT TAFT'S ATTITUDE HAS CHANGED SINCE MARCH.

There could be no more suggestive indication of the drift of public opinion than is afforded by a study of the attitude of President Taft during his recent tour. Last March the President employed his utmost influence to save CANNON from defeat. But for his support CANNON would have gone down.

And yet, from beginning to end of his 13,000 mile swing around the circle, the President spoke no word of indorsement of CANNON.

It means, simply, that Taft will never again give his support to CANNON. CANNON's forces understand that perfectly. They realize the full significance of it.

The CANNON power is crumbling. It is tottering through the last reach in its race. No doubt can be entertained on this point by one who has studied the developments since Congress returned to the capital.

The country is determined to make an end of CANNON rule and of the CANNON rules. It knows now all too well the narrowness, the bigotry, the vindictiveness, and vengefulness, the utter disregard for public interest or popular opinion with which CANNON holds his sway. It has read and believes the scathing indictment which Representative FOWLER, of New Jersey, addressed to the Speaker. CANNON had deposed FOWLER from the chairmanship of the Committee on Banking and Currency, because FOWLER had been guilty of the heinous offense of knowing something about the currency problem and of standing for his opinions, even when they interfered with the plans of CANNON and ALDRICH. The Speaker's vengeance against FOWLER was only typical. Every insurgent was punished for his insurgency when committees were announced by the Speaker on the closing day of the special session.

COOPER was taken from the headship of the Committee on Insular Affairs, where he had done magnificent service in helping President Taft to secure a measure of self-government for the archipelago. NORRIS lost his place on the powerful Committee on Public Buildings and Grounds, and so on through the list. Utterly reckless of the public interests, of the fitness or the service of men, CANNON punished every luckless one who dared oppose his despotism. It was as if that power of naming committees had been given him as the older Bourbons believed the scepter had come to them, by divine right, to be wielded for absolutely no other purpose than the gratification of personal whims and piques. Small wonder the country has made up its mind to end such conditions. The end is in sight.

[Applause on the Democratic side.]

Just after the last election the poet laureate of the Republican party—in the Washington Herald, I believe it was—said:

Who was it, when shot and shell
In fierce assault around him fell,
Stood by his guns and gave 'em —11?

CANNON.

[Laughter.]

But now, Mr. Chairman—

Since that battle's fought and o'er,
And the country on CANNON is exceedingly sore,
Republicans on that side galore
Swear they'll vote for him nevermore.

[Laughter and applause on the Democratic side.]

Some are sincere, I do believe,
From his tyranny this House they would relieve;
But some, I fear, the country would deceive
Just on another election eve.

[Laughter.]

For this one thing they've come to know,
That Cannonism is doomed—must go;
So now we behold an amusing show,
They are falling out with Uncle Jom.

[Laughter on the Democratic side.]

The very conditions they now oppose
From Republican evils in this House arose;
And to the country it all clearly shows
That the Republican party caused all these woes.

[Laughter and applause.]

So, it's CANNON and Cannonism we fight,
In the name of justice and the rules of right.
Decent parliamentary procedure in the place of might;
Courage, my friends, the victory's in sight.

[Applause on the Democratic side.]

Who is that redheaded man by the aisle,
Who faces the Speaker and grimly smiles
When the gavel falls like a ponderous rock,
And sighs "Nevermore?" His name's MURDOCK.

[Laughter.]

He is an insurgent Republican praying for deliverance from Cannonism.

Mr. Chairman, I believe in giving honor and credit to whom honor and credit are due for the patriotic service of exposing Cannonism to the country.

I saw a man on this floor, in the Fifty-ninth Congress, courageously assail Cannonism. Single handed and alone, he went into this work, and he described the Speaker as a czar and denounced the rules of this House as arbitrary and tyrannical. His voice trembling with righteous indignation, he said:

I have undertaken to show that ours is no longer a representative government; that in defiance of the Constitution and the rules the Speaker exercises an absolute veto power over all legislation proposed here; that instead of being, as the Constitution contemplates he should, the servant of the House, the Speaker has constituted himself its master. I have laid out for my task to make it an issue before the country whether he shall not be required to give back to the people their free representative government.

[Applause on the Democratic side.]

Mr. SHACKLEFORD said, March 16, 1906:

No Member can submit any matter to a vote of the House until he shall have first sought and found favor in your sight. The Constitution contemplates that the Speaker shall be the servant of the House. In defiance of the Constitution you have made yourself its master. You have organized every committee so that no bill can be reported without your consent. Unless you are willing, no Member can move to discharge a committee from the consideration of a bill and take it up in the House. You subject the rights and destinies of this great people to the dictates of your own unbridled will.

Mr. Chairman, I want to say to my insurgent Republican friends and to the country that the man who started the fight on Cannonism, the man to whom most credit is due, is that gallant Democrat from the State of Missouri, Mr. SHACKLEFORD.

[Applause on the Democratic side.]

Mr. Chairman, I must close. In a speech in this House, discussing the evils of your high tariff, I said that your tariff taxes would drive from the homes of the plain people the simple necessities of life; and what do we see to-day? Trusts have sprung up under your tariff protection and they arbitrarily fix the price of food in every market in the country. All classes of people, not especially within the circle of governmental favoritism, are driven to pitiful self-denial. In different parts of the country people are forced to quit eating meat on account of the high price. They are forming clubs and registering a solemn vow that they will deny themselves of the necessary meat on which to live. This great army of the plain people in their clubs are combating an evil that this Government permits to exist to the injury and distress of the people. An evil that the Democratic party has been fighting all these years. It has grown, gathering up and taking away the comforts and conveniences of life, and now this trust monster takes from the moderately well-to-do a portion of the necessities of life and threatens with starvation thousands of America's struggling poor. [Applause on the Democratic side.]

Mr. Chairman, if these people should assemble and agree to quit the use of the things that they did not need—the luxuries of life—and should determine to be more economical, it would be a refreshing sight to behold. But we see a free people hourly doomed to pay the price that bribes their liberties away—the prey of the greed of conscienceless men driven from the fields of a worthy existence and facing a state of industrial slavery equal to that of the European peasant.

This Republican monster of the meat trust has carried on his work of robbing the people, of creating hunger and distress in the various States of the Union, and now he flaunts his ghastly flag in the faces of the people of the capital city. Here

where the lawmaking body is in session; here where the Supreme Court sits and the President dwells, with all the powers of the Federal Government centered about him, the meat trust is pinching with hunger nearly half a million people. [Applause on the Democratic side.] The poor clerks and government employees are forming clubs and swearing they will eat no meat for months to come. If some outlaw should hold up a train carrying provisions into any locality in the United States and the people should suffer because of this man's conduct, he would be put in the penitentiary, where he ought to be; and if a trust magnate, by reason of unreasonable prices of foodstuff, overreaches the purchasing power of the people, he ought to be locked up. But, oh, no! There is one code of conduct for the big-moneyed man and quite a different code of conduct for the poor man. [Applause on the Democratic side.]

Thirteen years of unbroken reign of the Republican party—House, Senate, and President. Tariff barons and trust magnates are holding high carnival in the Republic of our fathers and pinching with hunger millions of Americans. Day by day, those who fatten on the legislative favors of Congress, obtaining the power with which to rob and oppress the people, show more and more their utter disregard for the rights and liberties of the plain people. Their subsidized newspapers brand as a demagogue the man who opposes their corrupt and misery-breeding measures.

The Republic exists for the benefit and happiness of the citizen. It was never intended that this Government, born of the courage and sacrifices of our fathers and christened in the name of a justice-loving people, should become the handy instrument by which the crafty and avaricious should sap the lifeblood of honest effort and paralyze the hopes and energies of the people. [Applause on the Democratic side.]

The man who enjoys the comforts and conveniences of life and then robs his fellowman of the simple necessities of life is by far a worse criminal than the poor fellow who snatches a loaf of bread from the bakery and takes it home to feed his starving children. [Applause on the Democratic side.]

Mr. LAMB. I now yield twenty minutes to the gentleman from Indiana.

Mr. COX of Indiana. Mr. Chairman, the first section of the bill which I have introduced establishes a bureau of highways in the Department of Agriculture. The second section provides for a cooperation of work in the building of highways between the States, or civil subdivisions of the States on one side and the Federal Government on the other. The third section provides that the bureau shall consist of three commissioners, two of whom to be appointed by the President by and with the advice and consent of the Senate; one of said commissioners to belong to the dominant political party, and the other to be appointed from the largest minority political party; the third to be an army engineer with rank not above that of captain, to be detailed by the President of the United States, and that said commissioners shall be under the supervision of the Secretary of Agriculture. Section 4 provides that a State or a civil subdivision of a State, after complying with the act, may apply for and receive aid from the Government in the improvement of public highways. Section 5 fixes the terms and conditions upon which any State or civil subdivision of a State may apply for and receive aid from the Government by establishing the following facts: First, that the highway sought to be improved is of sufficient importance, taking into account its location, travel, and traffic thereon, including the carriage and delivery of United States mail. Second, that a right of way has been secured for the highway. Third, that when it is improved that the repairs of said highway shall be kept and maintained by the States or subdivision of the States free from any cost to the United States. Fourth, that the State or a subdivision of the State has signified its willingness and desire to improve its highways by first having said highway surveyed and an estimate of the cost thereof prepared, together with a map, plat, or chart thereof, filed in the court having jurisdiction of the highways in the State or civil subdivision thereof, and (providing that all this preliminary cost shall be borne by the State or civil subdivision thereof) and providing that when these things are duly certified to the bureau of highways, established in the Department of Agriculture, together with the fact that the State or civil subdivision of the State has by taxation or otherwise appropriated not less than one-half the money necessary to build or improve said highway, that then the bureau of highways, established in the Department of Agriculture, shall mark said report "approved," or if the bureau does not approve the report that then the said bureau shall have the highway sought to be improved resurveyed, together with the estimated cost thereof, and it shall then be the duty of the bureau to mark said report "approved."

Section 6 provides that upon a full and complete compliance with section 5 of the act one half of the expense of building and improving said highway shall be borne by the United States and the other half shall be borne by the State or civil subdivisions thereof, and that not more than 80 per cent of the work shall be paid as it progresses. Section 7 provides for an appropriation of \$30,000,000 to carry the provisions of the bill into effect, one-third of this amount to be available in 1910, one-third in 1911, and one-third in 1912, and that the act shall apply only to post-roads.

Mr. Chairman, the question of internal improvements has been a burning one from the foundation of the Government down to the present, although we have reached our one hundred and twenty-ninth national milestone. This question is as much alive to-day as it was then, and it will continue to agitate the minds of the people until the question is settled and settled right. The Constitution reserves the right of improving rivers flowing between the States or from one State or Territory to another State or Territory, and under that part of the Constitution giving to Congress the power to regulate commerce among the States, Congress has almost from the foundation of the Government to the present time continued to make large appropriations for the improvement of rivers and harbors. The Constitution further reserves the right to the Federal Government to establish post-roads upon the highways of the United States, and by these two constitutional provisions a complete monopoly is given to the Federal Government, if it sees fit to enforce it, to both regulate and control traffic upon rivers and the highways of the country, and the Constitution having reserved this right, in my humble judgment it is time that Congress was fulfilling its constitutional obligations to the people along these lines. One of these obligations Congress has endeavored to fulfill; almost since the day the Government was organized to the present time Congress has continued to make appropriations for the improvement of rivers and harbors, which now run well up into the hundreds of millions. The other obligation, that of improving or even aiding in the improvement of the highways of the country, Congress has not entered upon any well-defined policy in the way of making appropriations for this purpose.

It is true, Mr. Chairman, that the agricultural bill now pending before the House, under the head of "Office of Public Roads," carries an appropriation of \$114,240. This appropriation is not intended for a cooperation of the improvement of roads between the States on one side and the Federal Government on the other, but as the language of the bill itself indicates, it is for the purpose of disseminating knowledge among the States concerning the best methods and manner of building and improving highways in the States. This appropriation is not a drop in the bucket as to what is needed along this line, but it shows the beginning of what I trust will, in a few years, be the golden ending of this much-needed legislation. There is as much constitutional warrant for the Government to appropriate money for the purpose of improving the highways of the country, especially its post-roads, as there is for the Government to appropriate millions of dollars for the improvement of rivers and harbors, and certainly there would be as much justice and equity in it, because it would aid a deserving class of citizens of our country who always have labored under great stress and difficulty, and who, notwithstanding the difficulties under which they have labored, have by dint of their own energies and industry made a most favorable comparison of their business enterprises with any other business interests in the country.

Mr. Chairman, before the era of railroad building in this country, which began about 1837, the only means of transportation was water and highways. During this period of time Congress, recognizing its constitutional power over the highways to a limited extent, did enter upon an era of improving them. One of the highways during this period of time which Congress sought to build and improve is what is known as the famous and historic old "Cumberland road." Starting at Cumberland, Md., it traveled west, traversing the State of Indiana, passing through the city of Indianapolis, the capital of that State. The last appropriation made for this purpose was made on the 25th of May, 1838, and the total expenditure by Congress for this road in Indiana was \$1,136,600. A part of this road in the State of Indiana was turned over to the State in 1848, and it became a toll road for a portion of its length, until between 1890 and 1894, when it was purchased by the several townships in Indiana through which it passed and was made free.

The last half of the nineteenth century may well be considered the era of railroad building in the United States, and the result of American ingenuity and industry is evidenced to-day by about 250,000 miles of steam railroad in the United States,

built at a cost of about \$15,500,000,000, including equipment carrying 900,000,000 tons of freight and 700,000,000 passengers annually. This stupendous achievement was necessary in order that agricultural commerce, industrial development, and the enlightened progress of civilization might be adequate to meet the needs of a great people. This progress has served to practically annihilate the distance to distribute the products of each and every section throughout each and every other section; to make markets for the cotton of the South, the corn and wheat of the Middle West, the trust and small fruit of the Southeast, the dairy products of the Northwest, and the manufactures of the Northeast thousands of miles from the point of origin or production.

Mr. Chairman, to-day transportation is a vital factor in the agricultural industry, as much so as in any other industry, and it makes or mars the prosperity of the individual and of the locality. The first half of the twentieth century will in future years be known as the era of public-road building in America, just as the last half of the nineteenth century was and is known as the era of railroad building in the United States. The commerce of the country has reached such tremendous proportions that the cost of transportation represents a sum which staggers the imagination. The receipts of the railroads alone are about \$1,800,000,000 per annum. From this it is apparent that the variations in rate of hauling of the smallest fraction of a cent means a difference of millions of dollars to the people.

The freight hauling on railroads began at 7½ cents per ton per mile about 1837, and this has been forced down until to-day it is about 7½ mills per ton per mile, or one-tenth of the original rate. This rate having been reached on railroads and ocean rates having been reduced to a point where it only costs 2.2 cents per bushel to haul wheat from New York to Liverpool, a distance of 3,100 miles, it is evident, therefore, that the only great opportunity which remains for cutting down the immense cost of hauling is through the improvement of public roads, which constitute the primary means of transportation for our agricultural products, for many millions of tons of forest products and mine and manufacturing products, and which for a large proportion of farmers constitute the only avenues of transportation from the point of production directly to the consumer. It costs the farmer on an average 23 cents per ton per mile to haul his produce from point of production to market. It costs on the railroad 7½ mills per ton per mile, and it costs one-tenth of a mill per ton per mile to haul the farmers' produce by water. It can be readily seen, therefore, why it costs the farmer three times as much to haul a bushel of wheat to market as it does to ship it across the Atlantic Ocean. This is hardly believable, yet it is an indisputable fact. The Interstate Commerce Commission, in its report of last year, says that the railroads of the country alone during that year hauled over their lines 265,000,000 tons of produce raised by the farmers of the country. This reduced to pounds means 5,300,000,000 pounds. Allowing 1 ton to the wagonload, it means 265,000,000 wagonloads of farmers' produce which had to be moved from the point of production to a market over public roads, with an average of 9.4 miles over the roads, making a total distance traveled of more than 3,000,000,000 miles to get their produce to market. This enormous drain for transportation over the highways of the country proves the assertion that our annual bill for hauling produce over the roads is more than \$500,000,000 per year to be well established. These figures are astounding, especially when it is asserted upon the most reputable authority that it costs less than one-half as much per ton per mile to haul over the roads in England, France, and Germany as it does to haul over roads in the United States.

The justification of the era of good-road building is found in the determination on the part of the people to save \$250,000,000 a year to the people, to say nothing of the tremendous impetus improved roads will give to education, to enhancement of land values, to the growth of country population, and to the extension of comfort, and happiness on the farm, and the maintenance of high standards of living and of citizenship. The railroads could not exist to-day were it not for the immense tonnage of farmers' commodities transported by them over their lines of railway, nor would there be such a popular clamor for large appropriations to improve the rivers and harbors, were it not for the fact that these great national arteries of commerce annually haul immense tonnage of the produce of farmers, distributing it to the great centers of population, and yet every pound of this freight hauled by either the railroads or the rivers must first be hauled by the farmer in wagons over highways, well-nigh impassable several months in a year, for a distance of more than 9 miles per haul. How can these improved conditions be brought about? Only by taxation in some form upon all the people and upon all the business of the coun-

try alike, and then by equally distributing the money collected through the avenues of taxation and equally distributing it through appropriations made by Congress to the States or to civil subdivision of States for the improvement of their highways. Where is the money to come from? Road improvement costs money, not a little, but volumes of it. To raise the money with which to improve the highways it is clear that it can not be done by assessing the community along the line of the highway or in the township or county where the road may be situated.

Mr. Chairman, the people in the rural districts are willing to pay their proportion of the cost of improving the highway, but when they have stood their part by way of taxation they find that they are unequal to the task, and that the burden is more than they can stand, and this class of people have for more than a century submitted to taxation for the purpose of improving the rivers and harbors of the country. Patriotically they have stood by and observed their money being appropriated for this purpose, realizing all the time that the appropriation of money for this purpose would not be so urgent were it not for the fact that their produce transported by them over well-nigh impassable roads for a large part of the year went to swell the enormous commerce of the rivers in the country. So the question of raising money for this purpose has passed on beyond a township, county, or state question, and is now a national issue.

The Democratic party in its last convention assembled at Denver openly declared in favor of government aid for the improvement of the public highways of the country. The farmers believe, and justly so, that a part of the money raised by taxes levied on the people of the entire country should be devoted to a purpose that is so imminently one relating to the national welfare as it is, that of improving our highways. They are convinced that of the enormous sum taken every year from the people by way of taxation levied for the most part on the consuming public, of which they form so large a part, the expenditure for their benefit is very small. And they know of no other way in which the unequal distribution of the public funds could be made fairer to the largest class of taxpayers, the farmers, than by making material appropriations in aid of better highways. The argument is made by some who are unfriendly to the proposition that if Congress undertook to make appropriations for this purpose, that this would be an invasion of the rights of the States, because they argue that our roads are purely a matter of state concern. How can it be an invasion of the rights of the States to ask the Federal Government to aid in improving its own post-roads, the very roads which the Government claims under the Constitution the right to establish, and over which roads it claims the right to transport the mail? It can not in any legal sense be an invasion of the rights of the States for the Government to improve or aid in improving its own property, and by the Constitution it is expressly declared that the Government has the power to establish post-roads upon the highways. By others it is claimed that such a system of the Government in aiding the States in the improvement of their highways would be paternalism, socialism, and all other isms. Such epithets when applied to the real question at issue means nothing at all, it is no argument, and does not convince anyone either in favor of or against the proposition of government aid for the improvement of highways. If it be paternalism or socialism to aid the States in improving the post-roads of the country, then it is equally paternalism or socialism for the Government to appropriate money for the improvement of rivers and harbors, because there is as much constitutional warrant for the one as there is for the other.

No sensible man would for a moment contend that it is either paternalism or socialism for the Government to appropriate money for the improvement of rivers and harbors, and no sensible man, if he will be honest with himself and with the public, will contend for one moment that it is either socialism or paternalism for the Government to appropriate money to aid the States in the improvement of the post-roads of the Government. Another objection frequently made against this policy is that federal aid would simply amount to taxing the people of the various States and returning the money to them in the way of appropriations for highway improvements. The truth is that the Federal Government is now steadily encroaching on the taxing sphere of the States without consideration of the purposes for which the money is to be expended, and for this reason alone the demand of the farmers for federal aid along this line is fully justified. In most of the States where the policy of state aid for the improvement of highways has been adopted, a considerable part of the state revenue are derived from taxes on corporations and inheritance taxes, and some of

the States have enacted an income-tax law. It could be reasonably expected that the States which have yet to adopt this policy would rely on these taxes to a large extent for providing the necessary funds for road improvement.

Mr. Chairman, the last Congress enacted a law imposing a federal tax on corporations, and a federal inheritance tax law is strongly favored by the President of the United States, and will doubtless be enacted by Congress into a law in the not distant future. A constitutional amendment has been submitted to the States which, if adopted by the requisite number of the States, will give to Congress the power to pass an income-tax law, and it is therefore only fair that the States should say to Congress "since you insist on invading what is properly our sphere of taxation we insist that in expending the revenue derived from these taxes you must devote a portion of it to purposes that will benefit the greatest number of our people."

There will be those in and out of this House who will denounce this idea as paternalism and socialism, yet these same men will persuade their consciences that it is neither socialism nor paternalism to vote for a ship subsidy, which ultimately means a tax upon the consuming masses for the sole and exclusive benefit of a few shipowners in the country, and which will pile many millions of dollars in the way of burdens upon the mass of the people, with no corresponding benefit in return to them whatever. How any man can support a ship subsidy, designed only for the benefit of the few, and turn his back upon this proposition is beyond my comprehension, and if newspapers can be believed, the capital is now infested with a lot of professional lobbyists looking after their pet scheme, a ship subsidy. If the farmers of the country are to be taxed solely for the benefit of private industry and private monopoly in the way of a ship subsidy, I hope they will make it clear to their Representatives and Senators in the next Congress that Congress must make liberal appropriations for aiding the States in the improvement of the country's highways. The far-fetched argument has been advanced that the adoption of the policy of federal aid and a cooperation on the part of the Government with the States in improving the country's highways would tend to lessen the interest of the States themselves in the work of improving and building macadamized roads. In my humble judgment I believe this danger to be wholly imaginary, not real, and without any foundation whatever, because I believe that instead of federal aid to the States discouraging the States' activity along this line that federal aid would greatly stimulate and increase the activity of the States in the building of good roads. The claim that if the National Government were to make appropriations to assist the States in extending their improved road system that the people of the States would lose interest in the subject is based upon a mistaken view of human nature, particularly the farmer nature.

Mr. Chairman, I believe that the direct effect of federal aid would be to create a still greater interest in this movement among the States and show more clearly than ever the erroneous influence that would be exerted by good roads in promoting our national prosperity, education, health, and social welfare. A question that directly concerns the interest of all the people of the entire country can no longer be regarded as merely a local issue, but a national one, in which not only the farmer, but the banker, the merchant, the railroad magnate, the laborer, and, in fact, every person living in this country is vitally interested. I have given this subject some thought and consideration in the past three years, and to this end I have secured a copy of the road laws of almost every State in the Union; and upon an examination and a comparison of these road laws I find that no two States have identically the same road laws. There seems to be as many diversified laws upon the highways as there are States themselves, and I believe it to be a hopeless task to get the States to adopt uniform road laws of and within themselves. Believing this to be impossible, and to obviate this very thing and to bring about uniformity of road laws among the States so as to give the Government power to aid them in the improvement of their highways, I have introduced the bill heretofore outlined by me. If the Government ever embarks upon this era of road building in the way of aiding the States, and I have no doubt but that it will—special interests can not put off the day of reckoning much longer—the Government itself must fix by law the terms and conditions upon which the States can share in the distribution of appropriations for this purpose. I would not raise the question of section against section, nor would I raise the question of occupation against occupation, but, as a class, the farmers have never received their share of legislation, and yet they have been a most potential factor in the building up of our great Republic. They have reached a point, in spite of themselves and in spite of objections and many difficulties which they have had to meet and

overcome, where, from a commercial viewpoint, they are to-day occupying a most conspicuous place as financial factors in this country. Two years ago the bankers of the country brought on what was termed a "bankers' panic," but in a few months the farmers' crops soon drove it to the jungles, and I hope never to return again.

The value of the farmers' crops this year, according to the reports of the Secretary of Agriculture, reached the startling figure of \$9,000,000,000, furnishing food to 90,000,000 of people in this country, with a surplus to send abroad large enough to make the balance of the world's trade in our favor of more than \$400,000,000. His crops this year almost equal two-thirds of the total value of all the railroads in the United States, including equipment, and is at least three-fourths of the value of all the lines of railway in this country, without equipment, although it has taken three score and ten years to build up our railway system in this country; and the Government has aided in the building up of our great railway system by giving it land equal in size and area to the Republic of France or the Empire of Germany. If in the course of three score and ten years, by an investment of \$15,000,000,000, private capital can build 250,000 miles of steam railroad, certainly in the same period of time, or less, the Government, working in connection with the States, can surely build a system of highways in this country which will equal in splendor and glory the highways of ancient Rome, which to-day stand as a monument of that one-time great and flourishing empire. The Governments of France, Germany, England, and other European countries, long ago, recognizing the necessity of work of this kind, entered upon eras of national road building, and along this line they have left our Government far in the rear, although we are undoubtedly the richest Government upon the earth. The total assessed valuation of property in the United States is now approximately \$120,000,000,000, almost two and one-half times of either the Governments of England, France, or Germany, these three Governments being to-day the leading powers of Europe, and one-half of this assessed wealth in our country is owned by farmers, represented by farm values and farm products.

The population of our country is approximately 90,000,000 of people, and this represents a total population of almost twice as many as either of the above-named governments, and one-half of this population in our country are farmers or people living in rural communities, and yet we are told that it is all right to vote a tax upon him for the purpose of a ship subsidy, but if he asks in return some aid to not only improve his own condition but to equally improve the condition of all other people, no matter whether they live in towns or in cities, he is answered in his request by being told that this is socialism or paternalism. My answer to these charges is that if it be either or both let us make the most of it. While I am in favor of maintaining a moderate navy and army, I am unalterably opposed to maintaining an immense navy or large standing army, both of which make a constant drain on our resources to maintain them, and I believe that instead of appropriating \$130,000,000, as we did last year to maintain our navy, and more than \$100,000,000 to maintain our army, for one I would much prefer seeing these appropriations cut down and a part of this money put into the improvement of our country's highways. This would aid in building up our country and would in a short period of time, in a true sense, make us the greatest nation on the earth. Were such a course as this adopted, all benefits would not alone accrue to the man living in the country, but a corresponding benefit would be given to the man living in the city or town. The cost of transportation of any article to the ultimate consumer must always be taken into account, and if the cost of transportation of the farmers' commodities can be reduced, the consumers of these commodities in towns and cities would receive a corresponding benefit to them in the way of having reduced the cost of necessities of life.

It is estimated that a tax of \$12.50 per capita is placed upon every man, woman, and child in the country as a result of bad roads. This result of bad roads constitute yearly tolls of \$12.50 per capita against everyone who eats and consumes farm produce. This yearly waste would build 200,000 miles of macadamized road every year, basing the average cost per mile of road at \$5,000. We have 2,000,000 miles of public highways in the country, and by saving this yearly waste, and turning it to an improvement of the highways, in ten years we could improve all the great thoroughfares of the country. Our Government can not afford to take any backward step along this line.

Mr. Chairman, it must keep abreast, if not ahead, of the nations of Europe, which long ago began the improvement of public highways by making national appropriations for this purpose. If the Governments of England, France, Germany, and other European countries can do this and do it successfully, why

can not our Government do the same thing? It can, and it can do it much more easily than any European government because of our superior national wealth, and superior population, upon which to draw as a national resource from which to procure the revenue for this purpose. Let no one be deterred that such a course will be an interference with state rights. Let no one falter, believing that such a policy would lessen the ardor of the States in the building of good roads if the Government comes to the aid of the States along this line. Let no one be afraid of being called a Socialist or Paternalist if he stands for such a course, but let everyone who believes in exact and even-handed justice between man and man plant himself upon the Constitution and declare that equal and exact justice shall be dealt out to all the people. Undismayed by special interests for myself, whether in or out of Congress, I propose to stand for this policy, believing that by so doing I am following out the maxim upon which all republican forms of government rest, that of equal opportunity before the law. [Applause.]

Mr. LAMB. Mr. Chairman, I hope the other side will occupy some time now.

Mr. SCOTT. I yield to the gentleman from Ohio.

Mr. TAYLOR of Ohio. Mr. Chairman, for some time prior to the date of the President's message there has been an agitation of a proposition by leading negroes that it would be fitting, as well as a benefit to the people, that there should be a great national exposition showing the progress made by the negro race, not only during the period of their freedom, but also from the time of their coming to this country.

The year 1913 will mark the fiftieth anniversary of the emancipation proclamation granting freedom for the negro, and for the first time putting him on a basis where he must go into the world and be self-sustaining and self-supporting. A great exposition showing the tremendous strides this race has made in fifty years, both in agricultural, industrial, commercial, business, and professional life, would be of great benefit and of tremendous educational value, not only to the negro, but to the white race, throughout this great country.

I am glad to say that this movement has not only met with the approval of the prominent negroes, but has been encouraged and will continue to be encouraged by prominent white people and the press. Men of the South are as much interested in an exposition of this kind and have shown as much, if not more, encouragement toward the project as any other section of the country. President Taft in his message calls attention to this movement and the proposed exposition, and suggests that a preliminary commission be authorized by Congress of not more than seven persons to consider carefully whether or not it is wise to hold such an exposition; and if so, to outline a plan for the enterprise. His recommendation carries a preliminary commission without salary, except as to their actual expenses, and he advises that an appropriation be made for this purpose only.

I have always been interested in the progress of the negro race, and immediately after the message was read in Congress I prepared a joint resolution, which was submitted to the Committee on Industrial Arts and Expositions, and provided, in substance:

That the President of the United States be authorized to appoint a commission consisting of seven persons to consider carefully whether or not it is advisable to hold an exposition in the year 1913 to commemorate the fiftieth anniversary of the emancipation proclamation granting freedom to the negroes, and that the said commission report to Congress on the first Monday in December, 1910.

This resolution further provides for an appropriation of \$5,000, or so much thereof as may be necessary, out of which shall be paid the necessary expenses and disbursements of the commission, all of which shall be provided by the Secretary of the Treasury on vouchers approved by the chairman of the commission.

This resolution is now pending before the committee to which it was referred, and I hope and believe that it will be favorably reported and passed by both the House and Senate of the United States. I am also gratified that the Hon. WILLIAM ROSENBERG, of Illinois, chairman of the Committee on Industrial Arts and Expositions, has introduced a like resolution, and has shown great interest in, and approval of the subject.

What more valuable purpose could be served than to teach the world of the progress of the negro in his fifty years of freedom in an educational, moral, and religious direction? To be a success, it must not be left to the negro people alone, but should be a matter in which the whole American people, white and colored, should take an active interest.

There have been many expositions held during recent years, and there may be a feeling that there have been too many; but an exposition of this kind, which serves such a laudable purpose, should be encouraged, particularly when it will teach

the world a lesson, showing how it is possible for two races to live together in peace and helpfulness. No place in the world do so many white and colored people live together with so little friction as in the United States. In no place in the world has the negro advanced further in industrial, educational, and moral direction than has the negro in the United States. The causes for these advancements, the results of their efforts, placed under intelligent scrutiny, must result in benefit to all the people of the United States, as well as to the world.

It is of the greatest importance to the Nation that the negro should be uplifted in every possible way; that his right to self-improvement should be recognized; that he should be encouraged in citizenship; and if an exposition of this kind will help the negro, such an exposition should by all means be held. I do not speak from sentiment. I look upon this as a great economic question; one to be taken hold of seriously and soberly and worked out with the utmost care. For that reason, I approve of a commission of prominent men, first to determine its advisability and, second, to lay out a plan for its consummation. It seems to me that the first question before the commission is, Will such an exposition benefit the colored race? If this commission determines that it will, there can be no valid objection from any section of this country to such an exposition. A careful investigation of the results of the negro's progress brings forth some startling figures. When you think that the education of the negro practically began with the emancipation proclamation, and that the illiteracy of the whole race may be admitted to have been almost total at emancipation, it is a mark of splendid progress to know that at the time the last census was taken it had been reduced to 44.5 per cent. It is undoubtedly much lower at the present time, as is shown by the fact that from 1890 to 1900 it had been reduced from 57.1 per cent to 44.5 per cent. In my State of Ohio, where the negro is educated and gladly takes advantage of the opportunities for an education, only 17.9 per cent were illiterate at the time of the last census. There are white countries with centuries of civilization behind them which can not show any such advancement. I am told that there are 40,000 negro students in colleges, studying all branches from trade to scientific and classical courses. More than 40,000 have graduated from the various secondary institutions; more than 40,000 from colleges. There are 3,000 teachers, 16,000 clergymen, 4,000 musicians, 17,000 physicians and surgeons, 1,000 lawyers, 300 journalists, 236 artists, 82 bankers and brokers, and 52 architects. The race owned in 1904 property amounting to \$1,100,000,000. It operates 476,718 farms, and owns 187,797 farms.

This is not a bad showing for a race which has had but fifty years of freedom, and what a splendid opportunity would be given by an exposition of this kind to show the results of all this effort in a way that the people of the country will have an opportunity for personal inspection. What better way to encourage them to further effort along the lines of good citizenship? In 1900 the negroes owned farm property valued at \$200,000,000, almost \$300 for each negro family. The auditor of the State of Virginia, in his report of 1904, says that the negro increased the value of his property in one year \$1,054,626, making a value in that year of their total property of \$19,554,844.

We have recognized that the real backbone of our country is agriculture. The negro has recognized this fact. More than 2,000,000 are engaged in agricultural pursuits.

The negro has not forgotten that religion is a necessary adjunct to good citizenship, and they have 200,000 churches, valued at many millions of dollars. I believe that the people of the North, as well as the South, should interest themselves in this great work. A commission should be appointed of able and prominent men, the matter should be fully investigated, and I firmly believe that, after a full investigation, there will be a recommendation for an exposition which will be of incalculable benefit to the colored and the white people of this country. This exposition would tell a story of great human interest. It would be the only one of its kind, and would therefore be, by its novelty and by its laudable purpose, the center of attention of all thinking people of this country. It would give encouragement to the negroes of the better class, it would stir in the breasts of the whites a spirit of rejoicing in a success to which they have loaned their efforts. It appeals to progress; it appeals to prosperity. It would appeal to any man who has the best interests of the country at heart, who believes in progress, prosperity, and posterity.

Mr. SCOTT. I yield thirty minutes to my colleague on the committee, the gentleman from New York [Mr. Cocks].

Mr. COCKS of New York. Mr. Chairman, the bill which we have submitted this year we believe is along the lines of the bills of the past, and we have given to the department all that

they asked for and a little more. I do not propose to go into a summary of the provisions of the bill, because I assume that our worthy chairman will take up the bill and review it from start to finish.

The particular part that I wish to call attention to relates to our live-stock interests, and is more or less directly connected with the present crusade against high prices. I have collected here considerable information that I believe will be of interest to those who are willing to take the trouble to look this matter up.

You remember that it was with considerable difficulty that the inspection bill was passed, and sometimes we have failed to realize that the condemnation of a large number of cattle annually has something to do with the scarcity and the high prices, and I will submit a few figures showing the rejections on account of disease for the several years 1907, 1908, and 1909.

In 1907, of a total of 50,935,216 cattle that were inspected, 149,792 were rejected in whole. The parts of carcasses that were rejected amounted to 529,876. While that is not such a tremendous percentage of the total number of cattle slaughtered, it still has a bearing on the price of cattle.

The next year, out of 53,973,337 inspected, 175,126 carcasses were rejected in whole and 704,666 in part.

In 1909, up to June 30, the total number inspected was 55,672,075, of which 141,057 were rejected in whole and 899,628 in part.

Now, you will notice that last year there were 175,000 rejected whole carcasses, whereas this year, ending June 30, 1909, there were only 141,057. That is encouraging from the point of view of those who believe that the inspection law ultimately will result in a more healthful condition of the cattle of this country. Of the animals inspected, the largest number of those condemned were swine and the smallest number goats, showing that by far the most healthy of any of the animals slaughtered were goats.

The report of the Bureau of Animal Industry shows that by far the greatest number of animals condemned were suffering from tuberculosis, and that is true of both cattle and swine. In 1907 the number of carcasses of cattle condemned for this disease was 19,305, and parts of carcasses 10,530, out of a total of 7,621,717 inspected; for hogs, whole carcasses, 65,618, and parts of carcasses, 364,559, out of a total of 31,815,900 inspected. In 1908 the cattle inspected fell to 7,116,275 and the condemnations for tuberculosis rose to 24,371 in whole and 27,446 in part; but we find that in 1908 the number of swine inspected increased by 5,000,000 and the number of condemnations increased to 77,584 in whole and 628,462 in part. Then in 1909 there were 7,325,337 cattle inspected, out of which number 24,525 were condemned in whole and 40,148 in part; the number of swine inspected in that year was 35,427,931, of which 45,113 were condemned in whole and 791,735 in part for this disease. I have given the figures for tuberculosis only, because that was by far the most prevalent disease; in fact, it was by far more prevalent than all the others combined.

The next thing of particular importance, perhaps, in connection with the Bureau of Animal Industry is as to whether our vast expenditures for the benefit of the cattle industry in the Southern States has been of any value. I will read an extract from the Daily Live Stock Report of January 1, 1910, which has a direct bearing on that work of the bureau:

NEW TERRITORY ADDED.

With the lifting of the quarantine against a good many counties in Tennessee, Arkansas, Oklahoma, and the Panhandle, the native cattle market has profited by the additional receipts from the States mentioned. The lifting of the quarantine has stimulated interest of the cattlemen there in the business, and production will undoubtedly be pushed along more vigorous lines.

The stockmen of southern Missouri are giving more time and attention to the raising and breeding of better cattle than in former years. This has been especially observed during the past year. That territory is rapidly coming to the front as a producing center, and to-day is considered one of the substantial sources of supply.

This refers particularly to the market at St. Louis. I would like to call the attention of the House to this, because sometimes we are asked, Are the activities of the Agricultural Department resulting in any real good to the people of the country and the farmers?

The next particular question that comes up in the consideration of the price of beef is whether the farmer is getting his due proportion of increase in the price of cattle.

Mr. WEISSE. Will the gentleman yield?

Mr. COCKS of New York. I will yield for a question.

Mr. WEISSE. Does the Agricultural Department keep any account of what they do with the meat that is condemned after inspection?

Mr. COCKS of New York. The ones that are condemned go to the tank and are reduced for fertilizer.

Mr. WEISSE. Are not a great many of them consumed under certain conditions?

Mr. COCKS of New York. We believe not, and that is so stated by the Chief of the Bureau of Animal Industry, and we have no reason to believe that his statement is incorrect.

Mr. Chairman, I would call the attention of the House to the fact that if many of these cattle had been slaughtered by the country butchers they would have been consumed.

Mr. WEISSE. I would like to ask the gentleman if he ever knew of the country butcher killing or carrying on the slaughter business in the insanitary conditions that the great packers were reported to be carrying it on in a report made by the administration at one time?

Mr. COCKS of New York. I believe that the average butcher was no more careful than the packers were, judging from the butcher shops and slaughterhouses that I was familiar with.

Mr. WEISSE. That is not the question. I asked the gentleman if the average condition in the packing houses was not more insanitary and in a worse condition than the butchers' slaughterhouses when this report was made?

Mr. COCKS of New York. We have no report of the sanitary conditions of the local butchers as compared with that of the packers, and I can only state what I do from my own observation.

Mr. WEISSE. My observation has been that the report made of the packing industry by St. Clair and the butchering industry by the local butchers in my State, where I have visited them, that the local butchers were far ahead of the packing houses.

Mr. COCKS of New York. Mr. Chairman, if the gentleman wants to make a speech I will help him to get time, but I have a few things I wish to submit myself. Now, in taking up this matter of high prices, I came across an old report made by Senator Vest in 1888, when conditions were the reverse of now, and when the great cry was that the producers of the country were not getting sufficient money for their cattle, and I am just going to read a little statement published in the Farmers and Drovers Journal, of Chicago, of January 1, 1910, to show what the condition of the Chicago market was at that time.

I want to give you an idea of the amount of business done, and of course you realize that the prices received at the Chicago market were what the farmer received, less the freight and the commission. I herewith submit two items printed in the Chicago Daily Farmers and Drovers' Journal for January 1, 1910:

Valuation of 1909 live stock marketings at stock yards, \$316,754,000, against \$307,680,000 in 1908.

Cattle valuation for year, \$165,545,000; calves, \$4,858,000; hogs, \$107,007,000; sheep, \$24,414,000; horses, \$14,930,000.

Combined receipts of all classes show decrease of 1,544,997 from previous year.

Highest average prices on record established for native beef cattle, western range cattle and lambs, and also in lamb trade.

Average price for hogs, at \$7.35; highest since 1882. Top hogs, at \$8.75, in year highest since 1893.

Packers' predictions of cheaper hogs in November and December go wide of mark when supplies fall far below normal volume.

New record price of \$9.90 is hung up for Colorado lambs.

Champion Percheron stallion Carnot sells in Chicago at record price of \$10,000 during international show week.

Horse sale industry again rides top wave of prosperity.

Average price for steers in year, \$6.35; highest on record.

Year's open market top price, \$9.50; highest since June, 1870.

Record price made May 29, 1867, at \$10.25.

Native cattle receipts for the year 2,527,907, against 2,662,006 in 1908.

High corn price throughout the year was worry to feeders; however, feeding operations were profitable.

Quality shows no improvement for year. High feed cost cuts short the supplies of finished beef.

Summer pastures excellent and grass-fed marketings were heavy in fall months.

Cattle valuation was \$165,545,000, against \$164,190,000 in 1908, showing an increase in spite of a drop in receipts.

Eastern shippers liberal competitors in all seasons, but total shipments show decrease from former year.

International show steers prices highest on record, making an average of \$11.44 for 52 loads.

Steers averaged highest in September, at \$6.75. Low month was February, when average was \$5.95.

From August to December prime beefs topped at \$8 to \$9.50, while in last three months tops ranged about \$9.

Choice beefs were lowest sale in February and April, when tops made \$7.15.

Short-fed steers in fall made highest prices in years. Forty to sixty day fed steers sold up to \$7.50.

Yearling steers popular with slaughterers and sell at high rates.

Hide market high throughout the year; closes 1 to 3½ cents up from year ago.

One feature of the first of the items that I have just read I wish particularly to call to your attention, namely, that the horse industry again rides on the top wave of prosperity. I have never heard anyone charge that the horse market was controlled by a trust or a combination of any sort, and yet, notwithstanding the great increase in the number of automobiles, horses bring

the highest prices they have ever brought in this country since we have been on a gold standard. It seems to me that this conclusively proves that in one of the farm products at least we have a good price without there being any charge of its being due to combinations of any kind.

I desire also to call your attention to the fact that the difference between the average monthly receipts in 1901 and 1909 at the Chicago stock yards was 9,000 per month. In the same period there was a decrease of 137,000 hogs per month and an increase of 34,000 sheep per month. The Chicago Daily Farmers and Drovers' Journal for December 30, 1909, states that in the six principal markets, namely, Chicago, Kansas City, Omaha, St. Louis, St. Joseph, and Sioux City, the increase in receipts in 1909 over 1908 of cattle was 298,000 and sheep 267,000, but that there was a decrease in hogs of 3,642,000.

As a further evidence that the farmer is receiving better prices for his stock than ever before, I desire to call your attention to an extract from the Daily National Live Stock Reporter for January 1, 1910, which is a general review of the market for the year; also, I wish to call your attention to a statement issued by the East St. Louis National Stock Yards to the farmers. I herewith submit both articles:

THE TOP-NOTCH PRICES, REFERRING TO THE ST. LOUIS MARKETS.

The high price of the year for straight market beefs was \$8.75, paid during the week of October 23 for a load weighing 1,551 pounds. The top price of yearling steers less than a thousand pounds was \$8.35 the week ending October 2, they averaging 928 pounds. Yearlings over a thousand pounds brought \$8.50 on September 21.

All records in the history of the market were broken when on Tuesday, December 14, 17 steers, averaging 1,245 pounds, sold for \$10.50 straight. They were Christmas cattle, thoroughly finished, and fit for the show ring.

With the regular market basis at a high level the sale of Christmas cattle was looked upon with considerable uncertainty. During former years transactions of the holiday beef were hardly as high, as a rule, as the choice market cattle sold during many weeks of the year. As a result, sellers had little idea what was forthcoming.

While the price level throughout the past year has been satisfactory, its effect upon future feeding is yet to be determined. Whether 50 to 60 cent corn and \$33 cotton-seed meal and cake will curtail feeding is to be seen. However, from the opinions expressed by various feeders, it seems that there is not enough margin between cost and selling values to stimulate extensive feeding at the prices.

THE EAST ST. LOUIS NATIONAL STOCK YARDS—A WORD OF ADVICE TO THE FARMERS.

The high prices paid for all classes of live stock during the past year justify the farmer in increasing his production. The country is crying aloud for greater meat supplies. They are pleading to you through high prices. Think of it: Hogs close to the 9-cent mark, cattle up to \$10.50 per 100, sheep and lambs on the highest basis known for some time at this season of the year. These prices certainly justify a very liberal increase in production and feeding.

Don't be afraid of overdoing it. The facts are, while the population of the country has been on the increase by leaps and bounds, the production of live stock has been practically at a standstill. In fact, in some localities it has actually decreased. The western ranges are fast disappearing. It will be years before the farmer settlers throughout the West can reproduce the stock of which the settling up of the range is depriving the markets.

I just cite these figures to show that at least the farmer was getting a portion, and as to whether he was getting a just portion of the high prices it must be left to your individual judgment to decide. In my own judgment he was getting as fair a share of the retail price as he ever got.

Now, referring to the report of which I spoke a few moments ago, in 1888, when the Senate appointed a committee to investigate because cattle were selling so low, they then believed that the trouble all lay with the packer, that he was absorbing the profit. I want to read the conclusion of that report, to show how the conditions as then seen by the committee have been verified:

CONCLUSION.

If the cattle raisers of the United States are only true to themselves the immediate future promises deliverance from present evils. There is no excuse for panic.

The worst feature of the cattle trade is the fact that so many cows and calves are being thrown upon the market, the indication being that producers are panic-stricken and anxious to realize now without regard to the future. There were marketed at Chicago during the past year 3,023,281 cattle, of which from 25 to 30 per cent were cows and 4 per cent were calves.

A little reflection will satisfy every intelligent man that no combination can keep the prices of beef cattle at present quotations. The population of the country is increasing in a wonderful ratio, and of course the increase is greater each year. The foreign demand for American beef is annually growing, and it can be only a short time until our store cattle will be admitted into the United Kingdom. The British cattle raisers are earnestly demanding the removal of all restrictions upon the importation of such cattle, and if our authorities earnestly address themselves to the task the difficulty can be removed.

Besides, the cattle-growing region in the West is being rapidly limited. The admission of new States, and the settlement of agricultural lands, the quantity of which is enlarged by systematic irrigation, must necessarily decrease the grazing area. While this is so, there will be an increased demand for beef with increased population, and enlarged facilities for the preparation of beef and its transportation to new markets.

It is impossible that the Chicago market should continue to control the cattle interest of the whole country as it does now, or that a few large operators shall retain their hold upon that market.

This is a new country, not yet out of its first national manhood, and rapid development, with phenomenal transition from one commercial condition to another, must attend our future. The center of population is moving westward, and the centers of trade must change with changing population.

As lines of railroad penetrate the continent and new territory is opened to commerce and production, the distributing centers must, of course, be affected, and so it will continue to be until our country has reached the last stage of national development and danger—that in which the soil is sustaining human life to its fullest capacity.

The cattle raisers of the United States should be and are the most competent judges as to their own interest, but if they will accept a suggestion from those whose duty it has been for months to examine the cattle question in all its aspects, they will cease marketing their breeding and immature stock, and diligently prepare for a larger supply and a brighter future.

It is only a question of time, and very brief time, when the problem will be that of supplying our own people with beef without regard to foreign markets.

Under present conditions, and until we escape from the abnormal and ruinous centralization of the cattle market and its domination by a few men and railroad corporations, every effort should be made by deep-water improvement on the Gulf of Mexico, diplomatic endeavor to remove quarantine regulations in Great Britain, national inspection, and the prohibition of monopoly in steamship transportation, to enlarge our foreign market; but eventually it will require all the cattle produced in this country to supply the home demand.

Respectfully submitted.

Showing that even twenty years ago they foresaw that the then low price of cattle could not last, and to-day their prediction has been more than verified. Now, in that same report there was printed a table showing the proportion of cattle to the population since 1850. We find that in 1850 there were 491 cattle to the thousand population, and it ran along then about the same until 1889, when we find that there 523 for 1,000 population. The next figures available that I have are for 1900, when there were only 363 per thousand population. In 1901 they rose to 588; 1902, 566; and running along down to the banner year 1907, when there were 600 cattle to 1,000 population. In 1910 it is again down to 531 per 1,000 of our population. That holds very much the same with the milch cows.

I find that in 1850 the number of milch cows was 275 per thousand of population, and that the number greatly decreased for each census period until in 1889 there were 235 per thousand, and in 1900, 213 per thousand. It is estimated that there are 245 per thousand in 1910, this year, considerably less than the proportion per thousand in 1850.

I submit herewith a few figures compiled by the Bureau of Statistics of the Department of Agriculture which would indicate that they think some of the high prices have inured to the benefit of the farmer, because while they not only give the figures of the increase in farm stock, they also show a large increase in valuation, and as this stock is still in the hands of the farmer they must have been of the opinion that he would get some benefit from the high prices:

Compared with January 1, 1909, the following changes are indicated: Horses have increased 400,000, mules increased 70,000, milch cows increased 81,000, other cattle decreased 2,100,000, sheep increased 1,132,000, swine decreased 6,365,000.

In average value per head, horses increased \$12.55, mules increased \$12, milch cows increased \$3.43, other cattle increased \$1.92, sheep increased \$0.65, swine increased \$2.59.

In total value, horses increased \$302,311,000, mules increased \$57,013,000, milch cows increased \$77,363,000, other cattle increased \$53,699,000, sheep increased \$41,032,000, swine increased \$81,809,000.

The total value of all animals enumerated above on January 1, 1910, was \$5,138,486,000, as compared with \$4,525,259,000 on January 1, 1909, an increase of \$613,227,000, or 13.6 per cent.

The details by States will be published in the February number of the Crop Reporter.

Mr. HUMPHREYS of Mississippi. Will the gentleman permit a question?

Mr. COCKS of New York. Why can not the gentleman wait until I am through and then bunch all of the questions at once?

Mr. HUMPHREYS of Mississippi. Right there on that line I want to ask for information; if the gentleman has the figures showing the prices of beef and beef cattle during those years?

Mr. COCKS of New York. No; I have not got that. I did not get the run of prices for those particular years. I have got the price here for February 11, 1889, when the price for a 525-pound carcass was 3½ cents per pound at Kansas City.

Mr. HUMPHREYS of Mississippi. I want to know what relation the number of cattle per thousand of population bore to the price.

Mr. COCKS of New York. It will require considerable figuring to carry that out all the way down the line. I submit this more to show that the proportion has hardly kept pace with the population, and we assume—most economists do—that we are eating more per capita of beef than we ever did before.

Mr. MOSS. Is it not a fact that in this report that Secretary Wilson has just submitted and put out to the country he states that we have been for the last fifty years constantly eating less meat per capita?

Mr. COCKS of New York. I did not notice that statement in the report, and I did not suppose that that was true. I would be very glad if the gentleman would look it up. I am only judging from my own information. I believe that we certainly are eating a higher class of meat.

Mr. MOSS. I would like to say to the gentleman that the Secretary of Agriculture estimates along the line that, supposing we were eating 100 thirty years ago, we are eating now only 60.

Mr. COCKS of New York. I would be glad to see that.

Mr. MOSS. The gentleman will find it in the report of the Secretary of Agriculture.

Mr. COCKS of New York. Now, to show you the tremendous difference in the prices of the carcass in different years, I will cite from an exhibit in this same report, submitted by the individual butchers in Kansas City. At that time they give the price of a thousand-pound steer at 3½ cents. To-day that same carcass is worth 8 cents in Washington. They submitted at that time what they considered the cost of killing this thousand-pound steer, and I will put that table in the Record. It is as follows:

EXHIBIT A.

KANSAS CITY, MO., February 11, 1889.

DEAR SIR: As butchers of Kansas City, in the retail business, we desire to submit the following statement of the profits in our business: Cost of a 525-pound carcass, beef, at 3½ cents..... \$19.68 Cost of handling same, 14 per cent..... 2.75 Waste, which is a total loss in cutting, one-tenth..... 1.96

Total cost to retailer (proprietor's time excepted).....	24.39
Proceeds of 525-pound carcass:	
90 pounds loin, at 12½ cents.....	\$11.25
80 pounds round (52 pounds, at 8½ cents.....	4.20
28 pounds, at 2 cents.....	.56
26 pounds rump, at 5 cents.....	1.30
40 pounds rib, at 8 cents.....	3.20
90 pounds chuck, at 5 cents.....	4.50
80 pounds plate, at 2½ cents.....	2.00
60 pounds foreshoulder and shank, at 3½ cents.....	2.10
36 pounds neck, at 2 cents.....	.72
20 pounds tallow, at 1½ cents.....	.30
	30.13

Leaving a profit to the retail butcher upon which to live of..... 5.74

This, Mr. Senator, is the amount upon which the retail butcher of this city must sustain his losses from poor credits and support his family.

We wish to submit, in addition, what we think the packers make in this meat business:

1,000-pound bullock on foot, at 1½ cents.....	\$17.50
Cost of handling (per Armour's statement, 50 cents) ours.....	1.00

Total cost.....	18.50
Proceeds:	
525 pounds dressed beef, at 3½ cents.....	\$19.68
Hide (Armour's statement).....	4.00
Offal (Armour's statement).....	1.90
	25.58

Net profit to packer..... 7.08

This, Mr. Senator, is a fair statement of the meat business.
A. W. CHURCH & Co.
JOHN JACOBS.
JOHN STADLER.

Hon. Senator G. G. VEST.

I just put that in to show you. Now, there is another interesting fact to note. In the same report I find some figures on the hide question to which I desire to call your attention. In 1879 hides were selling for 9 cents, in 1880 for 11 cents, in 1881 for 12 cents, running down from that price to 9 cents again in 1889, but making at no time a variation of over 1½ cents a pound.

I notice from the statistics of the Department of Agriculture that in 1896 hides were selling at 8 cents, and they have greatly risen in price from that time to the present, when they are selling for 17 cents. I am citing this to show that notwithstanding the fact that the tariff has been removed from hides the price has not decreased. While I do not care to go into any argument on this question, in my judgment it is due to the increased demand for manufactured leather and the fact that our tanners have bid up the price in foreign markets, because we can tan hides here better than they can in any other country.

Mr. WEISSE. Will the gentleman yield?

Mr. COCKS of New York. I would like to bunch all of these questions.

Mr. WEISSE. Just a question—

Mr. COCKS of New York. I would like to bunch all of the questions at once.

Mr. WEISSE. It is only about ten words.

Mr. COCKS of New York. But I would like to get through and then answer questions.

Mr. WEISSE. It is just in line with what the gentleman said.

The CHAIRMAN. Does the gentleman yield?

Mr. COCKS of New York. I will yield.

Mr. WEISSE. In 1893, according to the Cincinnati Chamber of Commerce, hogs sold for \$6.60. Now, in 1905 they sold for \$4.80. Was it the Dingley tariff that made that price?

Mr. COCKS of New York. I am not discussing the tariff bill, but a different proposition. I was asked about the price of hogs. The price of hogs in some of these years was very largely affected by an epidemic of hog cholera. I do not imagine that the Dingley law had anything particularly to do with hog cholera. Now, in this 1,000-pound steer—I am just calling attention to a few items—there are only 90 pounds of high-priced cuts in the 1,000-pound steer. It dresses at 525 pounds. That is about the average for steers all the way along, so that when we condemn the price and consider we are paying 25 or 30 cents a pound for meat, we must remember that out of the 1,000-pound steer we only get about 90 to 100 pounds of high-priced meat. I am aware that many statistics may be made misleading. It depends a good deal upon where you pick the figures. I have a little table here that will show that.

THE HOG MARKET.

[Extract from the Daily National Live Stock Reporter (East St. Louis), Monday, January 3, 1910.]

The following shows the receipts of hogs this week compared with the same week a year ago:

	This week.	A year ago.
Tuesday, December 28.....	5,939	10,391
Wednesday, December 29.....	4,302	11,682
Thursday, December 30.....	8,303	9,870
Friday, December 31.....	5,943	7,342
Saturday, January 1.....	3,573	4,538
Monday, January 3.....	9,818	11,804

Now, if I wanted to show you that the hog receipts had greatly fallen off, all I would have to cite is this: Tuesday, December 28, receipts were 5,939, and a year ago they had 10,391 on that market. The next day would be still worse from that point of view, because it is 4,000, as against 11,000 a year ago, but when we come to Monday, January 3, we find it comes nearly to being the same amount. In fact, we had 9,000, as against 11,000 a year ago, so there is only a difference of 2,000. That only evidences that in case we were particularly trying to make a point we could pick the best figures to illustrate our point. Now, speaking about the condition of the home market, the same paper says:

Shippers and butchers were anxious for good hogs, and forced the advance, while the packers were slow bidders, as they were opposed to paying any higher prices, but in order to get the hogs they had to pay more than they did at the close of the week. Some few hogs showed a greater advance than a dime, but not many. The top of the hogs was \$8.60 for a load of good medium-weight hogs that averaged 238 pounds, while the bulk of the desirable hogs sold at \$8.30 to \$8.50, but the packers bought quite a lot of light-weight mixed hogs at \$8 to \$8.25. Packers bought a poorer grade of hogs than usual, and did not want to pay the higher price the better hogs were bringing. The hogs at \$8.50 and above all went to the shippers and butchers, and they would have purchased a great many more at the same price had the hogs been on the market.

Shippers were particular as to the grade of hogs they purchased, as all that were not strictly good were left alone.

I also desire to call your attention to an extract from the report of James R. Garfield, the Commissioner of Corporations, on the beef industry, in 1905, which is as follows:

There is a wide difference among sections and among cities in regard to the proportion of the beef consumption which is furnished by the western packing companies. The six large western packers furnish a very great proportion of the beef consumed in most of the large cities east of Pittsburgh. In New York they furnish about 75 per cent, in Boston more than 85 per cent, in Philadelphia about 60 per cent, in Pittsburgh more than 60 per cent, in Providence more than 95 per cent, in Baltimore about 50 per cent, and a number of other important cities of this section receive from 50 to 90 per cent of their beef supply from the same source. On the other hand, Buffalo and cities west of Pittsburgh, such as Cleveland, Cincinnati, and Indianapolis, receive only from 10 to 33 per cent of their beef supply from these six companies.

In a large majority of the smaller cities and towns of New England the six companies furnish upward of three-fourths of the consumption, but in most places of less than 50,000 population in other Northern States their proportion is less than one-half, and in many cases less than one-fourth.

In the Southern States the large packers supply usually less than half of the beef consumed in the larger cities. There are notable exceptions, where the western packers supply proportions ranging from 50 per cent in Nashville, Tenn., to 90 per cent in Norfolk, Va. In the smaller cities and towns of this section the proportion falling to the western packers is usually less than one-fourth.

That part of the beef supply not furnished by the six leading western packing companies is almost wholly slaughtered by local concerns. The ability of such concerns to compete depends partly on their efficiency in operation and in the utilization of by-products and partly on

the source from which they derive their cattle. In most of the larger cities there are important establishments slaughtering from 10,000 to 40,000 cattle per year, which, while less efficient than the great western houses, are probably not at a great disadvantage in this respect.

In all of the Northeastern States, except New England, there is an extensive dairy industry, which furnishes a large number of surplus cattle for slaughter; in parts of this section, moreover, considerable numbers of cattle are raised primarily for beef. A considerable proportion of the cattle locally slaughtered in most cities, therefore, is obtained from a moderate distance, giving the local concern a marked advantage over the western packer in respect to transportation.

Now, I think that I have spoken sufficiently of these figures to show you that the farmer is getting a certain proportion of the increased prices, and I only wish that he were getting a larger percentage of the increase of prices, but I believe that those things will have to be regulated by economic conditions, by the law of supply and demand, and I do not believe that anything that we can do here will change it one bit. When I hear of a boycott of meat, it seems to me that those who are instigating that fail to realize that thousands of hard workers throughout the country are engaged in the production of meat, and they should stop and think for a moment of the long hours these producers work; they should stop and think of the many years in the past, when farmers raised these products and sold them for less than it cost to raise them. People ask, If he sold the stuff for a price less than it cost him, how did he live? He lived on the accumulation of his ancestors, on his own accumulation, by putting a mortgage on the farm, and only too often in those years that was the case.

I herewith submit for your consideration certain interesting figures taken from Bulletin 81, of the Bureau of Labor, Department of Commerce and Labor, issued in March, 1909. These figures are very interesting to those who desire to study the trend of prices during the last few years:

BULLETIN OF THE BUREAU OF LABOR OF THE DEPARTMENT OF COMMERCE AND LABOR.

[No. 81—March, 1909.]

Table II of the above bulletin gives the monthly actual and relative wholesale prices of commodities in 1908 and base prices (average for 1890-1899). Referring to said table, one finds that the average wholesale price per 100 pounds on steers, choice to extra, for 1890-1899, was \$5.32, while the average for 1908 was \$6.81, an increase of 28.1 per cent; also, the increase on steers, good to choice, per 100 pounds, in the same period, was 26.7 per cent.

The average wholesale price per bushel of corn for 1890-1899 was 38 cents, while the average in 1908 was 68 cents, an increase of 79 per cent.

The average wholesale price per pound on hides, green, salted, packers', heavy native steers, for 1890-1899, was 9 cents, while the average for 1908 was 13 cents, an increase of 42 per cent.

The average wholesale price on hogs for 1890-1899 was \$4.41 per 100 pounds, while the average for 1908 was \$5.79, an increase of 31 per cent.

The average wholesale price per bushel for oats, 1890-1899, was 26 cents, and the average for 1908 was 50 cents, an increase of 89 per cent.

The average wholesale price per bushel for beans was \$1.66 for 1890-1899 and \$2.31 for 1908, an increase of 38 per cent.

The average wholesale price per pound for cheese, New York full cream, was 9 cents for 1890-1899 and 13 cents for 1908, an increase of 38 per cent.

The average wholesale price per dozen for eggs, new-laid, fancy, near-by, for 1890-1899, was 19 cents, while the average for 1908 was 27 cents, an increase of 42 per cent.

The average wholesale price per quintal for codfish, dry, bank, large, for 1890-1899, was \$5.58, while that for 1908 was \$7.30, an increase of 30 per cent.

Mackerel, salt, large 3s, shows a decrease of 20 per cent, the average wholesale price for 1890-1899 having been \$14.13 per barrel, while that for 1908 was \$11.35.

On the same line of information I submit, also, the following, taken from Bradstreet's for Saturday, January 15, 1910:

Comparative wholesale prices of certain commodities.

WHEAT, No. 2 RED WINTER, IN ELEVATOR.		Per bushel.
July 1, 1896.....		\$0.64375
February 1, 1900.....		.75125
June 1, 1901.....		.81
March 1, 1907.....		.83
January 1, 1909.....		1.0875
November 1, 1909.....		1.235
December 1, 1909.....		1.24
January 1, 1910.....		1.28
CORN, No. 2 MIXED, IN ELEVATOR.		
July 1, 1896.....		.33625
February 1, 1900.....		.40
June 1, 1901.....		.49625
March 1, 1907.....		.575
January 1, 1909.....		.665
November 1, 1909.....		.70
December 1, 1909.....		.715
January 1, 1910.....		.70
OATS, No. 2 MIXED, IN ELEVATOR.		
July 1, 1896.....		.215
February 1, 1900.....		.285
June 1, 1901.....		.33
March 1, 1907.....		.475
January 1, 1909.....		.54
November 1, 1909.....		.42
December 1, 1909.....		.425
January 1, 1910.....		.465

BARLEY, STAND (MILWAUKEE).

	Per bushel.
July 1, 1896	\$0.30
February 1, 1900	.46
June 1, 1901	.56
March 1, 1907	.66
January 1, 1909	.655
November 1, 1909	.665
December 1, 1909	.67
January 1, 1910	.70

RYE, WESTERN.

July 1, 1896	.375
February 1, 1900	.61
June 1, 1901	.60
March 1, 1907	.70
January 1, 1909	.815
November 1, 1909	.80
December 1, 1909	.815
January 1, 1910	.84

FLOUR, STRAIGHT WINTER.

July 1, 1896	3.25
February 1, 1900	3.40
June 1, 1901	3.45
March 1, 1907	3.35
January 1, 1909	4.70
November 1, 1909	5.40
December 1, 1909	5.30
January 1, 1910	5.40

LIVE STOCK.

BEEVES, BEST, NATIVE STEERS (CHICAGO).

	Per 100 pounds.
July 1, 1896	\$4.65
February 1, 1900	6.35
June 1, 1901	6.00
March 1, 1907	6.00
January 1, 1909	7.50
November 1, 1909	9.00
December 1, 1909	9.25
January 1, 1910	8.00

SHEEP, PRIME (CHICAGO).

July 1, 1896	4.00
February 1, 1900	5.25
June 1, 1901	4.65
March 1, 1907	5.75
January 1, 1909	5.40
November 1, 1909	4.65
December 1, 1909	5.00
January 1, 1910	6.00

HOGS, PRIME (CHICAGO).

July 1, 1896	3.40
February 1, 1900	4.90
June 1, 1901	5.90
March 1, 1907	7.00
January 1, 1909	6.25
November 1, 1909	8.00
December 1, 1909	8.35
January 1, 1910	8.60

PROVISIONS AND GROCERIES.

BEEF, CARCASSES (CHICAGO).

	Per pound.
July 1, 1896	\$0.55
February 1, 1900	.0775
June 1, 1901	.085
March 1, 1907	.08
January 1, 1909	.09
November 1, 1909	.09
December 1, 1909	.09
January 1, 1910	.0875

HOGS, MARKET PIGS, CARCASSES (CHICAGO).

July 1, 1896	.03875
February 1, 1900	.0825
June 1, 1901	.07125
March 1, 1907	.09
January 1, 1909	.08
November 1, 1909	.1075
December 1, 1909	.1075
January 1, 1910	.1150

MUTTON, CARCASSES (CHICAGO).

July 1, 1896	.055
February 1, 1900	.0825
June 1, 1901	.0875
March 1, 1907	.095
January 1, 1909	.1025
November 1, 1909	.095
December 1, 1909	.1050
January 1, 1910	.1150

MILK (NEW YORK).

	Per quart.
July 1, 1896	\$0.03
February 1, 1900	.03775
June 1, 1901	.02707
March 1, 1907	.04025
January 1, 1909	.04775
November 1, 1909	.04775
December 1, 1909	.05025
January 1, 1910	.05025

EGGS, STATE FRESH (NEW YORK).

	Per dozen.
July 1, 1896	\$0.125
February 1, 1900	.19
June 1, 1901	.14
March 1, 1907	.20
January 1, 1909	.34
November 1, 1909	.38
December 1, 1909	.36
January 1, 1910	.38

BREAD (NEW YORK).

	Per loaf.
July 1, 1896	\$0.04
February 1, 1900	.04
June 1, 1901	.04
March 1, 1907	.04
January 1, 1909	.04
November 1, 1909	.04
December 1, 1909	.04
January 1, 1910	.04

BEEF, FAMILY.

	Per barrel.
July 1, 1896	\$8.50
February 1, 1900	11.00
June 1, 1901	11.00
March 1, 1907	15.00
January 1, 1909	17.00
November 1, 1909	14.50
December 1, 1909	15.00
January 1, 1910	15.50

PORK, NEW MESS.

July 1, 1896	8.25
February 1, 1900	10.50
June 1, 1901	15.25
March 1, 1907	18.50
January 1, 1909	16.50
November 1, 1909	25.75
December 1, 1909	25.75
January 1, 1910	24.50

BACON, SHORT RIBS, SMOKED (CHICAGO).

	Per pound.
July 1, 1896	\$0.04375
February 1, 1900	.0625
June 1, 1901	.0875
March 1, 1907	.0962
January 1, 1909	.09
November 1, 1909	.1225
December 1, 1909	.1300
January 1, 1910	.1325

BUTTER, CREAMERY, STATE, BEST.

July 1, 1896	.15
February 1, 1900	.25
June 1, 1901	.19
March 1, 1907	.335
January 1, 1909	.335
November 1, 1909	.32
December 1, 1909	.34
January 1, 1910	.36

CHEESE, CHOICE EAST FACTORY.

July 1, 1896	.06625
February 1, 1900	.1275
June 1, 1901	.0925
March 1, 1907	.15
January 1, 1909	.145
November 1, 1909	.165
December 1, 1909	.17
January 1, 1910	.175

MACKEREL, No. 1 BAYS (BOSTON).

	Per barrel.
July 1, 1896	\$20.00
February 1, 1900	28.00
June 1, 1901	16.00
March 1, 1907	28.00
January 1, 1909	24.00
November 1, 1909	20.00
December 1, 1909	21.00
January 1, 1910	22.00

CODFISH, LARGE, DRIED.

	Per quintal.
July 1, 1896	\$4.00
February 1, 1900	4.50
June 1, 1901	5.50
March 1, 1907	8.00
January 1, 1909	7.00
November 1, 1909	7.00
December 1, 1909	7.00
January 1, 1910	7.00

BEANS (NEW YORK), CHOICE MARROW.

	Per bushel.
July 1, 1896	\$1.15
February 1, 1900	2.25
June 1, 1901	2.50
March 1, 1907	2.175
January 1, 1909	2.45
November 1, 1909	2.75
December 1, 1909	2.825
January 1, 1910	2.85

PEASE, CHOICE (NEW YORK).

July 1, 1896	1.05
February 1, 1900	1.30
June 1, 1901	1.225
March 1, 1907	1.50
January 1, 1909	2.35
November 1, 1909	2.35
December 1, 1909	2.30
January 1, 1910	2.25

POTATOES, EASTERN.

	Per 180 pounds.
July 1, 1896	\$0.75
February 1, 1900	1.50
June 1, 1901	2.37
March 1, 1907	1.50
January 1, 1909	2.25
November 1, 1909	1.50
December 1, 1909	1.50
January 1, 1910	1.50

HIDES AND LMATHER.
NATIVE STEER HIDES, NO. 1.

	Per pound.
July 1, 1896.....	\$0.085
February 1, 1900.....	.1325
June 1, 1901.....	.12
March 1, 1907.....	.1475
January 1, 1909.....	.1575
November 1, 1909.....	.175
December 1, 1909.....	.1775
January 1, 1910.....	.175

Those of us who remember the time when corn was selling from 15 to 17 cents, and hogs from 3 to 4 cents, and cattle were down for a long while to 3 or 4 cents, realize what it meant. Any of us that have been engaged in any agricultural occupation must be pleased to think the time has come when the man who tills the soil is coming into his own. [Applause.]

It might be interesting to cite here some figures showing the total value of farm products in the United States for 1909. The Secretary of Agriculture, in his report, estimates that the total value of such products in the United States in 1909 was \$8,760,000,000, an increase over 1908 of \$8,760,000. A paper from the United States Geological Survey, just issued, estimates that the total value of the output of precious metals in the United States for 1909 was \$127,243,303, showing that the value of farm products in the United States for the past year was \$8,632,757,700 more than that of the output of precious metals.

I notice that the Secretary of Agriculture has said that we want to educate 10,000 farmers. Oh, the best kind of education we can get to bring men back to the farm is to have their time better worth while. The increased price of farm products will do more to check the rush to the city than any agricultural education that you can give. There are only a certain limited number of men that can be educated for an academic pursuit. Few, perhaps, take up agriculture for the very love of it, and take up the study of plant life or the breeding of animals for the same reason. The great majority of the people of this country who take up agriculture carry it on because they think it is a suitable way in which to make a living, and if the present prices continue this tremendous flow of people from the farms will stop. I am sorry to say that in too many instances our brightest young men do leave the farms and go to the cities, and not always have they made more than had they remained at home. But the conditions are more attractive there. They do not have to get dirty; they do not have to be out in all sorts of weather; they do not have to take care of the stock every day of the year. In many of the occupations there are no Sundays or holidays on a farm. A few, like myself, choose the occupation because they prefer it.

I deliberately made the choice when a young man of the occupation of the farmer, because I liked it, and I like it yet, and I am willing to receive a much less remuneration than I would be willing to receive for some occupation that kept me indoors all the time.

I have some figures here that show the trend of population to the cities, and it seems to me very clear that these high prices have come to stay unless there is a change in conditions. In 1790, 3.4 per cent of our people lived in the cities. The proportion gradually rose, until in 1840 we had only 8.5 per cent; in 1850, 12 per cent; and in 1860, 16 per cent. The next decade saw 20 per cent, the next 22 per cent, and in 1890 we had 29 per cent, a tremendous increase from 1880. In 1900 we had 33½ per cent of our population in our cities of over 8,000. The Census Bureau now estimates that the next census will show that 40 per cent of our population live in incorporated villages and cities, but even this does not include those residing in villages, because in many parts of the country villages of several thousand population are not incorporated, and that is true in my own district. I think a large number of villages with 5,000 population are not incorporated. Hence in the census figures they would not show. I firmly believe that on the 1st day of June, 1910, 50 per cent of our population will be living in cities and villages. If this thing goes on it can not help increasing the price of all sorts of farm products, and it seems to me that the only thing to do is to see to it that the middleman is not absorbing too much of the profit. But it seems to me economical conditions will take care of that, because if there is more money to be made by the middleman than by anybody else in any particular line of business, others will naturally be attracted to that business.

I hope that if anybody has an idea whereby we can make it possible that the chief return shall come to the producer, he will offer it here. My own idea is that it can only be done along the line of regulation of freight rates or something of that sort. I believe discriminations are made to-day by railroads in favor of certain products from certain points, and sometimes, although I have not been able to get the figures

from the Interstate Commerce Commission, I have reason to believe that the price of transporting live stock from Chicago to Liverpool or London is not much greater than it is from the same point to New York or Boston.

Right here I desire to offer some interesting data taken from a reprint from the Yearbook of the Department of Agriculture for 1908, entitled "Agricultural Statistics, 1908:"

LIVE CATTLE.

In 1904 we exported 593,409 live cattle, valued at \$42,256,291.
In 1906 we exported 584,239, valued at \$42,081,170.
In 1908 we exported 349,210, valued at \$29,339,134.

LIVE SWINE.

In 1904 we exported 6,345, valued at \$53,180.
In 1906 we exported 59,170, valued at \$630,998.
In 1908 we exported 30,818, valued at \$307,202.

HORSES.

In 1904 we exported 42,000, valued at \$3,189,100.
In 1906 we exported 40,087, valued at \$4,365,981.
In 1908 we exported 19,000, valued at \$2,612,587.

EGGS.

The increase in the export of eggs between 1904 and 1908 was approximately 6,000,000 dozen, the increase in value being approximately from \$400,000 to \$7,500,000.

BUTTER.

In 1904 we exported 10,700,000 pounds, valued at \$1,768,000.
In 1906 we exported 27,300,000 pounds, valued at \$4,922,000.
In 1908 we exported 6,000,000 pounds, valued at \$1,407,000.

BACON, HAMS, AND SALTED PORK.

In 1904 we exported 556,839,666 pounds, valued at \$56,268,007.
In 1908 we exported 612,465,500 pounds, valued at \$63,980,959.

Our total value of exports of animal products for 1908 was \$238,522,154; the total value of cotton exports was \$437,788,202; and the total value of grain and grain products for 1908 was \$215,462,000.

The total of our agricultural exports, including forest products, for 1908, was valued at \$1,107,725,447; excluding forest products, it was valued at \$1,017,396,404, showing a decrease over 1907 of \$37,000,000, but an increase over 1904 of \$158,236,140.

The sum of the total value of the exports of animal products, cotton products, and grain and grain products for 1908 was \$891,772,356, so that the total value of the other agricultural exports for 1908 was \$215,986,091.

Also, from the same publication, I have ascertained that the average freight rate from Chicago to New York on cattle since 1881 has decreased from 35 cents a hundred to 28 cents. Hogs and sheep for nearly that entire period have been transported for 30 cents a hundred, and horses during the entire period at 60 cents a hundred.

Dressed beef in 1881 was being carried for 56 cents a hundred, but in 1887 it reached the high point of 62 cents a hundred, and since then the rate has been steady at 45 cents a hundred, except in 1890, when the rate was 39 cents.

I have been unable to learn from the Interstate Commerce Commission what the rate is on dressed beef and meat products from points in the United States to European points, and while there seems to be a general disposition to believe that the rate is less, still I have not been able to find any figures that would bear out that statement, although we do have figures to bear out the statement that material is transported from European points to points within the United States at a lower rate than it is from New York to points west of the Missouri.

These figures, taken from a report of the Interstate Commerce Committee to the Senate in 1903, show that the rates on a number of products is less from Liverpool and Antwerp to Chicago than from New York to Chicago and points west. This is notably true of cement and plate glass.

At the hearing in New York the manager of the Vulcanite Portland Cement Company stated that the rates on cement to East St. Louis, St. Louis, and Kansas City from Hamburg and Antwerp are less than from Vulcanite, N. J. He also said that labor and coal are much more expensive here than in either Hamburg or Antwerp; that these are the principal items which enter into the cost of manufacturing cement; and that because of the low prices at which foreign cement is sold in this country he felt certain that the differences in rates in favor of the imported article are in many instances sufficient to entirely offset the customs duty thereon. A similar complaint pertaining to certain kinds of plate glass was made at the hearing in Washington by a representative of the Pittsburgh Plate Glass Company; and at the hearing in Chicago it was shown by the general freight agent of the Illinois Central Railroad Company that salt has often been shipped from Liverpool through the port of New Orleans to Chicago for a less rate than that contemporaneously in force between New Orleans and Chicago on domestic shipments of that article. However, it was said that such shipments seldom, if ever, originate at New Orleans.

Generally speaking, we find bills of lading applying to imported traffic as follows: One form states a through rate, either according to measurement or weight; another reads "as per agreement," and often as per agreement with a shipper named; the third is simply the inland bill of lading of the carrier in this country. Because of the manner in which these rates are made, it may often happen that the inland carrier does not know the amount of the through rate. The carriers here solicit import business through foreign agents. The agent may be an employee of the carrier to whom a regular salary is paid, or, as is more often the case, a person engaged in other business who works for such carrier on commission. The commission is said to be 10 per cent of the inland rate on articles paying first, second, or third class rates, and 5 per cent on articles paying fourth, fifth, or sixth class rates. It is

claimed that no commission is paid on articles carried at commodity rates, but as the solicitor is usually a customs broker or insurance agent the customs fees or insurance premiums he may obtain induce him to solicit the traffic. It was shown that in many instances the American Express Company acts as such agent, and is paid for its services by commissions, as above stated.

Through rates are made either by such agents, by the inland carriers here, or by the ocean carriers. If by the former, they may represent in each instance the result of combining the ocean with the inland rate, or they may be either more or less than such combination. The agent apparently makes any rate he sees fit, and may use his commission for the purpose of offering a lower rate than the combination, but it is said that he must in all cases protect personally the rate named by him, so far, at least, as the inland carrier is concerned. As the ocean rates are often made according to measurement, while it is claimed that inland rates are always applied according to weight, and as in many cases the traffic is not weighed until it reaches a port of entry in the United States, it is evident that the agent has to do some guessing, and can not always be certain that the rate named by him represents the total amount that will be charged by the carriers for transportation.

The ocean carrier is also at liberty to make any through rate it pleases, though according to the testimony the inland carrier must be paid its established and published proportion in cases where the inland proportion has been established and published. Ocean rates are constantly fluctuating, and for this reason whenever the inland carrier wishes to name a through rate it must make some definite arrangement with the ocean carrier. But the way much of this import business is done leaves the carriers free to make such through rates from time to time as they think will be to their advantage without reference to how their action may affect dealers in domestic articles of like kinds and classes. Even where through rates are named in bills of lading the rate specified may not correspond with the fact. It was explained that items are often included in the rate named that are not, strictly speaking, a part of the transportation charges, and, where the amount of the rate is not mentioned, it is said that the information is withheld to prevent one agent from finding out what rates are being made by another.

As the business is carried on at present inland carriers are free to make low rates on imported articles without the necessity of making corresponding rates on domestic articles of like kinds and classes; and the traffic manager of the Pennsylvania Railroad Company stated that, in his opinion, if the Congress should enact a law providing that the rates must be the same on both classes of traffic, inland carriers would in many instances make domestic rates that would be lower than those now in force. He said it often happens that rail carriers are requested to make rates on imported articles where they have no domestic traffic of a like kind, and that under such a law these carriers could make a low import rate and a domestic rate to correspond therewith without suffering any diminution in the revenue derived from their domestic traffic, while other carriers which have domestic traffic of a like kind would be compelled to choose between a diminution of the revenue derived therefrom and the loss of such revenue as they might otherwise secure from import traffic.

Why should we allow such things to go on? And if our people are selling stuff to the foreigner, selling cattle and hogs to the foreigner, cheaper than they sell them to us, how we shall reach a solution of that problem I know not. [Loud applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. COCKS of New York. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

There was no objection.

Mr. SCOTT. Mr. Chairman, I wish to yield to my colleague from Kansas [Mr. REEDER] thirty minutes.

Mr. REEDER. Mr. Chairman, we have passed the Payne tariff bill, and it must stand or fall on its success in producing necessary revenue and at the same time permitting good wages and general employment of American labor.

The Republican party is responsible for that bill.

If good effects follow, Democrats or their allies will find it difficult to conceal the fact by any trumped-up issues. History having been made as to tariff legislation as far as the immediate future is concerned, I shall pass to some of the things now claiming our attention.

While we are a great nation of world-wide influence and usefulness, great questions of vital importance press for solution at every session of Congress.

Mr. Chairman, the importance of the subjects I rise to discuss is such that I shall ask the indulgence of the House while I read from manuscript, largely. This speech is not intended for home consumption. I sincerely hope to influence some of my colleagues in their conclusions on several very important subjects which we will be called upon to consider this session or in the not distant future. Among these questions is the subject of entering upon a debt-producing era of unusual dimensions.

In fact, Mr. Chairman, the people of this country seem to be in the throes of a bond-issuing craze. I know full well that with the growth of a nation, as with that of an individual, its wants and its needs expand. I know that the man can not wear the garments of the boy. At the same time—to pursue this simile just a little further—the man should look to it that in providing himself with proper habiliments he does not bankrupt his estate or leave behind him a debt so large that it will prove a source of great annoyance to his posterity.

The interest-bearing debt of the United States in 1840 was but \$3,573,344. From that time on it rose until in 1867 it had reached the enormous figure of nearly two and a quarter billions. On July 1, 1908, it was \$897,500,000. For several

years past enterprises of great moment have been undertaken by the Government involving an increase of the national debt. Congress has authorized the issue of bonds for the construction of the Panama Canal, an undertaking which, in all probability, will cost five hundred millions before it is finished; and if, as a good many well-informed people believe, the present lock canal will ultimately have to be changed to a sea-level canal, it will cost a half billion more. So here is a prospective billion addition to our debt.

Whether or not the impetus to the prevailing popular demand for government bond issues was given by the Panama Canal undertaking I am unable to say, but there can be no doubt that the demand exists. It has reached the proportions of a craze. Bonds for waterways, bonds for highways, bonds for rivers and harbors, bonds for a dozen different things. Our people seem to have forgotten the trite saying that "he who borrows must also pay." The day of settlement comes sometime.

The idea that a public debt is a public blessing has long since been exploded. To-day that country is held up to the admiration of the world no abnormally large portion of whose revenues is required for interest or sinking-fund charges, but whose current revenues generally meet its expenditures. There are not more than one or two such, but a few years ago the hope was justified that the United States might soon be enrolled in that class. That hope is past; we are in the very maelstrom of bond-issue ravings. Is it not meet that we should halt and seek to get our bearings?

What would be thought of a business man who borrows and borrows, just because his credit is good, and who spends the borrowed money lavishly in all sorts of more or less profitable enterprises? How long would it take to weaken his credit and undermine the stability of his business? Would not his financial ruin be almost a certainty? Now, it will be conceded, I suppose, by everybody that the fundamental principles that govern business are the same in the case of the individual and that of the Government. There is, however, this difference: In the case of the Government a greater liberty is taken in the application of funds.

The Government of the United States is collecting an annual revenue of nearly \$1,000,000,000. It is spending more than its income, as the deficit at the close of the last fiscal year showed. However, Republicans expect that the Payne tariff bill will prevent further deficits and not deprive the laboring man of work at good wages.

If this vast sum were collected by direct taxes there would be a howl from one end of the country to the other, and an immediate and persistent demand for drastic retrenchment. But under our system of indirect taxation the burden is felt simply in the increased cost of living. This is ascribed to all causes but the right one, and from all sides comes the cry for public improvements, no matter whether current revenues are sufficient or not, no matter how many millions in bonds have to be issued. In this case certainly, Mr. Chairman, the voice of the people is not the voice of God, and we who are sent here to safeguard the people's interests should go slow before we yield to such clamor.

Only a few weeks ago the River and Harbor Congress held its sessions in this city, and one of the features of its programme—in fact, the feature that stands out in boldest relief—is the demand that the Government shall issue from five hundred millions to a billion dollars' worth of bonds, the proceeds to be applied in annual installments to the improvement of rivers and harbors and the creation of a great system of deep waterways from the Lakes to the Gulf, and in other sections of the country. Improvements of this character are intrinsically proper. They are distinctly in the line of policy covered by the general-welfare clause of the Constitution. Practical benefits are certain to arise from them, not only to the sections immediately affected, but to the whole country, if they are permanently constructed, and the streams can be utilized when made navigable. For these and many other reasons they are to be highly commended, and I shall be the last person to raise an objection against them, if they can be accomplished without too great a sacrifice on the part of the present or succeeding generations. Too great a sacrifice is involved, Mr. Chairman, in the huge bond issue which we are invited to authorize.

I realize, of course, the alluring aspect of this proposition which holds out promise of a "pork barrel" of unusually large dimensions. Indeed, it almost staggers the imagination to grasp the possibilities of that barrel. "Pork" for politicians, "pork" for contractors, "pork" for anybody anywhere that has anything to sell, from shoestrings to steam dredges. For, will not the money "go among the people," and will not the country store and the corner grocery do a land-office business when such

a joyful consummation comes to pass? Why should anyone be troubled by the thought that an issue of a billion dollars of 3 per cent bonds means an additional annual interest charge of \$30,000,000, which has to come out of the pockets of the people? Would it not be as well to pause a moment and inquire who is to be advantaged by the process of taking this money from one pocket and putting it into another? We are told that the people will be benefited to the extent of many million dollars every year by the improvements to be inaugurated under this bond-issue dispensation. Granting this, the indisputable fact remains that the people—several generations of the people—are themselves made to pay for them.

No one will question the benefits to our people of such a policy of waterway improvements as was outlined by the River and Harbor Congress. But how the distribution of a "pork barrel" can bring about such benefits is difficult to determine. That, Mr. Chairman, can possibly be figured out by some Democrat, college professor, or magazine writer, whose peculiarly constituted reasoning powers make it easy for them to believe that our goods can be manufactured in foreign lands and our workmen have the same steady employment and just as good wages as if these goods were manufactured in our own country. They also seem able to bring themselves to believe that men working one or two days each week at low wages will buy just as much of the farmer's products and pay as high a price as when they have steady employment at good wages.

The beneficence of general bond issuing or of reducing the tariff to an extent which will cause most of the goods we use to be manufactured by foreigners may appear to visionaries, but the practical business world knows better.

Nothing could be further from my intention, sir, than an attempt to question the motives or disparage the efforts of the many eminent gentlemen who compose the River and Harbor Congress and formulated this demand for hundreds of millions of bonds. I doubt, however, if they, or a majority of them, realize the actual results that would flow from such legislation.

The avalanche of interest-bearing obligations that will naturally flow in on us if we open this floodgate will appall us all. No well-digested programme of proposed improvements accompanies the demand for this enormous bond issue. Congress is simply asked to provide for such an issue and indicate the work to be undertaken. With the utmost deference to and respect for the skill of the engineer service of the United States Army, to whom the execution of this work would be committed, I seriously apprehend great difficulty, with our present information, in the proper handling of the various projects. Our experience with the Mississippi River is not so encouraging as to inspire confidence in the ultimate success of the enterprises that lie slumbering in the womb of the future and only wait the magic touch of millions of bonds to awaken them into life. To my mind, Mr. Chairman, it appears more than probable that before the bonds are paid a large part of the works constructed with the proceeds would be washed out, and only serve as nuclei for such sand bars as we observed on similar works on our recent trip from St. Louis to New Orleans.

In one particular the scheme is quite practical—the suggested bond issue is large enough to reach a long way 'round after the necessary votes, with ample provision that after the votes in this House have been made safe, there can be a sufficient inducement offered to secure the requisite votes in the Senate. Let us say, for instance, that Chicago should present a feasible scheme—which, by the way, she can not do—for voting a big issue of bonds to dig her ditch, by which she hopes to force the people for 600 miles west of the Missouri River to freight their goods to and across this great natural waterway and three to five hundred miles farther to gain the privilege of sending their goods to the Gulf through a ditch, it will readily be seen that all the people of that vast region, headed by Kansas City, Omaha, and the other cities on the Missouri, would insist that they, too, be let in on the bond game; and if they were not, they would not play. On the other hand, to let them in and give them their share of the swag—if I may be permitted to use that word—would probably mean a sheer waste of whatever amount would be allotted to them. For thus far no one has advanced so well-considered a plan for controlling the Missouri River floods as to justify the hope that some big freshet would not wash the works out of the river or move the river over to where it would not be obstructed by them.

Right at this point I want to offer a suggestion to those who favor these huge engineering works to control floods in our rivers. It is this: The only way to control the Missouri or any other great river carrying big floods through a light alluvial soil is at the point where the rains fall that cause the floods. The merest tyro in engineering knows that floods can be more

readily controlled at the source of a river than after the river has become an unmanageable torrent.

The Missouri can be controlled at its source for less money than the damage it causes costs in any ten-year period. Why, then, will engineers persist in their efforts to control the river after the flood has attained its maximum force? Lack of time forbids my entering upon a protracted discussion of this phase of the subject. I will only add that under the national irrigation law sufficient of the waters of the Missouri are impounded annually to cover 2,500,000 acres of land to the depth of 1 foot, and the amount is being largely increased every year.

Another reason, and one which alone should prevent us from voting from one-half to one billion dollars in bonds to improve our waterways, is that we can not utilize them even after they have been put in a prime condition for commerce. Evidently the advocates of the scheme have quite lost sight of the competitive point rates now granted by all the railroads and highly prized by all cities that enjoy the benefits of such rates. By this means the railroad companies put an effective check on the shipping of freight by boats, and whatever losses they sustain in this way they more than make up by the charges on freight from noncompetitive points. Thus they destroy competition by boats. This feature of the case seemingly can not now be remedied, because all the large cities and many of the smaller ones derive such benefits from this arrangement that they can be counted on to fight to the last ditch to retain their advantage. All the railroads, of course, will fight any attempt to remedy this injustice, and we know from experience, Mr. Chairman, that among them they have the votes.

There can be no question, sir, that we are not now justified in yielding to this clamor for huge bond issues to improve or construct waterways until we have demonstrated by the judicious use of funds which we can spare from our current annual revenues that we know how to control floods, nor even then until we are able in some way to prevent the railroads from interfering with the use of river freighters by means of discrimination in rates. No great damage would be done if we were to squander quite a considerable amount of current revenues in futile experiments such as we have engaged in for years passed. But to vote millions of dollars' worth of bonds and waste the proceeds, leaving it to the future citizen to pay them, and have nothing of permanent value to show for the money, that would be worse than folly. It would be criminal.

Let me point out another line on which the bond-issue craze has developed. Most of our people who are interested in irrigation are shouting for bond issues, and bills are introduced in Congress that involve the piling up of a load of debt to burden the citizen of the future. No one appreciates more than I do the great benefits sure to flow from our irrigation policy. It is one of the wisest movements ever inaugurated by the Government of the United States, for it will make of our deserts fertile lands, which will support at least forty millions of people, twenty-five millions of whom will be home owners and draw their sustenance directly from Mother Earth. No other conditions produce so high a grade of citizenship. Yet I do not believe we would be justified in countenancing this bond-issuing craze even for such work as this. We have about \$55,000,000 in the irrigation fund, and the conditions for securing the benefits of this vast sum are equitable to the home builder.

It is a well-known fact that by means of the timber and stone act and our lie-land laws double the amount now in that almost sacred fund has been diverted into the pockets of speculators. To that extent the irrigation fund has been robbed. I have a statement from the Commissioner of the General Land Office, from which it appears that in the fiscal years 1902 to 1909 there were entered under the timber and stone act more than 8,566,000 acres. For the whole fiscal year 1909, 722,893 acres were entered under that act, but of this amount over 500,000 acres were entered before the modified regulations of November 30, 1908. These regulations had the effect of restricting the entries, and thus saving millions to the irrigation fund but for the lie-land scrip still out. But it is deplorable to contemplate the indisputable fact that by reason of the timber and stone entries prior to January 1, 1909, at least \$85,000,000 have gone into the hands of speculators that ought to be in the irrigation fund, and much more under the lie-land laws. President Roosevelt exerted himself to the utmost to have the timber and stone law repealed, and in his conservation message President Taft urges the same. If all those especially interested now in issuing bonds to increase this fund had aided President Roosevelt in his most laudable endeavor, the fund would now be more than ample for all purposes. Of course, some speculators would not have quite so large a bank account.

An important reason why I can not favor a bond issue for the benefit of the irrigation fund is that when the national irrigation law was under discussion in this House several of us labored with Members who did not then fully appreciate the benefits that would arise from such legislation, and in order to induce them to vote for the bill we promised them that no other funds should be asked of Congress with our consent for this purpose in any form or shape until we had irrigated the desert, put settlers on the land, and the money expended had been returned to the Treasury by these settlers.

This has not yet been accomplished to such an extent as to justify us in favoring legislation such as is now proposed. An issue of bonds for the purpose would also probably bring from the West a demand that we cancel this reasonable obligation upon the settlers to return to the Treasury in small amounts, without interest, the money which had been used to irrigate their lands, and thereby in the end less irrigating would be done by the Government than will be accomplished without an issue of bonds.

Before I close, Mr. Chairman, I want to say just another word about that "pork barrel." I want to prove from the public press that what I have said on this score was no exaggeration. East and West, North and South, are setting up a cry for bonds. But it is not a harmonious cry; it is full already of discords. One section is afraid that another section may get more "pork" than number one, and, as I said before, section yells unto section: "If you don't let us into the game, we won't play." On the 9th day of December, Mr. Chairman, the river and harbor congress formulated its demand for this huge bond issue. The very next day the Philadelphia Inquirer said editorially:

There is in evidence at the start the usual tendency of Congressmen from certain Western and Southern States to combine to hog most of the available money for the Mississippi River and its tributaries.

A few days later, on December 13, the same paper came out with an editorial under the caption "What! a billion for the Mississippi?" the concluding paragraph of which reads significantly thus:

The East is perfectly willing to go along with the Mississippi Valley people in anything that is reasonable, but the East expects in return the support of the West for practical projects that can not fail to be of immense importance on the Atlantic. There must be unity if anything is to be accomplished at all.

There we have it. You tickle me and I'll tickle you. Each wants his slice of "pork," no matter who pays for it in the end, and the real good that will be accomplished does not enter into the consideration. The New York Sun puts the case in a nutshell when it says:

The country is unfortunately inclined, owing to the craft of industrious publicity agents, to become waterways mad. If sober counsels do not prevail, it will end by becoming bond-issue mad.

If there were urgent need for a great bond issue to meet some great national emergency, I should be the last person to object to it, because I am for anything that will make my country more prosperous and its people happier. No such emergency, however, exists. Such a bond issue as is now clamored for would be, in my judgment, a colossal mistake, the bitter fruits of which would vex generation after generation of our posterity.

Now I yield to any questions.

Mr. MARTIN of South Dakota. Mr. Chairman, I noted the remarks of the gentleman as to his idea that if the timber and stone act were repealed it would very much increase the revenues from public lands that could be used for national irrigation projects. I would like to ask the gentleman what sort of plan he has in mind for getting revenue out of lands of that sort?

Mr. REEDER. I would sell the timber on the land for something near its value and put the proceeds into the irrigation fund.

Mr. MARTIN of South Dakota. At the present time we have a great deal of our available forests in forest reserves, and are pursuing the system of selling timber from them; would the gentleman put these additional areas in forest reserves?

Mr. REEDER. No; I would not. My judgment is that President Roosevelt put much of our forests into reserves as the only available method he had to prevent speculators from getting a much larger per cent of the public's timber supply than they have secured by means of the timber and stone law and lieu-land scrip. I think if we could have the lieu-land land repealed, or make the lieu-land scrip only available for six months after it was issued, it would be much better. Now, as to making forest reserves: Personally I believe that all the rough land of this country, too rough for cultivation, should be set to trees of such varieties as will make valuable timber, and cared for scientifically. By this means we would have sufficient timber for future necessities.

Mr. MARTIN of South Dakota. Of course, we are at present selling the timber from the forest reserves, but the gentleman understands that not enough revenue is realized from that source to pay the expenses of the reserves, without any regard to accumulating a fund for irrigation; and so I say, I was curious to know what sort of land policy the gentleman had in mind that would save many millions for the irrigation fund from this land.

Mr. REEDER. I know of land sold under the timber and stone act at \$2.50 per acre from which 40,000 feet board measure can be cut per acre, and some of that timber has been sold at \$4.40 a thousand feet this past year. The loss to the irrigation was the value of the timber minus the \$2.50 received per acre for the same.

Mr. MARTIN of South Dakota. Your plan would not be, then, to sell the lands at all, but to sell the timber upon them?

Mr. REEDER. I would sell the timber that grows upon the land and let settlers take all of the land which will make homes. But all the rough land that is absolutely unfit for cultivation I believe the Government ought to own for all time and make it constantly produce trees under the direction of a forestry service.

Mr. MARTIN of South Dakota. Of course at the present time timber and stone lands are appraised before sale and must be sold for the appraised value, and the proceeds of the sales go to the irrigation fund.

Mr. REEDER. By the policy adopted last year. Now, if we could prevent speculators from taking this timber with the lieu-land scrip and from securing our best coal lands by the same process, much good would result for the future, both to the irrigation fund and to coming generations in many other ways.

Mr. MARTIN of South Dakota. I have always been opposed to the issuance of lieu-land scrip, and took an active part in having the lieu-land selection provisions of forest-reserve act repealed.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WEISSE. If the gentleman will allow a minute, so that I may ask him a question.

The CHAIRMAN. It is not within the province of the Chair to yield the time; that is under the control of the gentleman from Virginia [Mr. LAMB] and the gentleman from Kansas [Mr. SCOTT].

Mr. LAMB. I give the gentleman one minute.

Mr. WEISSE. The gentleman from Kansas spoke about the waterways and the freight rate. Mr. Chairman, we are to-day getting hides from Buenos Aires, South America, to New York for 25 cents a hundred. From Chicago to Sheboygan, Wis., on Lake Michigan, with waterway the 140 miles, the freight is 40 cents a hundred. Now, if you pass this waterways bill, I want to know if the gentleman thinks we are going to have a lower rate on that 140 miles than we have from Buenos Aires to New York? Whether the ship-subsidy bill will lower the freight from Buenos Aires to New York? And I would like him to state if they are not demanding the ship-subsidy bill in order to get lower freight rates from South America.

The rate on dry hides from Mississippi points to Sheboygan Falls is from \$2 to \$2.30 a hundred pounds, and we have at present a waterway transportation most of the distance. The ship-subsidy bill no doubt will not lower these rates. I believe we need to adjust our rates at home first, so our shippers will get the benefit of a reasonable rate, and not confine ourselves to foreign freight rates as long as we have these conditions existing at home, in our country.

With the permission of the gentleman, I insert a letter, showing the foreign freight rates, from a New York broker:

JANUARY 22, 1910.

HON. CHARLES H. WEISSE,
House of Representatives, Washington, D. C.

DEAR SIR: We are in receipt of your favor 20th instant, and beg to say that after making inquiries at several of the steamship offices and freight brokers, we find that the rates at present are about as follows:
Dry hides, Buenos Aires to New York, 25 cents per 100 pounds.
Dry hides, London to New York, 25 to 32 cents per 100 pounds.
Dry hides, Hamburg to New York, 30 to 35 cents per 100 pounds.
Should you require any further information, we would be pleased to try and furnish same to you.

Thanking you for your assurances, we are,
Yours, truly,

A. H. HEYMANN & Co.

Mr. REEDER. If you had railroads running directly alongside the line where the boats run and there were towns all along that line, they would give a rate that would soon put your boats out of business, and then you would have a higher rate.

Mr. WEISSE. The boats and the railroads reach exactly the same points. The boat companies and railroads pool together, and the rates are the same over either line at present, as we are shipping goods both ways.

Mr. LAMB. I yield twenty-five minutes to the gentleman from Mississippi [Mr. Sisson].

Mr. Sisson. Mr. Chairman and gentlemen of the committee, I desire to call the attention of the Members of this House to what to my mind was a very remarkable order issued by the President of the United States along in November and directed to the heads of various executive departments of the Government. I dislike to assail any order until I know why the order was issued. But, to be perfectly frank, I can conceive of no good reason why such an order as I will call to your attention was ever issued. I shall not discuss the first half of the order, but I want to call attention of Members of this body and the Members of the body at the other end of the Capitol to all of this remarkable order, issued by the Chief Executive of the United States, in order that you may understand the whole of it, and for this purpose I will read the first part of it and then will only discuss that portion which refers to Representatives and to Senators. By way of parenthesis I will say that Congressmen have made requests for information in these executive departments and have been met with this order and have been denied it. It has already caused quite a good deal of inconvenience. The order is as follows:

EXECUTIVE ORDER.

It is hereby ordered that no bureau, office, or division chief, or subordinate in any department of the Government, and no officer of the Army or Navy or Marine Corps stationed in Washington, shall apply to either House of Congress, or to any committee of either House of Congress, or to any Member of Congress, for legislation, or for appropriations, or for congressional action of any kind, except with the consent and knowledge of the head of the department; nor shall any such person respond to any request for information from either House of Congress, or any committee of either House of Congress, or any Member of Congress, except through, or as authorized by, the head of his department.

THE WHITE HOUSE, November 26, 1909.

WM. H. TAFT.

I have no particular objection to the first portion of the order. There is one clause which is subject to some very just criticism, but I pass it over, and I call the attention of the House to the last clause of the order and ask this body, placing any construction on it that is reasonable, if they believe it is a wise and just order?

The latter clause of this remarkable order is as follows:

Nor shall any such person respond to any request for information from either House of Congress, or any committee of either House of Congress, or any Member of Congress, except through, or as authorized by, the head of his department.

THE WHITE HOUSE, November 26, 1909.

WM. H. TAFT.

I do not desire to be interrupted, because my time is short; but for this I would be glad to yield to anyone. If after I have concluded my remarks on this subject I have any time left, I will be glad to answer any question propounded to me and will be glad to hear any defense of the order that friends of the President care to make. First, I will ask some questions about the order and let them be answered by the country in the future.

Why was this order issued?

What good purpose can it serve?

Was the order issued because of the Ballinger-Pinchot trouble?

Has the Executive the right to issue such an order?

If he has the right, is it a wise order?

If it is a good order, is it wise to issue it now in view of the pending investigation of one of the departments?

Does the order in any way reflect upon the House or Senate?

If a Congressman or a Senator should be unable, when he wanted any information, to find the Cabinet officer, under this order how could he get information that he needed at once? [Applause.]

If this order is permitted to go without challenge, does it not assume that the Executive has the right to control the information that Congressmen may get out of any department? [Applause.]

Does it not assume that if the Executive should not want Congress to get information about any matter that he may refuse that information entirely and peremptorily? [Applause.]

If this order is within the power of the Executive, could he not prevent anyone in any department giving information to any committee or commission of Congress?

Has the Executive the right, by order, to have information which Congress and the Senate may request censored by a Cabinet officer before they get it? [Applause.]

Is this order an executive usurpation of power?

If it is not, then does it follow that all information, facts, data, and records, which might greatly affect legislation, will be under the control of the executive department?

If the Executive controls information upon which legislation is based, is it not tantamount to controlling legislation? [Applause on the Democratic side.]

How long will it be before the Executive will be sending for Members of Congress and courteously, politely, and diplomatically, but positively, give them their orders about what they must do? [Applause on the Democratic side.]

How long, then, before we will have a Russian bureaucracy? Is this order enforced against all Congressmen and Senators alike?

Is this order fairly and strictly applied to Republicans and Democrats alike?

Have the bureau chiefs any private information from any source of authority to exempt any pets from this order?

Do the Republicans as a party indorse this order?

If they do not, why have they not protested?

Under this order, could not a private citizen get information from a bureau chief or employee without violating the order?

If this is a government of coordinate branches, why should the Executive prescribe rules for the legislative department, and by what authority?

When Congress creates a bureau in any department of the Government for the purpose of obtaining information for the use and benefit of all, has the Executive the right, because Congress vests him with the authority to appoint such an officer, by and with the consent of the Senate, to control the actions of such bureau chief and vest him, the chief, with the power and right to say to the United States Senate and to the House of Representatives: "Both of your bodies can not make me give a civil answer to you or one particle of information without permission of my Cabinet officer and with all your legislative powers, backed up by 90,000,000 American people, whom you represent, giving you that power. I have behind me my Cabinet officer, and we are more powerful than you all, Constitution or no Constitution, and I will not answer?"

Does this order not bear more of the earmarks of Louis XIV of France than that of a President of the United States?

If Congress submits to this order without protest, how long before the whole country will justly have a contempt for the whole body?

Does Congress fail to protest because it is afraid of the loss of patronage, which the President may or may not withhold?

Do the departments prefer darkness to light because their deeds are evil, and does the Executive want to keep the lid on until he thinks best to take it off?

If he does, will he take it off after the next congressional election, or is the order a precedent set during a Republican House of Representatives as an excuse to keep it on in the event the House is Democratic next time?

Or will the Executive keep it on until after the next presidential election and, in the event he is reelected, then take it off?

Or will he then wait until his successor is elected, and then allow his successor to take it off or leave it on, as he sees fit?

Or will the American people get curious and desire to look under the lid and change the administration from a Republican to a Democratic administration? [Applause on the Democratic side.]

These questions are suggested by this order. It is to be hoped that the President has some good reason for issuing this order. It is to be hoped that it was not an order for the purpose of concealing any matter that Congress should be informed about. We can not believe, we resent and repel the insinuation, that this order was issued to prevent fraud and misdoing being discovered in the various executive departments. I do not suppose that any Congressman or Senator would even insinuate that the President has this in mind. It must spring from a distrust of the accuracy of the statements that might be made by the chiefs of the bureaus, or else it springs from a desire to have the Cabinet officers thoroughly informed as to what information is being given out, for what purpose, and by whom obtained. I do not think that either of these reasons is sound. First, because the chiefs of these bureaus will necessarily know more about the matters directly under them than the Cabinet officers could possibly know. The bureau chiefs are presumed to be, until the contrary is shown, just as honest and just as accurate and just as truthful and just as worthy of belief as are the Cabinet officers. At any rate, the law presumes this. If the President has such a distrust of the departments under him, then there should be a wholesale investigation of every department and of every bureau of every department. I think this House would repel any insinuation that any Cabinet officer would have the right to determine what information should be given to them about any matter they de-

sired to know about. If the Cabinet officers should have the right to deny information to a Congressman or a Senator or a committee of either House or to either House itself, then the arbiter of what information will be given out through the executive department will be the Cabinet itself, and Congress would be specifically denied the right to determine for itself what information it was entitled to.

If the order springs from the distrust of Congress and the use that it might make of information obtained through the executive branch of the Government, then it necessarily means that the only branch of the Government that directly represents the people can not be relied upon to do that which is to the best interest of their constituents and the country. That is to say, the people's representatives in Congress, who speak for the people, can not determine for themselves what information they shall have, and this means that the people themselves shall only have such information about their Government as the Cabinet officers are willing that they shall have. This means that a Cabinet that spends a billion dollars annually of the people's money is responsible to no power on earth save to themselves. [Applause on the Democratic side.]

We can not believe that the President or the Cabinet can have any such view of this order; yet, when read literally, it means exactly this. If we take a more liberal construction of the order, then, we think it ill advised and inconvenient. If every request of every Congressman and every Senator for information must be referred to the Cabinet officer for his permission to give the information, then such Cabinet officer would have to read thousands, yea, millions of letters, unless the order is violated every hour of every day and every minute of every hour. It is often as easy to get an interview with or the sight of the Czar of Russia as it is a Cabinet officer. I am not complaining at this difficulty of seeing a Cabinet officer, because this will always be true in every government as great as ours. But to construe the order literally, if a Congressman or Senator desires information for immediate use, he would not only find it inconvenient but in many cases absolutely impossible to get the information which he desired for immediate use. [Applause on the Democratic side.]

Heretofore, so far as I have been able to know from personal contact with the members of the President's Cabinet and all the chiefs and employees in all the departments, they have been uniformly courteous, polite, and glad to serve a Congressman when they can do so, and I do not think that the Congressmen or the Senators have, as a rule, violated or trespassed upon these privileges, and a very kind and friendly relationship has always existed between all the officers and employees connected with the departments and the Senators and Congressmen.

This order, however, will have a tendency to license the chiefs and employees to be arrogant, and indeed they will be compelled, under this order, to have no communication of any kind in reference to matters in their departments with Congressmen and Senators, except with the permission of the Cabinet officer. In this way obtaining information is not only made disagreeable, but more difficult. I believe in making it easier to get information. I believe that information should be readily accessible to every Congressman and Senator, and should be had for the asking as a matter of right and not as a matter of grace. [Applause on the Democratic side.]

I do not think that the Executive should have the light placed under a bushel, but have it set upon a hill. I do not think that Congressmen and Senators should be rebuffed by an order of this kind, but that they should be not only invited, but encouraged to investigate the condition of every department and to thoroughly inform themselves about the needs and necessities of each department, and to ascertain any extravagance, to get information about any neglect of duty or misuse of money, and, in fact, busy themselves until they get a complete knowledge of these great departments of the Government.

This order also gives each bureau and each employee the opportunity to play favorites. It encourages them to violate the order. When some Congressman or some Senator of whom he is especially fond, or to whom he owes his appointment, asks for information, he could easily give it, for the order could be so easily violated and no harm could possibly come from it, except the harm which always follows violating orders given unwisely. On the contrary, if a Congressman or a Senator of whom he knows little, or for whom he does not especially care, or dislikes, asks for information, he could hide himself behind this order and refuse it.

From any point of view it strikes me that this is an unwise order, and one which may subject the Executive to great criticism, to say the least of it. It is an order, so far as I have been able to study it, which accomplishes no good, but will result in a great deal of harm.

I have no quarrel with the President personally. On the few occasions that I have had the opportunity of seeing him, I have been impressed with the fact that he is a man to whom everyone who knows him well will be attached personally. So far as I have seen his personality is one that attracts and does not repel. His qualities of mind and heart, so far as I know, are such that he would do no living man an intentional injustice. His administration, however, is yet in the experimental stage, and it remains to be seen whether or not he has pursued the wise course. Every true American citizen will hope and pray that he will take no thoughtless step, but that his administration will be wise, and will result in much good and many blessings to the people who have honored him by electing him to this great office. May I not be permitted to beseech the President to turn on the light and not to shut it out. As in the beginning, when darkness prevailed upon the face of the deep, the Lord said "Let there be light," now may the people of this great Republic hear the President, when there is much darkness and doubt, in humble imitation of that august scene, say politically, "Let there be light." [Applause on the Democratic side.]

The CHAIRMAN. The gentleman's time has expired.

Mr. LAMB. Mr. Chairman, I yield twenty minutes to the gentleman from Tennessee [Mr. HULL].

Mr. HULL of Tennessee. Mr. Chairman, during last spring I prepared in writing a detailed inquiry, seeking information through the officers of our diplomatic and consular service relative to the income-tax systems existing in the various foreign countries. This was reduced to circular form and sent by the Secretary of State to each of the officers of our diplomatic and consular service. I have received replies, in the nature of reports, from about all of those officials. They embrace synopses of income-tax systems existing in some 18 foreign governments. They are also accompanied by numerous books and other pamphlets, embracing the entire laws of each of those countries, printed, however, in their native language. I have here, Mr. Chairman, the reports of these officials relative to these systems of taxation, which I ask unanimous consent to print in the RECORD. I will file the books containing these laws in full in the office of the Committee on Ways and Means. Also, I ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent to revise and extend his remarks in the RECORD and to insert certain matters indicated in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. HULL of Tennessee. Mr. Chairman, if the stupendous sugar-trust frauds recently discovered in the custom-house of New York alone had occurred in connection with the operation of an income tax, the menials and the minions of untaxed wealth would have instantly raised the cry that that tax was a farce and a failure. If an income tax, like customs duties, were uncertain and unreliable in the production of revenue, and during the Government's fiscal history had produced dozens of gaping deficits at times little expected, and as many burdensome surpluses at times still less expected, no untaxed citizen of wealth would be so poor as to do it reverence. If the bloated creature of class legislation, to whom existing laws have so long granted immunity from tax burdens, could detect the smallest symptom of inequality in an income tax, he would roll it as a sweet morsel under his tongue and solemnly pronounce that tax the bane of any revenue system of which it is a part.

Mr. Chairman, they forget that the period is rapidly disappearing when this or any other civilized nation will longer tolerate the taxation of one class for the support of another class. They forget that all the great progressive governments of the earth, whose tax systems, like ours, impose their chief burdens upon consumption, are heeding the cry for fiscal reform. But a few weeks ago the vice-president of the German parliament declared that the system of high protection, of which France, Germany, and the United States are examples, would become insupportable, and that whatever might be the future development of the economic policy of Europe, the period of high protection is approaching its end.

Mr. Chairman, our present monopoly tariff law is a miserable travesty, an ill-designed patchwork, a piece of brazen legislative jobbery. Protection to a small number of pampered, stilted individuals, not revenue for the Government, is its chief design. This indefensible doctrine has become the cancer of the Government's fiscal system. It is the mightiest engine of oppression ever devised by legislative legerdemain. It is hastening this nation to a condition of white slavery as no other influence could. [Applause on the Democratic side.] It

enables a band of commercial marauders to ruthlessly take toll from the sweat and blood and life of the honest yeomanry of the land. If the piratical organization, that has knowingly foisted and fastened the existing system of tariff spoliation upon the people, persists in retaining certain of its intolerable features in the future, it may earn a degree of popular execration approaching that of a certain notorious organization known as the Black Hand.

Mr. Chairman, during the last national campaign the country was promised honest tariff reform. During last summer that promise was openly, willfully, and deliberately violated by Congress, the President acquiescing. [Applause on the Democratic side.] This wanton betrayal of the American people will not soon be forgotten nor forgiven. The war for fiscal reform has not ended. It has only well commenced. It will go on until the tax-ridden people are freed from the merciless greed of organized oppression and plunder. [Applause on the Democratic side.] I have long been of the opinion that our system of protective-tariff taxation diverts business from natural to artificial channels, causes an unequal distribution of wealth, creates money lords, impoverishes those who live upon their earnings, builds up class conditions, breeds and shelters monopolies and trusts, enabling them, vampire-like, to sap the vitality of the Nation. I am of the firm conviction that so long as this system remains, requiring the people to pay \$8 to privilege for every dollar that reaches the United States Treasury, we need look no further to ascertain the chief cause of the phenomenal increase of prices in all the protected industries—the scale in this country being far above the level of the world's prices—as well as the cause of the general derangement of our industrial, economic, and social affairs.

THE REMEDY FOR EXISTING TARIFF EVILS.

Mr. Chairman, there is one, and only one, remedy adequate, speedy, and certain, namely, the complete reorganization and readjustment of our system of revenue—lopping off existing inequalities, reducing customs rates to a sound revenue basis, placing minimum rates, or none at all, on articles of prime necessity, and maximum rates on luxuries, and levying a comprehensive income tax to equalize the tax burden and to give elasticity and productiveness to our tax system. [Applause on the Democratic side.] In this connection I desire to discuss the merits of the income tax, not as a tax by itself, but as a permanent part of our whole revenue system. No one method of taxation should be considered singly, but as a part of a complete system which all taxes combine to form. The life of the Government requires an adequate revenue at all times. From its beginning the Nation's chief source of revenue has been indirect taxes levied on consumption. If our customs system, supplemented, as it now is, by an internal-revenue tax, were adequate, just, and economical, the necessity for an income tax, whatever its merits, would be measurably lessened.

But, Mr. Chairman, the essential injustice and inefficiency of our tariff laws are apparent to every intelligent observer. We should, therefore, consider our present revenue system and the effect which the income tax would have in removing its gross inequalities, in giving it productiveness and elasticity and adjusting the incidence of the whole burden. Congress has made no progress in the science of taxation since before the civil war. During much of our one hundred and twenty-three years of national life the system of collecting taxes at the custom-house has revealed startling inequalities and a singular lack of elasticity and productiveness.

ELIMINATION OF TARIFF INEQUALITIES AND SUBSTITUTION OF INCOME TAX.

Mr. Chairman, I propose now to direct attention to one ugly and fatal defect of the system now existing, viz, its inequality and injustice. The rank favoritism created by the present tariff laws would bring odium upon any political party enacting them. The taxes they impose rest mainly upon industry and consumption. The amount each citizen contributes is governed, not by his ability to pay a tax, but by his consumption of the articles taxed; and his use of them is not measured by his ability to pay taxes, but by the necessities of life. These necessities are indispensable to the welfare—aye, the existence—of the poor. The chief burden of all tariff taxes now falls upon this class or upon the people of moderate means. Only the rich escape it. Why not the one be required to contribute out of his abundance rather than the other out of his necessities? Why should one favored class be permitted to accumulate great fortunes at the expense of others? Why not wealth bear its just proportion of the public burdens? The protected interests not only select the articles taxed, but fix the rates of taxation. A noted English statesman once said:

Conceal the hand of the taxgatherer and you can tax a people to the point of impoverishment, if not starvation, without complaint or resistance on their part.

The unequal effects of the burdensome tariff have already dwarfed not only the political and economic but the social conditions as well.

Mr. Chairman, this country has now its thousands of hungry, its tens of thousands of paupers, and its hundreds of thousands of unemployed. Verily this is an age of special privilege. Upon every hand we hear preached and see practiced the gospel of class legislation. Far is the cry, long is the stretch between great riches and extreme poverty, and those who would shield the former from taxation at the expense of the latter forget that "man shall not live by bread alone." If the modern Shylock is void of a conscience that would move him to willingly assume some of the burdens of government while claiming all the benefits of its protection, is he also without that discernment necessary to foresee the awful day of retribution that must come from a continuance of the present grinding oppression of the poor? I am reminded of a statement of Swift that "nothing is so hard for those who abound in riches as to conceive how others can be in want." The new tariff has already so increased the cost of living as to cause the gaunt specter of want and hunger to stalk into the hitherto comfortable homes of millions of freeborn American citizens. Under the operation of these unfair and unequal tax laws we no longer have competition in American markets. The prices the consumer must pay are limited only by the producer's greed of gain. Time does not now permit me to point out in detail the innumerable inequalities in our tariff that call loudly for the pruning knife. It is sufficient to say that, though not always understood, their effects are daily and deeply felt by every American consumer.

NECESSITY OF AN INCOME TAX TO GIVE ELASTICITY AND PRODUCTIVENESS TO PRESENT REVENUE SYSTEM.

Mr. Chairman, I desire now to call attention to another evil coordinate with that just discussed. Our revenues are in an unsatisfactory condition. The most experienced expert shrinks from any attempt to accurately or intelligently forecast the governmental receipts. In 1905 the receipts were \$544,274,684, and there was a deficit of \$19,085,408. In 1907 the receipts were \$663,140,334, and there was a surplus of \$111,435,205; while in 1908 the receipts were \$601,126,118, and, strange to say, there was a deficit of \$20,000,000. For the fiscal year 1909 the receipts continued substantially the same, but there was a deficit of \$58,734,954. From 1907 to 1909 there was a reduction in receipts of over \$60,000,000 and an increase in expenditures of \$120,000,000. Our system of revenues and expenditures is so uncertain and unreliable that a cash balance of \$250,000,000 has been reduced to less than \$80,000,000 within the short space of three years.

The working balance is now less than \$30,000,000, while increased expenditures are making daily inroads upon it. We have a large deficit in current receipts and expenditures for the present fiscal year, and unless all signs are misleading, it will be still larger in the fiscal year of 1911. True, the present tariff law levies an enormous tax upon the people, but unfortunately the bulk of it goes to the manufacturers and trusts instead of to the Federal Treasury. To maintain an equilibrium between governmental receipts and expenditures, thereby guarding against deficits or surpluses, is a prime requisite of a sound system of taxation. It ought to be adjustable enough to thus meet the Treasury's varying demands. The Nation's experience conclusively shows that our indirect taxation has been, and is now, strikingly inelastic, unstable, inflexible, and oftentimes unproductive, both in times of peace and war. Our import duties depend largely upon the prosperity of the foreigner, while our internal-revenue taxes are levied chiefly upon whisky and tobacco.

OUR REVENUES UNSTABLE AND UNCERTAIN IN THE PAST.

A glance at the past operation of this system reveals the defects I complain of, as well as the obvious necessity for the adoption of an income tax. During the Revolutionary war taxation in any form was unpopular in the States and colonies. Hence, they turned to indirect taxation as the least objectionable method of raising revenue. After the formation of the Union in 1789, Congress followed suit. But Alexander Hamilton urged the imposition of a small internal-revenue tax, and in this he was successful. This tax immediately raised a storm of opposition, which resulted in its repeal soon after Jefferson's inauguration in 1801. This marked the establishment of the tariff tax alone as the Nation's system of taxation until the close of the civil war, for no internal tax was enacted during this entire period, save to meet some temporary exigency. Since the war the internal-revenue tax has been retained in part as a supplement or minor aid to our customs system of revenue.

From the outset there were rapid fluctuations in the national revenues. Its productiveness has been at all times very uncer-

tain, being constantly affected either by business depression or revival at home, or by foreign wars or foreign commercial changes. From 1789 to 1811 the tide of revenue from our customs duties ebbed and flowed to such an extent as to produce nine large deficits and a still greater number of burdensome surpluses. The war of 1812, as have all other wars since that time, thoroughly proved the utter inability of customs revenues to meet war emergencies. In addition to the imposition of other taxes the Government was forced to resort to loans and the issuance of treasury notes. The real resources of the country could not, and can not now, be reached by customs duties. Following the war of 1812 the Treasury was burdened with a surplus until 1818; but after that year there was a decline of the revenues until a low ebb was reached in 1821, from which they did not recover until after the crisis of 1824. The years 1824 to 1835 witnessed phenomenal increases, far beyond governmental necessities. In 1836 the surplus became so burdensome that \$28,000,000 was ordered distributed among the States. A lightning change in the customs revenues then occurred, for in 1838, before this distribution had been completed, the Treasury showed a deficit of several millions of dollars. Two loans and five issues of treasury notes were resorted to between 1837 and 1843. The Secretary of the Treasury then said:

With sources of revenue so fluctuating we shall constantly be exposed to great deficiencies or excesses, with all their attendant embarrassments.

This statement is strikingly applicable to present-day conditions. Customs revenues wholly failed to satisfy the Government's needs during the Mexican war. By 1857 a tremendous surplus had again accumulated in the Treasury. But within a year it had entirely disappeared and the Government was forced to issue \$24,000,000 in treasury notes and negotiate a loan of \$10,000,000.

During the first three years of the civil war, though raised high upon every available article, the customs revenues inflexibly remained at a peace level. Secretary of the Treasury Chase, in 1863, was obliged to admit that "the chief reliance for any substantial increase, and even for the prevention of any possible decrease, must be on internal duties." During the stress of war, not the customs, but internal duties increased the revenue by leaps and bounds and thereby saved the credit of the Nation. Following the war the same shifting, fluctuating revenue conditions continued. Strangely enough, we find a surplus of \$100,000,000 in the Treasury in 1871-72. In the latter year much of the internal tax was repealed and the customs duties were reduced 10 per cent. Three years later we see the Government borrowing money and restoring the 10 per cent rate on customs duties. By 1879 the Government again had an embarrassing surplus, which climbed to \$100,000,000 in 1886. But the year 1890 witnessed the coming of another deficit, which, on June 30, 1894, under the schedules of the McKinley tariff law, reached the huge amount of \$69,000,000, the Government being again compelled to borrow money. After the Spanish-American war there was another rise in receipts, resulting in a surplus during 1907 of \$111,000,000. But the scene suddenly shifts again, for in 1908 this tremendous surplus becomes transformed into a deficit of \$20,000,000 and the Government is obliged to issue bonds in a time of peace.

Mr. Chairman, in the light of these plain lessons of experience, demonstrating the utter inadequacy of the indirect tax with its supplemental internal taxes as a basis for national revenue, how can the blindest adherent of this system longer deny the necessity for its immediate reform? No method of raising revenue is so unreliable as duties on imports, and none so difficult to raise or lower without seriously disturbing business. From the beginning of the Government our fiscal system has been a veritable seesaw—the Treasury plunged into a large deficit to-day, and groaning under a huge surplus to-morrow. Mr. Chairman, an income tax and economy in expenditures will secure and maintain an equilibrium between the Treasury's income and outgo.

INCOME TAX.

Mr. Chairman, in this discussion I neither extol the poor nor decry the rich. I oppose the unjust taxation of any class, be they rich or poor. I favor the application of those doctrines of revenue that know no class, that fall upon all in proportion to ability, and that conform to every ideal of justice in taxation. Our laws and governmental policies should recognize no distinction between the humble citizen on his pallet of straw and the rich man in his gilded palace. We should keep in mind that hymn of triumphant democracy:

The rank is but the guinea stamp;
The man's the gowd for a' that!

I make no assault upon wealth as such, but rather upon the evils of which certain classes of wealth are the willing and

knowing beneficiaries. Wealth can not, however, shirk and shift its just responsibilities and burdens, and then, with a look of injured innocence, complain under the weight of legitimate criticism.

Mr. Chairman, I favor a reasonable income tax, not as a punishment to the wealthy, but as a bona fide means of equalizing tax burdens and raising adequate revenue. The income tax is not of ancient origin. The land tax was the first method of securing revenue. Later, when wealth became so extensive and varied, the tax upon general property was devised. Finally, at the instance of Pitt, an income tax found its way into the English revenue system in 1798 as a war emergency measure. It was repealed at the close of the Napoleonic wars. But in 1842, when the great fight for fiscal reform raged in England and the cry for cheaper bread resounded throughout the country, those patriotic champions of the rights of the poor—Bright, Peel, and Cobden—succeeded in abolishing the odious corn laws and the powerful protective-tariff system, then as firmly entrenched as it is in the United States to-day, and substituting an income tax in lieu thereof. It became thenceforth a permanent part of the English system of taxation. Its purpose has always been either one of revenue or a means of improving and equalizing general tax laws, or both. Most countries adopting this tax did so originally upon emergency grounds, but as a rule it has later been permanently retained in response to necessities created by modern industrial and financial conditions.

The States of North Carolina, Virginia, Alabama, and Massachusetts enacted income-tax laws with a view to correcting inequalities in their tax systems. But like most personal-property tax laws, they have been largely ignored by both the taxgatherer and the taxpayer. Some leading economist has said that a state income-tax law has all the disadvantages of a national law and none of its advantages. Many of the larger incomes are derived from interstate businesses and are difficult, if not impossible, of collection by the States for lack of jurisdiction. During recent years most of the civilized countries, save France, Russia, Belgium, and the United States, have adopted and made this tax a permanent feature of their revenue systems; and France has a tax equivalent to it.

THIS TAX WORKS WELL IN BOTH THEORY AND PRACTICE.

Mr. Chairman, this tax, more nearly than any other, approaches the perfection of fiscal wisdom. None deny that it is absolutely sound in theory. Its practical application has now been demonstrated and is less controverted each succeeding year. It is in perfect harmony with the foundation principles of justice and equality upon which our Government was laid. Wise, simple, and effective, it would meet and cope with all the developments of our industrial and financial affairs. This doctrine embodies all the twentieth-century philosophy of taxation. The underlying basis of all sound systems of taxation is that each man should pay taxes in proportion to his means, real and personal. The income tax would oblige the citizen annually to contribute a fair and just proportion of his net gains to the maintenance of the Government.

An English court, in referring with approval to this tax, said:

The object of a taxing act is to grant to the sovereign a revenue, and to raise it from those on whom it falls with as little trouble and annoyance, and as equally, as can be contrived.

Adam Smith, the father of political economy, said:

The private revenue of individuals arises ultimately from three different sources—rent, profits, and wages. Every tax must finally be paid from some one or other of those three different sources of revenue or from all of them indifferently.

The income tax is the only method ever devised that squares with all four of Adam Smith's revenue maxims: It is equal; it is certain; it is paid at a time and in a manner most convenient to the taxpayer—when his income is received; and the cost of collection is trifling.

All the great political economists and other noted authorities on taxation lay down the doctrine that the citizens of a nation should pay taxes to the government according to their ability. Among these may be mentioned Adam Smith, John Stuart Mill, Thiers, Montesquieu, Rousseau, Mirabeau, J. B. Say, Gernier, Sismondi, Bastable, and Ely. One of the ablest authorities says:

The most modern and, theoretically, the fairest form of taxation is the income tax. It seems to make everyone contribute to the wants of the state in proportion to the revenue he enjoys under its protection. While falling equally on all, it occasions no change in the distribution of capital or in the material direction of industry and has no influence on prices. No other is so cheaply assessed or collected. No other brings home to the people so forcibly the fact that it is to their interests to insist upon a wise economy of the national revenue.

Yes, Mr. Chairman, under this law the people would see and know they were paying taxes, but they would also see and feel a great reduction in the prices of necessities and other commodities, save those farm and other products whose prices are

fairly and justly fixed in the world's market by the law of supply and demand; besides, the people would have the greatest incentive to carefully guard and scrutinize public expenditures and frown on extravagance. No, this tax does not affect the natural and legitimate distribution of capital as does our present customs system, which has for its end and effect "the enrichment of the privileged class by the systematic robbery of the masses, and it breeds an aristocracy of wealth which, as with every other aristocratic rule, must end in conflict." Neither, Mr. Chairman, does it occasion the slightest interference in industrial affairs as do changes in the tariff every few years.

ITS RATES EASILY CHANGED.

The rates of the income tax can easily be raised or lowered within a week's time, helping rather than hurting business, by reason of its stability. With this tax in operation we would not again behold the shameful scenes enacted here last summer—Congress struggling for five months to revise the tariff, lobbyists swarming like locusts through all the corridors of the Capitol, demanding their respective shares of protection's plunder, business at a standstill and in suspense awaiting the outcome, suffering a loss, if the Speaker of the House was accurately reported, of \$10,000,000 a day. Nor would the operation of this tax influence prices when its rates are changed or at any other time, because it does not rest upon consumption, but upon the income of wealth.

ITS PRODUCTIVENESS.

Mr. Bastable, the leading English financier, said:

Production and a tolerable approach to just distribution are the two essentials of taxation.

The income tax is the very embodiment of these two essentials. Its revenues readily respond to changes in rates entailing no hardship upon anyone, and at the same time promptly bring relief to the government's finances, filling up a deficit or diminishing a surplus, as may be desired. If the taxpayer suffers a decline in his income his taxes are reduced in proportion; if his income increases his taxes increase proportionately. The wonderful flexibility and certain productiveness of this tax enables it to meet every requirement of peace or war emergencies, having thus proven in England, in the language of Gladstone, "an engine of gigantic power." During the great strain of national emergencies an income tax is absolutely without a rival as a relief measure. Many governments in time of war have invoked its prompt and certain aid. It enabled England to conquer Napoleon. It came to the relief of our depleted Treasury during the civil war, when the customs revenues were at a low ebb, and saved the rapidly sinking credit of the Nation. We can not expect always to be at peace. If this nation were tomorrow plunged into a war with a great commercial country from which we now receive a large portion of our imports, our customs revenues would inevitably decline and we would be helpless to prosecute that war or any other war of great magnitude without taxing the wealth of the country in the form of income.

IS IT AN UNJUST TAX?

Mr. Chairman, the apologists of the rich sometimes say that this method of taxation is unjust. The statement of this objection is its own refutation. Their doctrine seems to be that any kind of tax imposed on other classes is entirely just and proper, but that the slightest effort to require wealth to share the most reasonable and necessary tax should be loudly resented as injustice, socialism, and confiscation. In speaking of the then existing income tax in 1870, Senator John Sherman said it was "the most just and equitable tax that is now levied by the United States of America, without an exception," because it was the "only discrimination in our tax laws that will reach wealthy men as against the poorer classes of people," who still "necessarily pay nine-tenths of all the taxes." This utterance but echoed the sentiment of the real statesmanship and disinterested patriotism of that time.

In time of war forty-nine-fiftieths of those who volunteer to make up our great armies and navies upon which we must rely to fight our battles, defend our flag, gain our victories, and maintain Anglo-Saxon supremacy, are persons whose courage and patriotism are as great as their worldly possessions are small. This doctrine of untaxed wealth that the poorer classes should both pay the Nation's taxes and imperil life and limb fighting its battles is indeed hard and harsh. Is the Government to bestow upon these possessors of great fortunes all the blessings of a republic and at the same time exempt them from all its burdensome responsibilities? Is there to be no balance between the people of large means and those of small means in the imposition of tax obligations, either in times of peace or war? It is mildly claimed that this is effected by state and local taxation; but this is only true in a very minor degree.

WEALTH LARGELY EVADES STATE AND LOCAL TAXATION.

Personal property in the cities and towns almost entirely escapes state and municipal taxation, as does no little of it in the rural sections. But the farmer of moderate means can not hide his property nor shift his tax burdens; he constantly feels their crushing weight, while the rich investor in securities, the money lender, and the wealthy business and professional men cover up most of their taxable personality as well as much of their city realty when the assessor comes around. A report of the Census Office shows that for the year 1902, the assessed valuation of real property constituted 74½ per cent or three-fourths of the assessed valuation of all property. This same report shows that in the year of 1904 the true value of all property was \$107,104,192,410; that the ad valorem assessment of this property was only \$38,963,381,120; that the personality assessment was only \$8,873,562,448, although the true value of all personality was \$44,762,719,783—a 20 per cent assessment—while the assessment of realty was less than 50 per cent of its true value. The present mayor of New York during last week cited a number of instances of inadequate assessment and evasion which but illustrate tax conditions prevailing in most States, and especially cities throughout the country, as follows: One piece of real estate was assessed at \$29,300, and was then mortgaged for \$276,000, and was sold for \$350,000. Another piece of real estate was down on the tax books at \$1,078,300, and was sold for \$4,565,367. The income tax secures more than a third as much again revenue from property as do our state and local tax systems.

INCOME TAX COMING INTO UNIVERSAL FAVOR.

Mr. Chairman, most all of the earlier systems of taxation have omitted any provision calculated to reach the income of property, but during the past generation a movement to tax incomes has started and is rapidly becoming world-wide. The aggregate wealth of the United States to-day is \$120,000,000,000, and why should not a portion of the Government's revenues be derived from the earnings of this fabulous sum, most of which can not be reached in any other way, "instead of placing it all, or nearly all, on consumption—on the necessities of life, which are consumed by all, but are not used in proportion to their ability to pay taxes, but according to the necessities of existence?" Will it be longer insisted by the spokesmen of privilege that expatriated "patriots" like William Waldorf Astor shall be privileged to continue their residence abroad while their landed and other estates, aggregating hundreds of millions in value, remain here under the protection of our Government without the payment of a farthing of revenue in return? Is it deemed wise and just to thus exempt from taxation the property of this class of persons, whether residing here or elsewhere, and at the same time impose such excessive tariff rates as compel the masses of the people, in addition to the payment of our federal taxes, annually to pay the United States steel trust \$50,000,000 in excess of a reasonable net profit, and in like proportion the sugar trust, the smelters trust, the wool trust, the agricultural implement trust, and a hundred other trusts that are thus daily fattening upon the hard earnings of those who toil?

FALSE CHARGE OF SOCIALISM.

Mr. Chairman, as a last resort, the opponents of an income tax argue that it is socialistic and merely intended to secure a redistribution of property. This tax does not contemplate a redistribution of property, but a redistribution—an equitable distribution—of taxes, based upon ability to pay and more nearly approximating justice than any other that could be imposed. Unlike our present unequal tariff law, it is a tax upon plenty rather than necessity; and instead of seizing millions of the poor and humble and holding them in the grip of lasting poverty, it lightens their burdens and helps them to banish the fear of hunger, thirst, and cold.

This cry of socialism and confiscation is not worthy of refutation. It is but a repetition of that subterfuge that has done service so often when it has been sought to block reform and secure the retention of existing abuses. This false cry has been raised against every fight for real fiscal reform in all countries and ages. We often hear its echoes in the States and municipalities when an attempt is made to correct inequalities in their tax systems. This same wall was set up in England and America in opposition to an inheritance tax. A like method of objection was met by the proponents of the property tax in Germany and Holland; and this tax only strikes at the property owner, not the income receiver. In Great Britain, compulsory education, the post-office system, the factory laws, and most all other wholesome enactments hitting at vicious class evils or designed to keep pace with advancing social and industrial progress have been promptly characterized as socialism. If this tax is socialistic and confiscatory, then most all of the

great governments of the earth have put socialism and confiscation into practical and permanent operation and effect.

Mr. Chairman, occasionally the suggestion has been advanced that this tax is un-American and undemocratic. But the fact that it first took root in the most democratic countries in the world, like the cantons of Switzerland, where it has been perfected and rounded into a model revenue tax, explodes this notion.

THIS TAX CONSTITUTIONAL AND WOULD BE SO HELD.

I have heretofore discussed the constitutionality of this tax, and I shall not do so again except to say that, from the decision in the *Hylton* case, in 1796, until the decision in the *Pollock* case, in 1894, the constitutionality of this tax was not seriously questioned. It was settled, and well settled. In five leading cases the doctrine was uniformly held that under the direct tax clause of the Constitution there are no direct taxes save a capitation or poll tax and a tax on land. At this late day it would be idle to speculate and quibble as to the views of the framers of the Constitution when they adopted the direct-tax clause. Political economy was then in its infancy. The term "direct" had no fixed, legal meaning, but was given various significations by writers on taxation. Hence, our government was left free to adopt such interpretation as sound wisdom suggested.

And as early as 1796 we see the Supreme Court, embracing two judges who were members of the Constitutional Convention, in the carriage-tax decision giving to the word "direct" an authoritative and conclusive construction, viz, that it embraced only capitation and land taxes. This construction was at once approved and adopted by the legislative and executive departments of the Government, and until 1894 has been consistently followed by all the courts, Congresses, Presidents, lawyers, and text-book writers; and, in the language of Mr. Justice White:

By the repeated reiteration and affirmance of that interpretation has become imbedded in our jurisprudence, and therefore may be considered almost a part of the written Constitution itself.

By its action in the *Pollock* case—a five to four decision—the Supreme Court overturned all the judicial precedents of a century and placed its final veto upon the taxation of wealth. Wealth can only be reached successfully by the taxation of its income, and this can not be done by apportionment according to population. There were two hearings of this case, and two judges changed in opinion on the reargument. One of the Government's attorneys stated that—

On the first hearing six out of eight judges held the law void as to so much of one's income as is derived from rentals, while four only of them held it void as a whole. On the second hearing, a ninth judge being present, one of the six, together with the new judge, concluded that it was valid as to the rentals, and valid also as a whole. One judge, however, who had voted against it on the rentals question alone, now concluded to vote against it as a whole, and the final poll stood, therefore, five to four on each question. The decision of the court on the first hearing found not a single supporter on the second.

In the language of Mr. Justice Harlan:

In view of former adjudications, this decision may not improperly be regarded as a judicial revolution that may sow the seeds of hate and distrust among the people of different sections of our common country.

Yet, Mr. Chairman, there are those who pretend to think that it would be an "affront" to the court for Congress or any other human agency, by proper and orderly procedure, to ask the Supreme Court to again consider the questions decided adversely to the Government in the *Pollock* case. The President has even been accused of expressing this view in his recent Denver speech. Is it possible that he has been inveigled into the support of this doctrine? If true, this was the utterance of Mr. Taft, the politician, and not Mr. Taft, the President or the lawyer. This new and strange doctrine of judicial procedure, while conceding that it is right and proper for an individual suitor to ask the Supreme Court to reconsider a judgment believed to be unsound, teaches that it would result in a serious and unjustifiable "affront" and injury to the judiciary if 90,000,000 citizens or suitors, through their representatives in Congress, should ask this august tribunal to reconsider a five to four decision. [Applause on the Democratic side.] It can not be denied that this decision deprives Congress of the power to effectively tax wealth. Will a newly-constituted Supreme Court restore that taxing power to Congress, of which it was so erroneously deprived? Or will those two distinguished individuals from Rhode Island and Illinois, who now dominate the majority in Congress and stand between wealth and righteous taxation, allow Congress, by the passage of a new law, to give the court an opportunity to correct its mistake, now conceded by every unbiased lawyer in America?

CONSTITUTIONAL AMENDMENT.

This course was attempted by Congress last summer, but the friends of the income tax were thwarted by means of a legislative trick, sprung at the crucial hour by the enemies of this

tax, but not until it became known that no other means would or could prevent the speedy enactment of a comprehensive income-tax law. This sinister undertaking succeeded.

The income tax was killed, and in lieu we have in part a proposed amendment that, to become effective, must be ratified by the legislatures of three-fourths of the States. Of course the friends of this tax, when thus defeated in their effort to pass a new law, voted to submit the amendment to the States, though knowing at the time that it was chiefly in charge of the bitter opponents of income taxation and not offered in good faith by them. It is to be sincerely hoped that the requisite number of States will ratify the amendment, for it would forever quiet this controversy. Therefore, both remedies might properly be pursued at the same time. There is no occasion for conflict between these two remedies, but the tactics of the opposition have been that when either remedy was about to be adopted, to propose and urge the other in its stead, thereby hoping to permanently defeat and destroy this doctrine. I regret to see that the outcome of the proposed amendment is involved in grave doubt. The failure or refusal of either legislative branch in as many as 12 States, to concur in the proper resolution, would encompass the defeat of the amendment. Who is so ignorant or credulous as not to know the certain effects of the tremendous influence which powerful wealth exercises on many state political organizations, upon the press, and upon other mediums of manufacturing influence and sentiment? Who can expect, though one may hope, to see a majority of both houses of the legislative bodies of three-fourths of the States successfully combat the strong and corrupting influences of accumulated wealth and ratify this amendment? The American people are about to be flimflammed in this controversy. This great power of taxation, which was considered as immutable as the Constitution itself, was taken away from Congress by the action of one judge in changing both his mind and his vote. Congress having denied the Supreme Court an opportunity to do so, the question of its restoration is now left, not to a majority of the American people, but solely to the tender mercies of a few hundred individuals who may happen to constitute a majority of either of the two legislative houses in 12 States; or, if this majority should be controlled by caucus action, then a majority of the majority would settle the fate of this amendment.

GOVERNOR HUGHES INTERPOSES HIS VETO.

Yes, Mr. Chairman, I am heartily in favor of the ratification of this amendment by the States, as is every real friend of the income tax. [Applause on the Democratic side.] However, I warn its friends to be on their guard, for the fight against this amendment will be made, is now being made, not by its open enemies, but by its pretended friends. This is notably illustrated by the action of Governor Hughes, of New York, who recently emerged from the penumbra of colossal wealth, which never pays a dollar of federal taxes, and constituted himself its spokesman long enough to proclaim an issue in this battle to perpetuate its immunity from taxation.

Mr. PARSONS. Mr. Chairman, will the gentleman yield for a question?

Mr. HULL of Tennessee. If I have time.

Mr. PARSONS. Does the gentleman mean to state that what Governor Hughes said in his special message was said for any other reason than that he believed that the interests of the State ought to be protected? Does he mean to say that Governor Hughes is engaged in a flimflam on the people or to convey that impression?

Mr. HULL of Tennessee. If the committee will allow me just three minutes time, I am approaching the very subject about which the gentleman inquires.

Mr. PARSONS. If the gentleman says any such thing as that, or intends to convey any such idea, I wish to state that he has no understanding of the character of Governor Hughes. He is a man who never has allowed any such influences to affect him in the least, and the gentleman may be sure that anything that he has done, he has done only because of the highest motives. [Applause on the Republican side.]

Mr. HULL of Tennessee. Mr. Chairman, the gentleman is somewhat premature in anticipating something about which he knows nothing. I have not yet made the statement which I was about to make, and I think the gentleman will have ample opportunity, after I do, to rush to the defense of the gentleman, in whom he seems to have a great personal interest.

The governor could not content himself with a personal declaration against this amendment, as was his privilege, but so eager was he to throw himself between plutocracy and the people that he sent a lengthy message to his state legislature expressive of his so-called "official views" condemning the amendment; and in so doing he was guilty of an officious im-

pertinence and a negligent disregard of the spirit of the Constitution. Its language is that an amendment shall be valid "when ratified by the legislatures of three-fourths of the States." The legislatures act alone, and in the capacity of a convention as distinguished from the exercise of a legislative power. The governor has no veto power and no function or duty authorized or imposed, save the purely ministerial one of transmitting the amendment to and from the legislature. Why did the governor rush to the center of the stage and thrust his individual views, under the guise of official duty, upon that body? He was throwing, without authority, the weight and prestige of his great office into this fight on the side of those who think it socialistic to tax wealth and the quintessence of fiscal wisdom to tax poverty. His action was that of an official intermeddler. To prevent a misconception of their attitude other governors may now feel obliged also to transmit their views to their respective legislatures.

Mr. Chairman, the New York governor charges that the proposed amendment authorizes the taxation of incomes from state and municipal bonds, and if adopted the tax, if levied, might cripple the borrowing capacity of the States and their local governments. This objection is unsupported by reason or experience. States and municipalities have no occasion, save in the rarest instances, to strain their credit. It would be difficult to conceive an emergency requiring expenditures approaching their taxing capacity or very far in excess of their ordinary and normal revenues. They do not bear the expense of war.

But the General Government must at times raise enormous revenues to meet great military and naval expenditures. And only the stress of war could endanger its credit. Yet, no matter how great its distress and pressing its needs during fierce conflict, Governor Hughes would deny the General Government—which then protects the States and municipalities—a reasonable contribution from several thousand rich and idle holders of state and municipal securities, notwithstanding only a minor portion of their income would be derived from this source. Yes; he would permanently defeat the entire income tax rather than permit the General Government to exercise this power even under the strain of a great war. If there be any efficacy in his contention, which I deny, he is strangely silent in the face of an existing condition far more dangerous. The bonds of any one State and its municipalities are at the mercy of the taxing power of the other 45 States and their municipalities. The Supreme Court has so held in 104 United States Reports, page 592. The distinguished governor would withhold from the General Government a taxing power that may be exercised with impunity by every State and municipality in the Union. As a rule, the holders of these State and other local securities are nonresidents of the State whose bonds they hold. In 1902 the total state, county, and municipal indebtedness comprised only \$1,864,978,483 of the Nation's present total wealth of \$120,000,000,000—only a fraction over 1 per cent and a ratio of less than 1 to 60. How much would a reasonable income tax, reaching all property alike, on an indebtedness of \$1,000 affect the borrowing capacity of a citizen owning \$60,000 of property? The total interest-bearing debt of the Nation November 1, 1909, was \$913,317,490. Who, other than Governor Hughes and selfish wealth which he now serves, will dare to express the baseless fear that this amendment threatens the credit of our States and municipalities, when the Nation's wealth is sixty times as great as their indebtedness and more than forty times as great as our total national, state, and local indebtedness?

The States and their local governments will, as they properly should, easily resort to sufficient taxation to amply maintain their credit without serious burden to the taxpayer. Though straining at this gnat of state and municipal bond taxation, the governor gulps down with one swallow the camel of unlimited congressional power in other lines. Why were his fears not aroused by the existence of other powers vested in the General Government, immeasurably greater than the one he affects to dread? Will he contend that the unqualified power given Congress by the Constitution to regulate commerce among the States was a mistake and should have remained elsewhere? Will he deny that this power is an indispensable one, even though Congress could, in its exercise, stop and tie up every interstate common carrier in the Nation, destroy commerce, paralyze industry, and create commercial chaos? Will he insist that the sole power to impose duties on imports should not have been bestowed upon the General Government, even though Congress could, in its exercise, according to Republican teaching, block and shut out all imports from foreign countries? Will he complain because the Constitution gives the Nation the power concurrent with the States to tax persons and property

directly, even though Congress could, in its exercise, tax every citizen to the point of impoverishment? Finally, will he become alarmed when he reflects that Congress is given power to tax persons and property without limitation—barring two qualifications and one exception? No; he views these with complacency.

Mr. Chairman, Members of Congress are more closely identified with the States and their municipalities than with the General Government, and they would be far from imposing any tax, as they have been heretofore, that might in the least interfere with the maintenance of all the functions of the former. No man believes more firmly in the doctrine of states rights than I do; but I despise the citizen who never invokes this sacred doctrine except as a shield for injustice. If Governor Hughes and those who accept his views are friends of the income tax, as they profess, then it has no enemies.

THE MODERNIZED TAX ELIMINATES PREVIOUS FAULTS.

Mr. Chairman, it is finally urged by those who oppose this tax that it is not entirely practical in its operation and effect, being inquisitorial and difficult of assessment and collection. That these objections are fallacious and have been exploded by the experience of great governments like Great Britain, Germany, Japan, Spain, Italy, Switzerland, Denmark, Hungary, the Netherlands, and Norway and Sweden must be admitted. The cry of "inquisitorial" is chiefly humbug and cant. It originated during the operation of the war income tax, the machinery for the assessment and collection of which was crude, antiquated, and faulty, and before the methods of enforcement had been developed and perfected as they are now; nevertheless, this complaint has been kept alive for lack of legitimate argument. Other nations in which it is enforced uniformly attest the fact that this tax is no more objectionable to the taxpayer than any other. I unhesitatingly assert that even our war income tax was freer from faults and frauds than our general property state tax systems are to-day. In a majority of the States the demand for a general readjustment of their respective tax systems on account of fraud, evasion, and inadequate revenue is loud and insistent. What is known as "collection at the source" is the root of the administration of an income-tax system as at present developed. More than two-thirds of England's \$165,000,000 income-tax revenues is stopped and collected at the source so that the taxpayer never sees a revenue official. Congress could easily pass a new law modeled after the perfected systems of other countries—raising their exemptions and omitting their higher rates and more rigorous features—that would disarm the usual criticism. The now somewhat out-of-date assessment and collection machinery of the law of 1894 subjected it to much criticism that a new law would obviate. Save in two instances this law required compulsory declarations, or self-assessment, by the citizens—the Government retained the tax out of salaries and required corporations to withhold it from dividends.

Instead, the method of collection at the source, had it been then developed, could have been easily introduced to a large extent. It has been pointed out that the tax on all salaries could have been retained and reported by the employer. The corporations could have been required to withhold the interest on all corporate bonds. The income of real-estate mortgages could have been treated as a part of the real estate and requiring the mortgagor to withhold the interest. In many other effective ways this method of collection could have been introduced.

Mr. Chairman, two-thirds of a tax that would yield \$150,000,000 of revenue in this country could be collected at the source, thus obviating any personal assessment and consequent charge of inquisitorialness. This large sum, while not burdening the wealth that would pay it, would enable Congress to speedily improve our rivers and harbors and our more than 1,000,000 miles of post-roads extending through every part of the country.

COMPARISON WITH PRESENT STATE AND NATIONAL SYSTEMS.

Mr. Chairman, I challenge a comparison of the methods of assessing and collecting this tax with those relating to both our state and national taxes. Spread a modernized income tax alongside of our present state and national tax laws—schedule by schedule, paragraph by paragraph, item by item—and in every important aspect the former will disclose virtues superior to the latter. The inquisitorial features of our state tax laws are most rigid; yet, the amount of realty, and especially personality, that evades and escapes taxation is staggering to the average mind.

While the right of search and seizure pervades both our customs and internal-revenue system of national taxation, and the

machinery of assessment and collection is necessarily intricate and exacting in a high degree; yet, with this boasted system there is more or less fraud and evasion in every custom-house and in every internal-revenue district. A conservative estimate places the Government's loss from the sugar-trust frauds alone at \$30,000,000. Only the guilty culprits know its amount, in connection with numerous other frauds and evasions being constantly practiced at the expense of the Government.

Mr. Chairman, dishonest persons have no right to complain of laws designed to detect dishonesty. What right have honest men to complain of such laws? The sole opposition to this doctrine comes from those who have the ability to pay taxes, but who have shirked their just share and who seek to avoid the payment of all taxes.

COST OF COLLECTION.

The cost of collecting this tax is less than that of any other tax. The experience of all countries imposing it might be cited in evidence. The cost has uniformly been less than 2 per cent. With such a law in operation now, its expense of collection would be almost nominal. The present internal-revenue force would only need to be slightly enlarged to insure the certain and easy collection of this tax. The expense of collecting our internal revenue for 1908 was 1.84 per cent, but the average cost during the past forty years has been over 3 per cent. The cost of collecting the customs revenue for the year 1908 was 3.35 per cent; but the average cost during the past forty years has been over 4 per cent.

AN IDEAL INCOME-TAX LAW.

Mr. Chairman, a comprehensive and perfect income-tax law would be a graduated one imposing rates on a progressive scale, the lowest resting on incomes just above those necessary for the easy and comfortable maintenance of an average family, and higher rates applying to each successive category of higher income. But in view of those features of our present state and national taxation that will, and should, be permanently retained, as well as our moderate revenue necessities when compared with our tax resources, I should at present favor a tax on the higher incomes only, say those above \$3,500, with a differentiation between earned and unearned income, prescribing a lower rate for the former; and whenever deemed advisable, a reasonable super tax on incomes over \$25,000 would make the graduation more complete and fair. I adopt this view because further graduation would require direct personal assessment and prevent the use of the system of collection at the source. The super tax, however, would be levied by personal assessment.

The chief burden of our present indirect taxation falls upon people having incomes of \$1,200 to \$2,000, and under. It is safe to say that seven-eighths of our customs taxes amounting to more than \$300,000,000 annually, are paid by the people whose income does not exceed \$2,000. Where would be the injustice in requiring the more than 750,000 persons with incomes of \$3,500 and upward to contribute \$150,000,000 annually to the Government's revenue? There are no local statistics available for estimating the number of income-tax payers, their taxable incomes, and net revenue to be derived from this tax in the United States. However, an estimate can be made with some degree of approximation by comparison of population and wealth with that of the United Kingdom, and applying the figures revealed by the operation of this tax in the latter country.

In 1906 it was agreed that the distribution of income in that country was as follows: Persons with incomes of \$3,500 per annum and upward and their families (275,000×5)—1,375,000 and the annual income £585,000,000; persons with incomes between \$800 (£160) and \$3,500 (£700) per annum and their families (750,000×5)—3,750,000 and the annual income £245,000,000; persons with incomes less than \$800 (£160) per annum and their families, 37,875,000, and the annual income £880,000,000—thus revealing a total population of 43,000,000 and an aggregate annual income of £1,710,000,000, or \$8,550,000,000. By comparison with this showing it is easily concluded that we have in this country more than 750,000 persons having incomes of \$3,500 and upward and with an aggregate annual income of more than \$7,000,000,000. The amount of federal taxes paid by this class is almost nominal, although their annual income is nearly one-half—more than one-third—of that of the whole number of people, while, in common with all others, they only pay state and local taxes on 20 per cent of their personalty and on less than 50 per cent of their realty. Upon what theory can they longer claim exemption from federal taxation?

Mr. Chairman, I shall not undertake to offer a detailed statement of the income-tax systems in other countries, because I am to-day printing in the *Record* synopses of these systems in 17 foreign governments, which are sufficiently explanatory.

In conclusion, Mr. Chairman, I reiterate my abiding faith in this tax, notwithstanding its bare mention arouses the fear and amazement of untaxed wealth. The cry of "class legislation" has no terrors for me so long as it comes from the creatures of class legislation. I favor it because it logically goes hand in hand with tariff reform. I believe in it because it is not the handmaiden of trusts and is not a tax upon the means of life. My consideration for honest wealth engaged in legitimate industry is as great as my respect for idle, ill-gotten fortunes that refuse to pay taxes is small. Mr. Chairman, this country is approaching a tax revolution. The defenders of privilege, so long triumphant, can not turn back the tide of fiscal reform. Their opposition is a challenge to the civilization and representative government of our twentieth century. Is our present hideous, monstrous system of taxation to go down in history as the culmination of centuries of Anglo-Saxon legislation? No! Some Pitt or Cobden will rise up and engage its champions in a battle to the death. And their ardent followers will constitute the best manhood and patriotism of this country, the type of citizenship that wrought out this Government, that has safely guided it through the trials and vicissitudes of more than one hundred years, that has been its mainstay in the past and will be its glory in the future. [Applause on the Democratic side.]

The following are the documents respecting the income-tax systems of foreign countries referred to in the remarks of Mr. HULL of Tennessee:

INCOME-TAX SYSTEM OF FOREIGN COUNTRIES.

The United Kingdom.

There exists an income tax for England, Ireland, Scotland, and Wales. Most all of the colonies of Great Britain likewise have separate income-tax systems, among which may be mentioned Canada, the colonies in India, Australia, and subordinate governments.

England proper derives more than one-fourth of her tax revenue from the income tax, being a larger proportion than that derived by any other country. Italy coming next, with more than one-sixth of its revenue derived from this tax. The doctrine of the income tax has reached its highest state of development in England proper. It was first adopted as a war measure in 1798, was repealed about 1815; was re-adopted upon a more extensive scale in 1842, being substituted for the corn laws and the protective system, and has since remained a fixed and permanent part of the English revenue system.

The system of assessment lies at the root of British income-tax administration. Thus it is extremely difficult for anyone whose income is derived, for example, from government stock or public companies, or from the rent of land and houses, to escape payment of the tax in full. The tax is stopped before it reaches his hands. Something like four-fifths of the income tax now brought into account is either assessed at the source or subjected to other satisfactory methods of verification. The large and rapid conversion of private businesses into public companies has greatly extended the system of collection at the source so that only incomes derived from private business, professions, and from abroad require self-assessment by the taxpayer. More than two-thirds of England's \$165,000,000 annually derived from this tax is assessed and collected at the source, so that the taxpayer never sees a revenue or assessment official.

In 1906 a commission composed of members of the English Parliament, after an extended investigation, in its report upon the operation of this act states as follows: "The feeling formerly entertained against the income-tax system as inquisitorial and oppressive has, we believe, largely died away. The impartiality and secrecy of the local commissioners deserve and obtain public confidence in a high degree." It is also provided that any taxpayer can altogether avoid disclosure of his affairs to his neighbors by electing to be assessed by the special commissioners.

The income tax is imposed each year by parliamentary act and is granted only for a year. The period of time included in the income-tax year commences on April 6 and ends on April 5 the following year. The tax is, however, made payable on January 1 in the financial year. There is a time limit of one year for claiming duty in case of omission to assess, also a time limit of four months for increasing assessment on ground of omission or inadequate return, also a time limit of one and two years for enforcing penalties for defective returns, also a time limit of four months in case of executors.

The income-tax act of 1842 and the income-tax act of 1853, as modified by repeals and amendments contained in subsequent finance acts, prescribed the persons and sources of income to be taxed; created an administrative body, called "commissioners," for carrying out the purposes of the act; and, under the heads of "Rules" and "Cases," prescribed certain artificial rules as the basis of assessment of incomes from different sources. The mode in which the tax is to be assessed, levied, and collected is prescribed by the taxes-management act, 1880, and supplemental act of 1890. The administrative code would come to an end with each income-tax year were it not that each finance act revises and keeps in force the several existing acts, so as to make them apply to the new tax granted.

The aim of the income-tax acts is to bring within their meshes all net profits from (a) all property situate in the United Kingdom, (b) all trades and undertakings carried on actually or constructively within the United Kingdom; and (c) from all sources, whether within or without the Kingdom, received in the Kingdom by a person resident there. The income-tax act, 1803, on which are based the acts now in force, split the tax into five parts or schedules, viz: A, the tax on owners of real estate; B, the tax on farmers; C, the tax on profits from any public revenue; E, the tax on offices, pensions, and stipends; and D, which was intended to sweep in everything left, and the two branches to include, first, persons residing in Great Britain who were charged upon income from property situate in Great Britain or elsewhere, or from any profession, trade, or vocation carried on in Great Britain or elsewhere; and, secondly, nonresidents in Great Britain, who were only to be charged in respect of income arising in Great Britain. The five schedules above named undertake to embrace for taxation every kind of property enumerated under each head, and

to impose thereon a duty of 20 shillings of the annual value thereof, but no duty is to be charged of a lower denomination than 1 penny. In classifying property for taxation under these different schedules, the sole purpose is to reach the taxpayer's income or annual profits, and the taxpayer is not to be charged twice over in respect of the same profit under different schedules. The cardinal idea of the income-tax acts is that a man should only be taxed in respect of his net income. "Annual value" is a term adopted to designate the basis of taxation of incomes. Certain rules for the ascertainment of this value have been prescribed. With respect to land, the annual value shall be understood to be the rent by the year at which the same are let at rack-rent, (a) if such rent shall have been fixed by agreement; (b) commencing within the period of seven years preceding April 5 next before the time of making the assessment. But if the same are not so let at rack-rent, then the annual value shall be the rack-rent at which the same are worth to be let by the year. There are certain qualifications to this rule governed by the rent contract. There are some distinctions made in the law and regulations governing the assessments of real estate in both Ireland and Scotland. There are also rules for assessment where the annual value is not otherwise ascertainable.

EXEMPTION.

In addition to charities, friendly societies, and similar bodies which have absolute or qualified exemptions, a person whose income does not exceed £160 is absolutely exempt from income tax.

ABATEMENT.

A man whose income does not exceed £700 is entitled to relief against income tax on a sliding scale.

The tax under schedule D is subdivided under six heads called "cases." The profits under cases 1, 2, and 5 are charged upon an average of three years, the profits under the others upon the amount received during the year. There are certain rules for the assessment and collection of the annual net earnings or incomes of every occupation deriving profits from land, including quarries, mines, wells, etc. In ascertaining the annual profits of land or occupations connected with it, certain deductions and allowances are permitted under schedule A, such as repairs, taxes, wear and tear, operating expenses, etc., the laws and regulations fixing same in detail. Allowances are made to colleges and universities, hospitals, almshouses, literary and scientific institutions, land used for charitable purposes, friendly societies, public schools, trade unions, etc.

Under schedule B, in determining the annual value for the purpose of assessment, the measure of charge is one-third the rent or annual value, that being the presumed profit of the farmer from his farming operation.

Real estate income tax is paid by the occupier; that is, the person in actual possession of the property, as far as the property is capable of occupation, or, in other words, the person having the use of the real estate. The result is that the occupier or the renter, as is usually the case, pays the income tax of land and deducts it from his rent. So universal is this practice that the landlord must make a written request, within a certain time, if he would have the tax assessed against him for payment by him in person. The law even authorizes the occupier of land to pay income tax. It thus appears that the tax levies are generally made upon the occupier of real estate, who as a rule is a renter. Regulations are in effect safeguarding the tax in case of tenants vacating land they occupy for any cause.

Under Schedule A the profits arising from canals, inland navigations, streams of water, or from any railways or other ways of a public nature and belonging to or vested in any company of proprietors or trustees, whether corporate or not corporate, may be stated in one account and charged in the city, town, or place at or nearest the place where the general accounts of the concern are usually made up.

SCHEDULE C.

The duties under this schedule are charges upon income from public revenue, and the authorities through whose hands the income passes are required to deduct the tax. The assessment in the case of income derived from the imperial revenue is made by commissioners for the purpose, who act upon the information disclosed to them by the official sources of knowledge in their possession. These commissioners are the Bank of England, the Bank of Ireland, and other institutions which pay large annuities, dividends, shares, both foreign and colonial, to individuals, companies, and corporations. All banks thus entrusted with the settlement of taxes are expressly authorized to retain the tax, and this is considered payment by the person from whom the tax is due.

EXEMPTIONS UNDER THIS SCHEDULE.

There are numerous exemptions under this schedule, including the stock of friendly societies, the stock of savings banks, under certain conditions, stock of charitable institutions, places of worship, stock belonging to the sovereign, stock of industrial and provident societies, stock of trade-union provident funds, etc.

TAX UNDER SCHEDULE D.

This schedule is now the most productive source of revenue and was designed to include all sources of income not comprised in any of the other schedules. The schedule classifies the profits to be taxed under three heads, the first two having reference to the residences of the persons to be taxed. And in connection therewith are to be carefully considered the following three phrases used in the schedule, namely: (1) "Residing in the United Kingdom," as to the person; (2) "exercised within the United Kingdom," as to the trade or vocation; (3) "profits or gains," as to the taxable income.

The profits and gains chargeable under Schedule D are classified with reference to the sources from which they are derived into what are termed six cases, with special rules for ascertaining the duties payable in each particular case, some rules being common to more than one case. The cases divide the sources of income thus: (1) Profits of trade; (2) profits of profession; (3) profits of uncertain annual value; (4) foreign securities; (5) foreign possessions; (6) profits not otherwise charged. Certain deductions and abatements are allowed in each of the first and second cases, such as repairs, wear and tear of machinery and plant, bad debts, loss arising out of the trade, two-thirds of rent of residence, losses on other trades where a taxpayer carries on two or more distinct trades, necessary expenses of clergymen, life insurance premiums, deferred annuities, etc. The rule applicable to the two preceding cases is that the computation of duty or tax in respect of trade or profession, etc., shall be made exclusive of the profits or gains arising from lands, etc., occupied for the purpose of such trade or profession.

The third case embraces profits from interest out of public revenue, discounts, interest not annual, duty on dealers in cattle and milk, an-

nities and other yearly interests, interests secured on rates. The exemptions under this case embrace charities, friendly societies, savings banks, and trade unions.

The fourth case deals with interest arising from securities in the British plantations in America, or in other of His Majesty's dominions out of the United Kingdom, and foreign stock or security, except annuities arising from a public revenue directed to be charged under Schedule C.

The fifth case deals with possessions—that is, everything a person has as a source of income in the British plantations of America or in any other of His Majesty's dominions out of the United Kingdom and foreign possessions.

The sixth case undertakes to reach any and all annual profits or gains not following under any of the foregoing rules and not charged by virtue of any other schedule in the act.

The duties under Schedule D are assessed in part by each of the following, namely: Bank of England, Bank of Ireland, special commissioners, persons intrusted with payment of interest, etc.

The duties under Schedule D, which means taxes, are charged annually on and paid by the person or persons, bodies politic or corporate, fraternities, fellowships, companies, or societies, whether corporate or not corporate, receiving or entitled unto the profits, his, her, or their executors, administrators, successors, and assigns, respectively.

SCHEDULE E.

The income chargeable under this schedule applies to every public office or employment of profit and upon every annuity, pension, or stipend paid by His Majesty or out of the public revenue of the United Kingdom, except annuities charged to the duties under Schedule C. The tax is annually charged on all salaries, fees, etc., or profits whatever accruing by reason of such offices, employments, or pensions, the assessment to be in force for one year and levied for such year without any new assessment. Certain deductions are allowed, such as traveling expenses, life insurance, etc.

The taxes under this schedule are assessed by a set of commissioners. The list and method of making deductions under the various schedules involves a lengthy statement, which can not be made here.

As heretofore stated, every person is entitled to an exemption of income under £160. Certain relief in the way of abatement is had where income does not exceed £700; for instance, where the income exceeds £160, but does not exceed £700, the taxpayer shall be entitled to relief from income tax equal, (a) if his total income does not exceed £400, to the amount of the income tax upon £160; and (b) if his total income exceeds £400 and does not exceed £500, to the amount of the income tax upon £150; and (c) if his total income exceeds £500 and does not exceed £600, to the amount of the income tax upon £120; and (d) if his total income exceeds £600 and does not exceed £700, to the amount of the income tax upon £70; and such relief shall be given either by reduction of the assessment or by repayment of the excess which has been paid, or by both of those means, as the case may require.

Certain well-defined remedies are open for the establishment of claims for abatement or exemption.

A declaration, statement, or return of every source of every person's income chargeable under the income-tax act according to the respective schedule is required to be made by the proper persons, which in some cases is the person chargeable with the tax; in others, persons receiving money for others, agents of persons under disability or resident abroad, officers of corporations, etc. Suitable penalties for default in making returns are imposed. Where there is default in making these returns, the assessor makes the assessment according to his best information and judgment.

Adequate remedies are prescribed, both by appeal and otherwise, for the correction or suitable modification of any and every portion of the assessments, both in favor of the Government and the taxpayer, including also the right of appeal.

Unlike other income taxes, the income tax on railway is paid by quarterly installments on or before the 20th days of June, September, December, and March in each year for the first, second, third, and fourth installments, respectively. The total number of income-tax payers, under this law, is about 1,100,000 people, with an income of nearly £700,000,000. Abatements are allowed on the incomes of about 700,000 people—this being the number whose income is over £160 and under £700—with a total income of about £250,000,000.

The operation of the income tax shows that nearly one-half of the entire income of the United Kingdom is enjoyed by one-ninth of its population. This law's operation also shows that more than one-third of the entire income of the United Kingdom is enjoyed by less than one-thirtieth of its population.

In 1904 the number of persons with incomes of £700 and upward, and their families, was 1,375,000, computing five to the family, including the taxpayer; and their annual income was £585,000,000. The number of persons with incomes between £160 and £700 per annum, and their families, was 3,750,000, and their annual income for 1904 was £245,000,000. While persons with incomes of less than £160 per annum, and their families, numbered 37,875,000, and their income for the same year was £880,000,000. Thus making the aggregate number of persons 43,000,000, and their annual income aggregate £1,710,000,000. In 1904 the number of income-tax payers in London was 58,600; and rest of England and Wales 178,300; in Scotland, 25,400; in Ireland, 9,000. The yield of the income tax in Scotland is about one-tenth of the yield in England, while the yield in Ireland is about one-third of the yield in Scotland.

Japan.

LEGISLATION.

The system of income taxation now in force in Japan was established in 1899. The income-tax law governing it, together with the regulations for the enforcement thereof, are inclosed herewith. The rates of taxation thereunder were increased in 1904 and 1905 by the enactment and revision, respectively, of the extraordinary special tax law, of which a copy is also submitted herewith.

APPLICATION OF THE LAW.

The income tax is imposed upon (a) persons who are domiciled or have resided for at least one year in places within the Empire where the income-tax law is in force, and (b) persons who, though not domiciled or residing within the Empire, have property or are engaged in trade or business or receive interest from public bonds or company debentures in places where the law is in force. In the latter case, however, they are liable to pay the tax only on incomes derived from the sources mentioned. (See law, articles 1-2.)

CLASSES AND RATES OF TAXATION.

The classes and rates of income taxes are as follows:

	Ordinary rates.	Additional rates under extraordinary special tax law. ^a
CLASS 1.		
Taxes on incomes of juridical persons:		
A. Joint stock companies or joint stock partnerships organized with at least 21 shareholders or shareholder partners.....	Per cent. 2.5	15
B. Other juridical persons with incomes under—		
5,000 yen (\$2,500).....	2.5	8
10,000 yen (\$5,000).....	2.5	9
15,000 yen (\$7,500).....	2.5	10
20,000 yen (\$10,000).....	2.5	12
30,000 yen (\$15,000).....	2.5	17
50,000 yen (\$25,000).....	2.5	23
100,000 yen (\$50,000).....	2.5	30
100,000 yen upward.....	2.5	40
CLASS 2.		
Taxes on interest on public-loan bonds or company debentures payable in places where the income-tax law is in force.....	2.0	None.
CLASS 3.		
Taxes on incomes not included in the two preceding classes:		
Not less than—		
100,000 yen (\$50,000).....	5.5	27
50,000 yen (\$25,000).....	5.0	24
30,000 yen (\$15,000).....	4.5	21
20,000 yen (\$10,000).....	4.0	19
15,000 yen (\$7,500).....	3.5	17
10,000 yen (\$5,000).....	3.0	15
5,000 yen (\$2,500).....	2.5	14
3,000 yen (\$1,500).....	2.0	13
2,000 yen (\$1,000).....	1.7	13
1,000 yen (\$500).....	1.5	13
500 yen (\$250).....	1.2	11
300 yen (\$150).....	1.0	10

^a The ordinary rates are those provided by the original income-tax law. The additional rates mentioned under classes 1 and 3 are those provided by the extraordinary special tax law already referred to, enacted in 1904 and revised in 1905 to meet the extra burden imposed on the national exchequer by the war. Although these and other taxes created by this law were to be abolished after the restoration of peace, they were made permanent by the post-bellum financial scheme adopted by the Twenty-second Diet, in 1906.

Incomes under class 3 of less than 300 yen (\$150) are not taxed. If, however, the combined incomes of the head of a family and the members thereof who live with him, or of the members of a family who live in the same house apart from the head, total 300 yen or more, the tax is imposed at the specified rates on the total (see income-tax law, article 3, and extraordinary special tax law, article 2, item 3), even though the separate incomes fall below that amount. The minimum limit of income on which the tax is imposed appears extremely small, and is accounted for by the comparatively low standard of incomes prevailing in Japan.

EXEMPTION FROM TAXATION.

The following forms of income are exempt from taxation:

- Salaries of officers and privates of the army and navy while engaged in war;
- Allowances to widows and orphans, and pensions to the sick and wounded;
- Money received for traveling or school expenses, and legal allowances received for support;
- Incomes of juridical persons whose business is not conducted for profit;
- Occasional incomes not derived from undertakings conducted for profit;
- Incomes derived from property or from a trade, business, or profession in foreign countries or in places where the income-tax law is not in force, excepting the incomes of juridical persons whose head offices are located in a place where the law is in force;
- Dividends and bonuses receivable from a juridical person on whom the income tax is imposed.

Complete exemption from the income tax is also granted to interest on savings debentures issued in accordance with the savings-debentures law of 1904, as well as to interest on public-loan bonds issued for the defrayment of extraordinary war expenses. All other national bonds, moreover, which were formerly subject to the income tax in the same manner as prefectural, municipal, or other public bonds, were entirely relieved thereof by an Imperial ordinance approved by the Twenty-fifth Diet, promulgated on March 20 and carried into effect on April 1, 1909. These three cases constitute exceptions to the taxation of incomes of class 2 and limit the taxable incomes thereunder to the interest on public bonds other than national ones and company debentures payable in places where the income-tax law is in force. Interest on bonds and debentures, payable in places where the law is not in force, falls under incomes of class 3.

The Japanese system of taxation is seen to observe the principle of graduation partly in the case of incomes of juridical persons and entirely in that of the incomes of natural persons. In the former, however, the principle was not adopted in the original income-tax law, but in the extraordinary special tax law on account of special demands and in application only to the incomes of smaller companies and corporations. The system is also observed to provide for the exemption of certain classes of incomes. No differentiation is made between "earned" and "unearned" incomes, except in the special provision under class 2 for the imposition of a permanent tax of 2

per cent on interest received from public bonds and company debentures. This rate is lower than the average rate levied on other forms of income and is intended to facilitate the flotation of loans and to encourage the initiation and extension of industrial enterprises by relieving the interest on bonds and debentures of the heavier burden placed on other incomes. The same motive is probably responsible for the taxation of the incomes of juridical persons at a lower average rate than those of natural persons. (Inheritance taxes are not in force in Japan.)

SYSTEM OF ASSESSMENT.

The Japanese system provides for the assessment of the tax on direct returns by the individual taxpayer of his income from all sources. The returns and assessments are made, in some cases, on the actual income of the preceding year; in others, on the estimated income of the current year; and in still others, on an average of years. The methods of assessment under each class of income may be briefly described as follows:

1. For incomes under class 1 the total losses for the business year, the balance brought forward from the preceding year, and the amount reserved to meet liabilities for insurance are deducted from the actual gross profits of the year in question. In the case of incomes of persons not domiciled or residing within the Empire, however, only such profits and losses are calculated as accrue from the property, trade, or business located or carried on in places within the Empire where the income-tax law is in force.

2. For incomes under class 2 the payment due is taken.

3. For incomes under class 3 the estimated annual amount remaining after deducting necessary expenditures from total receipts is taken. (The deduction includes only expenses necessary for earning the income, and not household expenses.) To this provision, however, there are the following exceptions, in which the estimated total annual receipts are taken: (a) Interest on public-loan bonds and company debentures which is not paid in places where the income-tax law is in force; (b) interest on money loaned or deposited otherwise than in the course of business; and (c) dividends, salaries, wages, special allowances, annual allowances, annuities, and pensions received from juridical persons on whom the income tax is not levied.

Incomes accruing from agricultural lands are calculated upon the average of incomes for the three preceding years. (See income-tax law, article 4.)

ORGANIZATION AND PROCEDURE OF ASSESSMENT AND COLLECTION OFFICES.

The assessment and collection of income taxes are conducted by the general taxation offices of the department of finance. These offices are assisted in the case of taxes belonging to class 3 by income investigation committees, whose members are elected by the income taxpayers of the district concerned. The elections are supervised by the chiefs of the taxation offices. The members serve for four years, half their number being reelected every two years. They receive no regular salaries, but are entitled to special allowances and traveling expenses. The officials of the taxation offices it need hardly be said receive fixed stipends. (The percentage cost of collection of the income tax can not be given, owing to the combination of the collection of this tax with that of others.)

The amounts of incomes under class 1 are determined by the taxation offices in accordance with the statements of profit and loss which juridical persons liable to the income tax must submit within seven days after the ordinary general meeting of each business year.

The amounts of incomes under class 3 are determined by the taxation offices in accordance with reports submitted by the income investigation committees. If, however, a committee is not constituted before August 30 of the year in question the taxation office determines the amount independently, and if its investigation is not completed within twenty-five days from its constitution the taxation office determines the remaining amounts of incomes independently. Moreover, a taxation office may demand a reinvestigation, and if the results thereof are deemed improper or the work is not completed within seven days the taxation office may in this case also make an independent determination. (See income-tax law, articles 7 to 35, and regulations thereunder, articles 3 to 13.)

APPEALS.

Appeals are provided for only in the case of incomes belonging to class 3, since the determination of the incomes of juridical persons is based on their own annual reports, while the interest on bonds or debentures is a matter of official record.

If a taxpayer of class 3, therefore, objects to the amount of income determined by the taxation office, he may, within twenty days from the receipt of information thereof, apply through the chief of the taxation office to the director of the revenue superintending bureau concerned for an inquiry. (A revenue superintending bureau covers a larger jurisdiction than a taxation office, and instructs and controls the taxation offices therein. The former collect only national taxes, whereas the latter collect local as well as national.) The inquiry is conducted by a permanent committee of inquiry, subject to the control of the revenue superintending bureau, and consisting of three tax collectors appointed by the minister of finance and four members of the investigation committee. Pending the decision of the committee, however, the applicant must pay the tax in accordance with the amount of income determined by the taxation office.

A person who is dissatisfied with the decision of a committee of inquiry may present a petition to the local authorities or bring an action in the administrative court. (See law, articles 36 to 39, and regulations, articles 15 to 29.)

PAYMENT OF TAX AT PLACES OTHER THAN DOMICILE OR RESIDENCE.

If a person does not reside in the places where the tax is to be paid, he must appoint a trustee to whom the management of matters relating to the payment of the tax shall be intrusted, and must report the appointment to the taxation office.

A person who has neither domicile nor residence in a place where the income-tax law is in force must report to the Government where his tax will be paid, and in the absence of such a report the Government will determine the place of payment. (See income-tax law, articles 44 and 45.)

PENALTIES.

A person who evades the payment of the tax by concealing the amount of his income is liable to a fine amounting to three times the tax evaded. However, if such a person voluntarily confesses his evasion, he is absolved from punishment and is made to pay only the tax actually due. No other penalties are attached, and no special provision appears to be made for the detection of fraudulent returns, other than that already described. (See law, article 46.)

STATISTICS.

The total yield of the income tax for the fiscal year 1907-8 was 27,391,303.51 yen (\$13,696,651.75), while the total yield of all taxes for the same period was 316,609,273.69 yen (\$158,304,636.84). The total amount of revenue for the same fiscal year was 635,904,186 yen (\$317,952,093). The income tax therefore constituted about 9.5 per cent of the total taxes and about 4.3 per cent of the total revenue for the year.

The number of income-tax payers of class 3 at the beginning of the fiscal year 1907-8 was 917,079. The exact number of persons in the families represented by them is unknown, owing to the lack of special statistics; but the number is estimated at about 5,000,000, calculating on the basis of 5.5 as the average constituency of a family according to the latest census. The taxpayers, therefore, represent about 1.9 per cent and their families about 10.4 per cent of the total population, which by the census of 1906-7 was placed at 48,533,000. The number of juridical persons paying the income tax (class 1) in 1907-8 was 6,374, while the number of those paying the tax on public bonds or debentures (class 3) is unknown.

Hungary.

With the statutes v.-x. v. j., 1909, the Hungarian legislation has created a fiscal reform which extends to the whole Hungarian system of taxation. The main idea of which reform is, on the one hand, the insuring as far as possible of the present income obtained by the direct taxes (200,000,000 Kronen), and on the other hand the better distribution of the burden of taxes on the taxpayers. The new reform retained the already existing "proceeds duties" (Ertragssteuern) in a modified form, and at the same time, in place of the supplementary income tax (Einkommensteuerschlag) which was imposed after the main taxes had been paid, and in different ways, according to the kind of tax, introduced the various standards of personal-income tax, leaving a minimum of subsistence tax free as a supplement and equalization.

Apart from several taxes, which although regarded as direct taxes according to the state estimates, are nevertheless theoretically not counted as direct taxes, the Hungarian system of direct taxation now consists of the following taxes: 1, ground tax; 2, house tax; 3, capital, interest, and annuities of all descriptions; 4, "produce duty" (Erwerbssteuer) for such business enterprises as are liable to inspection by the public auditor; 5, the general "produce duty" (Erwerbssteuer); 6, the income tax.

The ground and house taxes affect immovable estate in the same way as the duties on capital, interest, and annuities (Renten), as also the "produce duty" (Erwerbssteuer) on business enterprises liable to inspection by the public auditor affect the profits of floating capital and annuities, while finally the general "produce duties" (Erwerbssteuern) affect the results of every profitable employment, except the income of persons in service, such income being only liable to payment of income tax.

The reform of the system of taxation winds up with the personal income tax, according to which the total and combined personal income of every individual, no matter from what sources it may arise and without any reference to its origin, is liable to a tax. This last new arrangement is partly compensatory, partly additional. Additional because it implies a new burden on such parts of the income as are already liable to "proceeds duty" (Ertragssteuern)—that is, the duties on property, real or personal, settled or not settled (Whitaker); and compensatory because it aims at the contingent inequalities of the taxes. On the other hand, taxes will be imposed on such parts of the income as remained over from the duties on "property, real or personal," etc., salaries and wages (Dienstbezüge), and that part of the income not liable to the "proceeds duty" (Ertragssteuer) and accounted tax free.

As regards the different kinds of taxes, every piece of ground which can be cultivated for agricultural and other similar purposes (wirtschaftlich kultivierbare Grundstücke) is liable to ground tax, so far as the piece of land is not tax free. The ground tax is based on the "cadastral" net profits of the piece of ground in question, and is calculated in accordance with the law VII, v. j., 1875, in the different parts of the country and further, also, in accordance to the different branches of cultivation and standard of quality.

The new ground tax does not require the drawing up of a new taxation "cadastre," but only requires, first, the necessary revision of the existing public-land register; secondly, the carrying into execution all such alterations of a permanent character as have taken place in the different branches of agriculture; and, thirdly, the correction of the errors made while determining the different standards of quality and while making the necessary entries.

The ground tax is fixed at 20 per cent of the registral net profits, and the main amount of the registral net profits is fixed at 370,000,000 Kronen.

Regarding the house taxes the annual value of the houses forms the basis of taxation. The actual value (Nutzwert) is calculated either according to the rent actually paid or according to the classification of the number of dwellings. Accordingly Hungarian law recognizes two kinds of house taxes—the house-rent tax and the graduated house tax (Hausklassensteuer). The following are liable to house-rent taxes: All rooms, dwellings, etc., that are let; and further, in those parishes and such districts where at least half of the dwellings are let, all such other parts of the dwelling as are not let are subject to a tax, the value of the rent being calculated by comparison. The amount of the "standard" (Schlüssel) for the house-rent tax varies in different parishes from 9 to 16 per cent of the gross amount of the profit obtained by renting houses. The amount of the graduated house tax is divided into three gradations, according to the number of the dwellings, rooms, etc., let in that individual parish, according to the character of the parish. The following are liable to the duties on capital, interest, and annuities (Renten): All such forms of interest or annuity as have their source within the sphere of the Kingdom of Hungary; further, the rents paid for such rights as are not liable to ground or house taxes. The standard of taxation generally amounts to 5 per cent of the gross profits of the object to be taxed; on annuities from relatives and on officers' marriage securities it amounts to 2 per cent.

The net profits of trade unions, associations, and limited-liability companies are liable to "produce duty" as well as those business undertakings liable to inspection by the public auditor. The rate or standard of taxation generally amounts to 10 per cent. By business undertakings exclusively dealing with industrial production or with coal mining it is 7 per cent. For other mining enterprises and certain agricultural and industrial unions in need of special protection it is 5 per cent.

The following are subject to the general "produce duty": Every income derived from professional or commercial business, from mines, from learned and other profitable occupations carried on by whomsoever within the boundaries of the country, excepting wages received for personal service and pensions, such income being only subject to an income tax. An exception is also made in the case of an income derived from such business undertakings as are liable to inspection by the official auditor. The taxes to be paid in this case are settled by a special enactment.

The basis of the general "produce duty," or "trade tax" (Erwerbssteuer), of every profit-bringing occupation is the net profit of the year previous to the year in which the tax is imposed. All expenses, therefore, requisite for acquiring, insuring, and maintaining the income must be deducted from the gross receipts.

The standard of taxation for learned professions amounts to 4 per cent, occasionally 5 per cent. As the indispensable amount requisite for the necessities of life in this rank 800 Kronen are duty free "sub titulo" (under the title of) minimum of existence. The main amount of the general "produce duty" or "trade tax" was reckoned contingently at a maximum of 29,000,000 Kronen and with an annual rise of 2 per cent. The law for the general "produce duty" or "trade tax" aims at taxing the actual trade and business receipts as ascertained by means of the official papers filled in by the taxpayers (Bekanntnisse); the law therefore is not satisfied with mere objective or external expedient thus determining the matter, or with averages or probabilities. The standard of calculating and settling the amounts for the taxes is the principle of "self-taxation," the general "produce duty" or "trade tax," as well as the income tax, being settled annually, not by fiscal officials but by commissions from the ranks of the taxpayers themselves, being further in the second instance revised by such commissions, in many cases finally; the actual final decision in the third instance lies within the sphere of the court of judicial administration (Verwaltungsgerichtshof).

The taxpayer is bound to fill in the official declaration papers. If he does not comply with this duty, he is liable, according to the profit-producing occupation concealed, to an additional charge of 1 per cent of the tax settled in the course of the calculations made by the commission; and should he still refuse to fill in the official declaration after renewed summons, he is liable to a further payment of 4 per cent. The law, however, does not demand that the business books and business accounts should be displayed; but should the taxpayer do so of his own free will, then the law provides for the preservation of all business secrets.

If any person liable to the payment of taxes does not fill in a paper of declaration, or if the declaration made is not satisfactory, the business profits which form the basis for the tax is determined according to the interest of the money invested in the premises and in the working capital, the number of business employees, and the amount of the rent paid for dwelling room and business premises by the person bound to pay such taxes.

The amount of business profits (Erwerbsgewinn) officially settled in the first instance by the above-mentioned commission may not, however, be less than such minimum business profits as stand in adequate proportion to the rent paid by the taxpayer for his dwelling and the business premises, this minimum of profit being calculated according to the manner prescribed by the law. Should it, however, be ascertained in the course of the inquiry that the actual net profit does not even reach the minimum basis, then the minimum tax basis may be reduced to half the amount.

In particular occupations the law fixes certain minimum rates of tax lower than which the produce duty or trade tax can not be calculated. Thus the minimum tax rates vary in the following manner:

"Tenants (lessees) pay 2 per cent of the annual value of the rent and other obligations, artisans 6-10 Kronen, butchers according to the quality and number of beasts killed during the year preceding the year in which the tax is imposed and the number of inhabitants in the district."

Finally, certain business branches are subject to special taxation. For instance, peddlers not having any permanent business quarters and commercial travelers in foreign countries pay a fixed amount of taxes in one sum, and that before starting business, namely, at the time when their licenses are either made out or officially viséed.

The most far-reaching alteration in the Hungarian tax reform is the creation of the direct personal income tax. This takes the place of the hitherto existing supplementary payment of the general income tax, which was no income tax in the real sense of the word, but a simple per cent supplement of the existing "proceeds duty" (Ertragssteuer) or taxes on property, real or personal, etc. (Objektssteuern), respectively. Thus the ground and house property formed 30 and 40 per cent, respectively, of the rating of ground and house tax, and the personal trade produce formed 35 per cent of the tax of the additional supplement of the general income tax.

The newly introduced income tax includes the whole income of the taxpayers, without reference to its origin and without reference to the fact whether certain parts of the income subject to the income tax are not derived from sources of income which are exempt from the other taxes. As a basis for the income tax, therefore, that part of the income likewise serves which is derived from duty-free ground property, houses, industrial undertakings, and other profitable occupations, and finally, from duty-free scrip (Wertpapiere).

Whereas the other taxes laid on the income are mostly based on an average and tax the income at its source, an endeavor is made by means of this supplementary and equalizing income tax to tax the real and actual total income of a person, while taking all the individual circumstances into special account.

The Hungarian income tax really signifies, as regards all incomes, a fresh taxation, with the exception of payments received for personal service, which are only subject to the general income tax; further, those parts of the income which are exempt from "proceeds duty" (Ertragssteuer) and taxes on property, real or personal, etc. The reason why payments for service come under a different heading is because, as a rule, the amount of this kind of income is known to the last farthing, and by a taxation they would therefore be placed in a most unfavorable situation in comparison with that personal trade or business income which can not be calculated to its full amount.

The higher payments for service are, however, taxed according to a higher standard of taxation, as they are not only subject to an income-tax rate, but also to a special additional payment, as will be mentioned later on when referring to the income-tax standard. With payments for service the additional sum customarily paid for quarters (quartiergeld) has to be calculated in the tax basis.

In the income tax is included a so-called "absentee tax" (Abwesenheitssteuer), i. e., in calculating the income-tax basis the income

gained by taxpayers owning house or grounds is trebled in cases where these taxpayers have no permanent dwelling or household within the boundaries of the country, and who have not resided in the country for four months at least during the preceding year.

As a rule the income during the preceding year forms the basis for calculating the income tax. With payments for service of a permanent character, however, the amount of the payment received at the time the tax has been calculated is decisive.

Legal officials are also subject to income taxes, as also limited liability companies and trade unions.

To the income of a taxpayer has to be added the income of his wife living under the same roof with himself. Also the income of all the other members of the household have, as a rule, to be added to the income of the head of the family; consequently the whole income of the household, regarded as one economic unit, is subject to the income tax.

If the taxpayer already pays an income tax or some tax corresponding to the same in another country on an income derived from that country, this income is not liable to the income tax under conditions of fiscal reciprocity between the countries.

The law contains detailed specifications in calculating the net income of the taxpayers. These items may be deducted from the gross amount of single sources of income. Such items are: All expenses incurred for acquiring, insuring, and maintaining the income, the business losses, policies of insurance against fire, etc., the indirect taxes, legal payments, and duties in connection with the conducting of business, deductions for wear and tear, interest paid on debts, private legal debts, life-insurance policies up to a certain amount, etc. The direct taxes, however, may not be deducted.

For the valuation of the income from the principal sources of income, the law also contains instructions and specified decisions laid down according to fixed principles. In this respect the following point of view is the standard, namely, that the actual income of the taxpayer is to be ascertained by avoiding any reference to the averages calculated on "proceeds duties" (Ertragssteuern) and the cadastre.

Thus in landed property net profit, according to the cadastre, need not necessarily be taken as basis for the tax, but the profits actually obtained by the working of the estate. In the same way the actual annual profits obtained from house property are to be ascertained.

An income derived from an occupation belonging to those liable to "produce duty" or "trade tax" (Erwerbssteuer) can, however, in calculating the basis of the income tax, be put down at the same amount as was settled by the said "trade tax," because in such cases the law endeavors to tax the net profits obtained.

The income-tax rate is progressive, commencing at 0.5 per cent and rising to 5 per cent; with an income of 2,000 kronen it amounts to 1 per cent, with an income of 5,600 kronen to 2 per cent, with 15,000 kronen 3 per cent, with 48,000 kronen 4 per cent, with more than 120,000 kronen 5 per cent is to be paid in such wise that the payment scale rises with every 5,000 kronen, and that each fresh amount in the scale counts as full 5,000 kronen.

In those limited-liability companies and trade unions exclusively dealing with industrial products the tax rate for an income of more than 15,000 kronen invariably amounts to 3 per cent.

By higher payments for service the law demands an additional income-tax payment, according to which a special supplementary tax has to be paid on pay for service or pensions rising above 7,000 kronen; the rate for this additional tax may rise from 0.2 per cent to 16 per cent, so that the highest rate of taxes on pay for service in reality amounts to 11 per cent.

In determining the tax amount the percentage is not included in the law, but the fixed rates set down for every kind of income. For instance, the income tax for over 800 kronen up to 900 kronen amounts to 5 kronen; over 900 kronen to 1,000 kronen, 6 kronen, etc.

The main factors kept in view while settling the scale of taxation are:

1. Collecting the official income declarations from the taxpayers.
2. The work of the commission selected to make a register of persons liable to taxation (zur Konskribierung der Steuerpflichtigen) and to value the income.

3. The working out of the tax valuation proposals (Steuerberechnungsanträge) on this basis at financial headquarters (Finanzdirektion).

Persons liable to taxation are, speaking generally, in duty bound to declare the amount of their income, excepting those whose total income does not exceed 2,000 kronen.

If the taxpayers do not comply with this duty, they are charged, as in the case of the general "trade" or "produce-duty tax," with supplementary payment of 1 per cent or 4 per cent, respectively, the amount of which is calculated in accordance with the tax hitherto determined on.

The center of gravity in the preliminary work for the tax estimates lies in the working of the conscription commissions (Konskriptions-Kommissionen) i. e., commissions for preparing a list of persons liable to taxation. This commission consists of 3 actual and 3 substitute members. The president is decided on by the board of finance (Finanzdirektion); the members are elected from the ranks of taxpayers and are selected by the municipal or parochial authorities.

The conscription commission collects the necessary data respecting the property, funds, and business of the taxpayers living in the district under their jurisdiction; obtains the most exact information on all heads and then, on the basis of this information, values the probable income of the taxpayers, classified according to their sources of income. Relying on this valuation, but not bound by it, the board of finance works out the proposed valuation of taxes according to the best of their knowledge, and these "proposals" (anträge) must then be open to public inspection for eight days in the different parishes, so that the taxpayers may be enabled to make their comments thereon.

The valuation of the income tax the principle of self-taxation is given the utmost prominence; that is to say, an independent commission chosen from the ranks of the taxpayers settles the income tax, with special reference to the proposals for tax valuation prepared by the board of finance to the comments attached thereto and based on a knowledge of funds and income and of local individual circumstances. The tax-valuation commission consists, besides the president, of six actual and six substitute members. The president and every two members are delegated by the minister of finance, two by the vice-president of the county council (Vizegespan des Komitates), or in towns with municipal rights by the mayor and two by the chamber of trade and commerce belonging to the district, so that the members delegated by the ministry of finance are in the minority. The same is the case with the commission of appeal on taxation (steuerreklamations commission) constituted for deciding appeals in the second instance.

Neither in this case does the law grant the commission for tax valuation the right to examine the business books, but they may question witnesses and experts.

The income tax is calculated by the commission for tax valuation at the same time as the general "trade tax" or "produce duty" from year to year.

The taxpayers as well as the representatives of the treasury (Aerar) have a right to appeal against the decision of the commission for tax valuation, and in some cases a complaint can be addressed to the court of administration.

In conclusion, the law ordains that no state or municipal tax, or payment of tax arrears, respectively, may be imposed after the income tax. (Nachtragssteuer.)

An exception is made with the income tax derived from pay received for personal services; but here also a limitation is made, namely, that besides paying the income tax, state employees can only be further obliged to pay a supplementary sum for the sick fund. (Kranken- verpflegungssteuerzuschlag.)

Australia.

MELBOURNE, AUSTRALIA, June 26, 1909.

INCOME-TAX SYSTEM OF VICTORIA, AUSTRALIA.

An income tax was first imposed in the State of Victoria in 1895 for a period of three years, expiring in 1898, in order to tide over a shortage in general revenue, but it has been extended from time to time ever since, and is now recognized as a permanent part of the fiscal system of the State.

Under the act of 1895 (No. 1374, hereto attached), which, though amended and altered in many respects by subsequent acts (also attached), is still the principal act under which the system is administered, provision was made for the appointment of a commissioner of taxes, who, with his officers, is under civil-service regulations. The commissioner and staff were in the service of the State prior to the establishment of the income-tax department and were transferred from various other branches of the government in order to form the new department. Section 4 of the act requires all officials of the department to maintain and aid in maintaining the secrecy of matters which come to them in the course of their official duties, and prescribes a penalty not exceeding £500 (\$2,433.25) or imprisonment for any term not exceeding twelve months, or both penalty and imprisonment, for contravening the oath. All officials are paid a fixed salary, and it is the policy of the department to retain a regular staff and not to employ, except under very pressing need, temporary clerical assistance. The officials of the department consist of the commissioner, who is also master in equity of the supreme court and master in lunacy, who receives a total salary of £1,800 (\$8,759.79) per annum for the three offices; deputy commissioner, at a salary of £600 (\$2,919.90); chief clerk, £440 (\$2,141.36); accountant, £400 (\$1,946.60); chief assessor, £335 (\$1,630.27); senior assessor, £335 (\$1,630.27); court officer, £335 (\$1,630.27); registrar, £335 (\$1,630.27); one clerk at £350 (\$1,703.27); five at £285 (\$1,386.95); one at £260 (\$1,265.29); five at £210 (\$1,021.96); eight at £200 (\$973.30); and twenty at salaries ranging from £180 (\$875.97) to £50 (\$243.32); together with two messengers, at £120 (\$583.98) and £42 (\$204.39), respectively.

Incomes assessed for taxation in any year are those earned, derived, or received in Victoria in the preceding calendar year, and are divided into two classes, viz: (1) Incomes from personal exertion, and (2) incomes from property. "Personal exertion" is defined by the act to mean "all income consisting of earnings, salaries, wages, allowances, superannuation, or retiring allowances or stipends earned in or derived from Victoria, and all income arising or accruing from any trade carried on in Victoria," and income from property to mean "all income derived in or from Victoria and not derived from personal exertion."

The rate of tax is fixed annually by an "income tax rate act," and from 1895 to 1902 inclusive, it was fourpence (8 cents) in the £1 (\$4,866.50) on the first £1,200 (\$5,839.80) of the taxable amount (allowing for £200 (\$973.30) exemption), sixpence (12 cents) on the next £1,000 (\$4,866.50), and eightpence (16 cents) on all over £2,200 (\$10,706.30) on income from personal exertion, and double these rates on income from property. These rates have varied from time to time, according to the condition of the general revenue of the State, but for the present year (1909) they are the same as for last year, being the lowest yet imposed, viz: On the income of a person not being a company, derived from personal exertion, for every £1 (\$4,866.50) up to £500 (\$2,433.25), threepence (6 cents); over £500 (\$2,433.25) and up to £1,000 (\$4,866.50), fourpence (8 cents); £1,000 (\$4,866.50) and up to £1,500 (\$7,299.75), fivepence (10 cents); and over £1,500 (\$7,299.75), sixpence (12 cents); with double these rates if the income be derived from property; on the income of any company, not being a life insurance company, sevenpence (14 cents) in the £1 (\$4,866.50), and on the income of a life insurance company which carries on business in Victoria, eightpence (16 cents) in the £1.

A tax of £5 (\$24.33) is also levied on every £100 (\$486.65) of the amount payable to the owner or charterer of a ship whose principal place of business is out of Victoria for the carriage of passengers, live stock, mails, or goods shipped in Victoria. A rebate of 20 per cent was allowed to each individual off the tax chargeable during 1908, which is also in force during this year, but the rebate is not allowed to companies. Both in 1908 and in this year an exemption of the sum of £150 (\$729.97) is allowed on all incomes from £201 (\$973.16) to £500 (\$2,433.25); above £500 (\$2,433.25) no exemption is allowed. No income below £200 (\$973.30) is assessed for taxation. As in the case of the rebate of 20 per cent, no exemption is allowed to companies which pay on all profits from £1 (\$4.86) and upward. In connection with these rates it may be mentioned that no direct inheritance tax is in force, but the following probate and succession duties are payable on the estates of deceased persons after the deduction of all debts and before distribution to the persons entitled to such estates, viz: Less than £200 (\$973.30), nil; above £200 (\$973.30) and up to £300 (\$1,459.95), 1½ per cent; then increasing one-half per cent for each £100 (\$486.65) up to £600 (\$2,919.90); then increasing one-third per cent for each £200 (\$973.30) up to £1,000 (\$4,866.50); above £1,000 (\$4,866.50) and up to £1,500 (\$7,299.75), 4 per cent; then increasing one-fourth per cent for each £500 (\$2,433.25) up to £6,000 (\$29,199); then increasing one-fifth per cent for each £1,000 (\$4,866.50) up to £19,000 (\$92,463.50); with the exception of the two stages, £10,000 to £11,000 (\$48,665) and £14,000 to £15,000 (\$72,997.50), which involves an increase of two-fifths per cent, and whose rates are, respectively, 7½ and 8½; over £19,000 (\$92,463.50) and up to

£20,000 (\$97,330), 9½ per cent; and over £20,000 (\$97,330) 10 per cent is charged.

The following special rates are in force on property left by the deceased to his widow, children, or grandchildren, except that in cases where the total value of the estate, after payment of all debts, does not exceed £2,000 (\$9,733) half of these rates only are charged, viz:

"Up to £500, nil; over £500 (\$2,433.25) and up to £1,000 (\$4,866.50), 1 per cent; over £1,000 (\$4,866.50) and up to £2,000 (\$9,733), 3 per cent; then increasing by one-third per cent for each £1,000 (\$4,866.50) up to £5,000 (\$24,332.50), and by one-fourth per cent for each £1,000 (\$4,866.50) up to £8,000 (\$38,932); over £8,000 (\$38,932) and up to £10,000 (\$48,665), 5 per cent; increasing then by one-fifth per cent for each £2,000 (\$9,733) up to £24,000 (\$116,796), for each £4,000 (\$19,466) up to £80,000 (\$389,320), and for each £5,000 (\$24,332.50) up to £100,000 (\$486,650), the last group, £96,000 to £100,000 (\$467,184 to \$486,650), being subject to 9½ per cent; over £100,000 (\$486,650), the amount payable is 10 per cent. An estate, however, is subject to the probate duty only and the recipients of legacies or bequests are exempt from payment of income tax on such legacies or bequests."

Trading companies were originally exempt from the payment of income tax, and the dividends declared by them were deemed to be part of the income of the member or shareholder, but they are now directly assessed on their profits and the taxpayer is not called upon to include dividends in his schedule. Mining companies were also originally exempt, but now pay a direct tax on the total amount of the dividends declared by such company during the year. Life insurance companies pay upon a sum equal to £30 per cent of the life assurance premiums. This is upon the ordinary life premiums, but industrial life insurance premiums pay only upon 15 per cent of the premium. With the foregoing exceptions of companies which pay upon their profits, income is not taxed at its source, but in the hands of the person receiving or entitled to it, shareholders in a company being exempt on the dividends or share of profits received by them from such companies.

The following are among the deductions from income allowable before taxation, viz:

"Interest paid on mortgage of property, repairs to property or plant but not including cost of additions or improvements, taxes, fire insurance, life insurance, fidelity guaranty, etc., premiums not exceeding £50 (\$243.32), gifts exceeding £20 (\$97.33) each to public or charitable institutions, calls or contributions paid into companies in liquidation or mining companies carrying on operations in Victoria, rent of business premises and salaries to employees, bad debts, depreciation and wear and tear of machinery, implements, etc., used for the purpose of trade, cost of sustenance of employees when supplied in addition to wages or salary of such employees, and losses incurred in the production of income. No deduction is allowed for the cost of maintenance of the family of a taxpayer."

The following are the principal exemptions from payment of the tax at present:

"Incomes which do not exceed £200 (\$973.30): salary of governor of Victoria; income of municipalities and certain public and local bodies such as the university, metropolitan board of works (controlling the water supply), railway commission (controlling the government railways), fire brigades board, harbor trust commission, marine board, etc., and of any other local authority in so far as such income is official and not personal; income of all bodies formed solely for the promotion of religion; income of any mutual life assurance company whose head or principal office or principal place of business is in Australia; income of any fire, fidelity, guaranty, or marine assurance or insurance company registered under the "stamp act" and thus contributing to the revenue through another branch of the government on a basis of 1½ per cent of all premiums received; income derived from interest on bonds, debentures, etc., of the government of Victoria by residents or nonresidents. The onus of proof that any income is exempt from or entitled to any deduction rests with the taxpayer. Government employees are not exempt from taxation."

The act requires that schedules of income derived from personal exertion and of income the produce of property shall be calculated separately, and the requisite forms, with envelopes addressed to the commissioner of taxes, are provided free at every post-office in the State. The schedules may also be transmitted to the commissioner free of postage. The commissioner is required to give not less than fourteen days' public notice of the day on or before which the returns of income are to be furnished (usually on March 31st of each year), and the act permits merchants and others in trade a longer period after the expiration of the year for which assessment is to be made in which to compile their schedules than those whose income is derived from personal exertion or from property, the period allowed being discretionary with the commissioner. When the taxpayer's schedule has been received by the commissioner, it is assessed for taxation, and a notice of the amount of tax and the date payable is issued by mail to the taxpayer. If the tax remains unpaid at the expiration of twenty-one days after the due date (fourteen days after the issue of the notice), 8 per cent per annum of the amount of the tax unpaid must be added thereto. In default of payment provision is made by which the amount is recoverable through the county courts of the State by summoning the defaulter to appear before the court within fourteen days, and if within six days after the issue of the summons a written statement on oath showing a defense on its merits is not received by the court in which the summons is returnable, the court may make an order for the amount claimed without awaiting the appearance of the defendant.

Any person making a false return or evading the tax is liable to a fine not less than £2 (\$9.73) or more than £100 (\$486.65), upon conviction, and the payment of double the tax sought to be evaded, with 8 per cent per annum interest, and any person aiding or abetting such offense is also liable to a fine of not less than £2 (\$9.73) or more than £50 (\$243.32). In knowingly and willfully making a false return the taxpayer is also liable to prosecution for perjury. In the notice of the amount of tax payable issued by the commissioner, the last day on which objection to the amount of tax will be received is also stated, and such objections must be in writing and reach the commissioner on or before that date to receive consideration. If the taxpayer is dissatisfied with the ultimate decision of the commissioner, he may remit the dispute to a county court with the further right of stating a special case for the opinion of the supreme court of the State, but the latter course is seldom resorted to. Courts may award the cost of the action against the commissioner if he fails to sustain his case. The provisions made for detection of fraud rest primarily with the income-tax office, and a system by means of check tabs has been in force to trace large payments for interest, rents, salaries, etc., from the

schedule of the payor to that of the payee. The municipal rolls are used, and lists of salaries and interest paid are called for by the act from employers, banks, and companies. Trustees and agents are also required to lodge returns, and other such information available as may be gleaned from newspapers or periodicals of the State, from the police, and from other sources. The commissioner may also call for new or further and fuller returns than furnished, has power to require information and the production of deeds, books, accounts, etc., from any person whomsoever, and to require the attendance of any person for oral examination.

The following tables show the number of assessments, taxpayers, taxable income, tax payable from personal exertion and property during the last five years, together with occupations of taxpayers by classes:

NUMBER OF ASSESSMENTS AND TAXPAYERS.

Number of assessments.	1904.	1905.	1906.	1907.	1908.
Personal exertion.....	43,361	40,523	41,017	30,855	31,132
Property.....	8,916	8,237	8,453	7,754	7,487
Total.....	52,277	48,765	49,470	38,609	38,619
District taxpayers.....	48,266	44,956	45,595	34,429	34,713

TAXABLE INCOME.

[Pound sterling converted at the rate of \$4.8665.]

Year.	Personal exertion.	Property.	Total.
1904.....	\$37,055,333	\$15,176,845	\$72,231,678
1905.....	63,617,808	14,066,618	77,684,426
1906.....	63,981,907	14,362,944	77,344,851
1907.....	69,242,508	14,650,593	83,893,096
1908.....	67,557,103	13,851,933	81,409,036

TAX PAYABLE.

[Pound sterling converted at the rate of \$4.8665.]

	1904.	1905.	1906.
Personal exertion.....	\$971,927.00	\$1,122,881.00	\$1,106,106.00
Property.....	549,573.00	437,449.00	444,666.00
Total.....	1,521,501.00	1,560,330.00	1,550,773.00
Per taxpayer.....	31.60	34.70	33.99

	1907.	1908.
Personal exertion.....	\$1,256,107.00	\$1,100,466.00
Property.....	458,127.00	360,589.00
Total.....	1,714,234.00	1,461,055.00
Per taxpayer.....	49.77	42.07

OCCUPATIONS OF TAXPAYERS, 1908.

Occupations in classes.	Number of taxpayers.		
	Total number.	Percentage of taxpayers.	Percentage of each class in population.
Professional.....	4,927	14.19	13.99
Domestic.....	1,509	4.35	2.26
Commercial.....	9,409	27.11	11.90
Transport.....	1,041	3.00	3.30
Industrial.....	4,767	13.73	3.26
Primary producers.....	7,842	22.59	4.75
Indefinite.....	4,250	12.24	42.22
Companies.....	968	2.79	-----
Total.....	34,713	100.00	-----

The commercial class, which forms over 27 per cent of the taxpayers, has the proportion of only 15 per cent of the total breadwinners in the population, whilst primary producers, which include breadwinners in agricultural, pastoral, and mining pursuits, make up 22½ per cent of the taxpayers, but 31 per cent of the breadwinners; the industrial class contributes nearly 14 per cent to the taxpayers, and forms 27 per cent of the breadwinners; while the professional class, contributing 14 per cent to the taxpayers, forms only 7 per cent of the breadwinners. Of the definite classes, that contributing the highest percentage of taxpayers in proportion to its number in the population is the professional, with 14 per cent; the commercial coming next, with 12 per cent; then primary producers, with 4½ per cent; and last, the domestic class, with 2½ per cent. Of the amount paid as tax, companies yielded 34 per cent of the total; while the indefinite class, forming 12 per cent of the taxpayers, yielded 15 per cent of the tax. The commercial class, forming 27 per cent of the taxpayers, gave nearly 19 per cent of the tax; primary producers, forming 22½ per cent of the taxpayers, gave 14 per cent of the tax; the industrial class, forming 14 per cent of the taxpayers, gave 8 per cent of the tax; and the professional class, forming 14 per cent of the taxpayers, gave 7 per cent of the tax.

According to the last report of the commissioner of taxes the cost of collection of the tax, including salaries and all expenses, during the

financial year ended June 30, 1908, was £13,879 14s. 5d. (\$67,545.65), being £4 7s. 5d. per cent of the revenue collected (\$21.26 in \$486.65), or, approximately, £2.19 per taxpayer.

The following documents are hereto annexed from which any further particulars desired may be extracted, viz: Acts numbered 1374 (original), 1467, 1819, 1863, 1938, 1985, 2030, 2090, 2151; Regulations of the Income Tax Department; and Taxpayers' Schedules.

India.

CALCUTTA, INDIA, August 12.

A copy of the Indian income-tax act of 1886, as amended, is hereto attached.

Income tax is chargeable in India on all sources of income accruing and arising or received in British India, with the exception of—

1. The exemptions mentioned in section 5 of the act.
2. Special exemptions sanctioned from time to time under section 6 of the act.

For the purposes of the tax sources of income are divided into the following four classes:

- I. Salaries and pensions.
- II. Profits of companies.
- III. Interest on securities.
- IV. Other sources of income.

I. SALARIES AND PENSIONS.

Any salary, annuity, pension, or gratuity of 2,000 rupees (\$666.67) and upward per annum is chargeable with income tax at the rate of 5 pies in the rupee (five-twelfths of one-sixteenth of 32.44 cents, practically five-sixths of a cent in 32.44 cents, approximately 2½ per cent), any salary, etc., of less than 2,000 rupees (\$666.67) per annum, but not less than 1,000 rupees (\$333.33) per annum is chargeable at the rate of 4 pies (four-twelfths of one-sixteenth of 32.44 cents, practically two-thirds of a cent in 32.44 cents, approximately 2 per cent). The tax is recovered from servants of government or of a local authority at the time of payment of the salary, annuity, pension, or gratuity. A similar procedure is ordinarily prescribed for the recovery of the tax from salaries, etc., paid by a company or a private employer, but in such cases the collector may enter into an arrangement with the employer for the convenient recovery of the tax. The demand in the case of government servants is easily ascertainable; statements have to be prepared and submitted to the collector in a prescribed form on or before the 15th of April in each year in the case of servants of companies, local authorities, etc.

II. PROFITS OF COMPANIES.

The rate of income tax levied on the net profits of a company is 5 pies in the rupee (about five-sixths of a cent in 32.44 cents; approximately 2½ per cent). The principal officer of a company has to submit by the 15th of April each year a statement, prepared in the manner prescribed in section 11 of the act, of the net profits made in British India by the company. Should the collector consider such a statement to be incomplete or incorrect, he can require the company to produce the account to enable him to determine the correct amount. In calculating net profits the following deductions are usually allowed from the gross receipts of a company:

1. Sums expended in the repairs of implements, utensils, or articles used solely for the purpose of trade.
2. Sums expended for insuring, or keeping insured, the buildings, machinery, implements, and stock used for the purpose of the trade, and the rent paid for any premises used for such trade; and provided that if such premises have not been exclusively used for such trade, a fair proportion only of such rent is deducted from the gross receipts.
3. Actual expenditure during the year on repairs and renewal of such premises, if such repairs or renewal are at the cost of the company.
4. Sums expended in the payment of persons employed solely in such trade.
5. The amount of any losses of the stock in trade. The excess loss sustained in any one or more trades over and above the profits thereof may be set off against the excess profits of any other trade exercised by the same company.
6. The amount of any bad debts for the first time ascertained and written off as such during the year.
7. Interest paid on money borrowed for the purpose of trade.
8. Amount actually expended from the profits of the year for depreciation up to a limit of 10 per cent on the value of the machinery and plant.

The companies are taxed at their principal place of business, and where a company has several such places the local government (if they are in territories subject to that government) or the government of India (if they are in territories subject to different local governments) have power to decide which shall be considered to be the principal place of business.

In the case of income from houses, the following deductions are generally allowed:

1. Any rent or quitrent paid by the assessee on account of such houses or their sites, but not taxes or local rates or cesses.
2. Sums expended for insuring and keeping insured such houses.
3. Actual expenditure during the year on repairs and renewal of such premises, if such repairs and renewals are at the cost of the company.
4. Sums expended in collecting the rent, not exceeding 6 per cent of the gross rental.
5. Annual interest payable to a mortgage not in possession.

The collector determines the amount at which the company is to be assessed and the time when that amount shall be paid.

III. INTEREST ON SECURITIES.

The income tax levied on interest paid on securities is at 5 pies in the rupee (about five-sixths of a cent in 32.44 cents; approximately 2½ per cent) on such interest, unless the owner of the security can produce a certificate signed by the collector that his annual income from all sources is less than 1,000 rupees (\$333.33), in which case no deduction is made from the interest, or unless he produces a like certificate that his income from all sources is less than 2,000 rupees (\$666.67), in which case the rate will be 4 pies in the rupee (about two-thirds of a cent in 32.44 cents; approximately 2 per cent). The tax is deducted at the time the interest is paid by the person empowered to pay the interest, and is paid by that person to the credit of government.

IV. OTHER SOURCES OF INCOME.

Other sources of income mean any source not included in I, II, and III, above. The tax is levied on a graded scale from 20 rupees (\$6.67) on an income of 1,000 rupees (\$333.33) to 42 rupees (\$14) on 1,999 rupees (\$666.33), the tax on income of 2,000 rupees (\$666.67) and upward being 5 pies in the rupee (five-sixths of a cent in 32.44 cents; approximately 2½ per cent). The system of assessment is the same as that observed in assessing the profits of companies, with the exception that under this part a person is not, generally speaking, required to submit a return of his income. The details of the mode of assessment and collection are given in sections 16–24 of the income-tax act. It is not obligatory on persons assessed under this part to render a return of their income unless this is called for by the collector under clauses (b) and (c) of section 18 of the act.

Though the word "income" is used in section 15 of the act, it is only on the net income that the tax is levied. The deductions allowed from the gross income are generally the same as those in the case of companies detailed in paragraph 3 above.

Sections 25–30 of the income-tax act contain provisions regarding the revision of assessment under IV, recovery of arrears of tax, and penalties, etc.

The following statement gives for the year 1906–7, the last for which complete statistics under these heads are available, the total number of income-tax payers, the total yield of tax, the total amount of income assessed to tax, the cost of collection, the percentage of income-tax payers to the total population, and the percentage of the cost of collection to total income tax:

1. Number of income-tax payers, 255,762.
2. Yield of tax, 21,171,639 rupees (\$7,057,213).
3. Total income assessed to tax, 850,500,000 rupees (\$283,500,000).
4. Cost of collection, 362,042 rupees (\$120,681).
5. Total population, 231,899,507.
6. Percentage of income-tax payers to the total population, 0.11 per cent.
7. Percentage of the cost of collection to total income tax, 1.7 per cent.

There are no statistics showing the families of the persons paying the income tax. The officers collecting income tax are paid fixed salaries, and are usually officers belonging to the ordinary staff employed in connection with land revenue and general administration.

No distinction is made between "earned" and "unearned" income for the purpose of income tax.

As regards an inheritance tax, the Indian succession act, 1865, does not apply to Hindus, Mohammedans, and Buddhists. They are not liable to pay succession duty, except in the following cases:

- a On certificate under Act VII of 1899 for the collection of debts of deceased persons.
- b On probate and letter of administration under Act V of 1881, where such probate or letters of administration are taken out.
- c On probates and letter of administration under the Hindu wills act, 1870.

Switzerland.

BERNE, SWITZERLAND, April 22, 1909.

In reply to the circular instructions, I have the honor to state that the matter of taxation in Switzerland is governed by 25 different cantonal laws and over 7,000 local laws, and that there exists no federal law on the subject. Therefore it would be impossible to make a correct report on the very complicated tax systems of the various Cantons and half Cantons of the Confederation. There exist no federal statistics giving information as to the amount of the income of the various Cantons, the number of taxpayers, etc.

In all the cantons the income tax on earned and unearned income is collected at a certain rate for the Canton and a certain rate for the commune.

For example, in the city of Berne, Canton of Berne, the income tax is collected as follows:

	For the city.	For the Canton.
I. On professional income, of which 600 francs (\$120) are free.....	3	3½
II. Income derived from pensions and annuities, of which 100 francs (\$20) are free.....	4	5
III. Income derived from money not placed on mortgages, of which 100 francs (\$20) are free.....	5	6½
IV. On property:		
A. Real estate, according to the cantonal assessment, less the amount of any mortgage the tax on which is paid in the same Canton.....	2	2½
B. Capital placed on mortgages.....	2	2½
Church tax on earned income on property.....	.30	
	.20	

Usually in the months of March and April all the taxpayers are provided with blank forms for self-taxation, in which they have to insert their income, earned and unearned, as well as their property. The blanks must be returned within a limited time to the taxation commission for examination and approval. A taxpayer who neglected to answer the questions in the self-taxation blank is taxed by the taxation commission, and no appeal is allowed him.

The members of the taxation commission, representing commerce, trade, administration, working classes, etc., are selected by the commune council.

After examination and approval by the taxation commission the properly executed self-taxation sheets are turned over to the tax bureau of the city to be recorded and the tax notifications issued. The taxes are collected in the months of October, November, and December at the city tax bureau. The taxpayers are informed in the notification of the day on which to appear at the tax bureau for the payment of the taxes specified in the notification. Cantonal, communal, and church taxes are collected at the city tax bureau.

In case of fraudulent taxation the taxpayer is punished with a fine "twice the amount of the income tax he withdrew from taxation for the past ten years."

The inheritance-tax law of the Canton of Berne prescribes: On all real estate situated in the Canton of Berne which changes hands through inheritance or legacy a tax has to be paid into the Bernese treasury. The citizenship and domicile of the deceased, or the heir, the donor, and the receiver in no way influence the taxation of real estate.

All personal property is submitted to the same taxation, whether through inheritance or donation, if the deceased or the donor—the former at the time of his decease and the latter at the time of donation—either had a domicile in the Canton of Berne, or, in the absence of such a domicile, resided therein.

The citizenship of deceased or donor and the citizenship of the heir, the legatee, or receiver usually in no way influence the taxation of the personal property.

Inheritance, legacies, and donation are exempt from taxation in the following cases:

1. If the heirs of the deceased or donor are in direct line of descent.
2. If the heir or receiver is the husband of the wife, or the wife from the husband, and there exist children or grandchildren.
3. If they were made in favor of Swiss public institutions, such as hospitals, houses for poor, sick, or orphans, as well as for teacher schools and other education institutions, and for funds for the maimed and the sick.

If institutions similar to the above, but of private character, are concerned the executive council of the Canton, under certain circumstances, grant total or partial exemption from taxation.

4. If the total value falling to a single person from one inheritance or donation in any form whatsoever does not exceed, in the case of childless married people, 5,000 francs; in all other cases 1,000 francs.

On property on which, according to the law of inheritance or donation, tax has to be paid, such tax, after deduction of (1) legacies and debts to be paid therefrom, inclusive of the property brought by the wife if she inherits to her husband, and (2) the gifts which are to be paid by the heirs or receivers to the institutions mentioned above, is as follows:

A. One per cent if the heir or receiver is either the husband or the wife of the deceased and if there are no children out of the marriage.

B. One per cent in the case of parents inheriting from their children; 2 per cent in the case of grandparents inheriting from their grandchildren.

C. If the relationship of the heir or receiver to the donor or deceased is of second degree, 2 per cent in case of brother and sister (and those half-brothers and half-sisters mentioned in the French Civil Code).

If the relationship is of the third degree, 4 per cent in the case of uncle and nephew, and those half-brothers and half-sisters mentioned in the Bernese Civil Code.

If the relationship is of the fourth degree, 6 per cent in the case of children of brothers and sisters; 8 per cent if the relationship is of the fifth degree; 10 per cent if the relationship is any further, or if no relationship exist at all.

If the total amount falling to one person exceeds 50,000 francs, an additional tax of the half of that levied according to the degree of relationship, above mentioned, will be collected on the amount above the 50,000 francs.

Ten per cent of the inheritance or donation tax is delivered to the commune of residence of the deceased for educational purposes.

The inclosed print will furnish information as to the income taxes collected in the various cities of the Swiss Confederation.

The Netherlands.

The income tax here is divided into:

A. The property tax, which is levied on income derived from property.

B. The tax on business and other incomes, which is levied on the income derived from business and professional callings, as well as on reserve pay, pensions and annuities, etc.

In so far as the property income is devoted to the interests of the business or calling, the interest on the capital so invested shall be deducted from the net profits of the business or calling.

At the same time this tax affects the profits made in this country by others than those actually residing in this country. (See article 1 of the law relating to income from business or professional callings.)

This subdivision of the tax is not hereafter regarded.

The tax is estimated according to the value of the property, in so far as the property tax is concerned, or of the income, in so far as the income from business or professional callings is concerned.

The percentage to be levied is moderately progressive.

The tax amounts to:

A. In regard to the property tax, saving a somewhat lower levy on the lowest taxed properties, it is 1½ per cent of the property, provided this does not exceed 200,000 francs (\$80,000), and 2 per cent on the excess thereof, in both cases after a deduction of 10,000 francs (\$4,020). Properties of a lower value than 13,000 francs (\$5,628) are exempt. (See article 10 of the law relating to property tax.)

On an interest basis of 4 per cent this tax may therefore be estimated as amounting to respectively 3½ to 5 per cent of the income derived from property.

B. In regard to income from business and professional callings, if the income exceeds 1,500 francs (\$603), there is a fixed charge of 14 francs (\$5.63), besides 2 per cent on the excess of 1,500 francs (\$603). If the income exceeds 8,200 francs (\$3,296.40), the excess thereof is taxed at the rate of 3½ per cent. Incomes below 650 francs (\$261.30) are free. In regard to those between 650 francs (\$261.30) and 1,500 francs (\$603) I have the honor to refer you to article 9 of the law relating to incomes from business and professional callings.

Further, provision is made for the necessary connection of the property tax and that on income from business and professional callings by bearing in mind, in fixing the tax on income from callings, the exemption in the property tax of the first 10,000 francs (\$4,020). Moreover, in the regulation of the progression in the tax on incomes from business and professional callings, that connection with the property tax is taken into account.

In this regard I have the honor to refer you to articles 2, section 2, and 9B of the law relating to the tax on incomes from business and professional callings. The tax is levied on the statements made in respect to their property or income by the parties liable, with this proviso, that the administrators are at liberty to deviate from that statement. In that case appeal may be made to a specially instituted council.

There are no penalties for incorrect statements respecting property or income. But if it is apparent that a statement respecting property is

too low, in that case another assessment may be levied of five times the deficient tax paid. (See articles 45A and further of the law relating to the property tax.)

The property tax is levied according to the state of the property at the commencement of the fiscal year, the tax on incomes in accordance with the probable income during the current fiscal year. Incomes for temporary work alone are brought under the income of the fiscal year following upon that in which they are made. In this regard see article 4 of the law relating to income from business and professional callings.

In respect to the relationship between the property tax and that on income from callings and that of other state revenues, it may be said that according to the statistics for the year 1905, it was as follows:

The property tax, 4.73 per cent of the total revenue.
Tax on incomes, 4.24 per cent of the total revenue.
In this regard it must be borne in mind that in the said percentage of 4.24 per cent the tax levied on persons domiciled in this country is embraced to 72.18 per cent thereof. The rest has been levied on liable persons residing abroad (to the amount of 2.88 per cent) and of corporations established in the country (limited liability companies) for 24.94 per cent.

	Per cent of total revenue.
Land tax	7.87
House tax	5.71
Excise	31.49
Succession dues	8.48
Stamp registration and mortgage dues	6.90
Import dues	6.65
Other revenues	23.93

The total return from the property tax in the year 1905-6 amounted to 8,203,381 francs (\$3,297,759). The total number of assessed, the size of whose families is not known, amounted to 88,750, namely, 1,591 per cent of the total population of 5,577,632 souls. The total amount of assessed properties amounted, in thousands, to 6,383,818.

Of these assessments an augmentation has been imposed of 77,476 in accordance with the original or subsequent voluntarily increased statements to the total amount of 7,581,476 francs (\$3,447,753); 10,299 by increase of the statement officially to a total amount of 525,542 francs (\$2,112,679); and 975 on those who made no statement, to a total amount of 96,362 francs (\$38,737). The total returns from the tax on callings, in so far as they were levied on persons residing in the country in the fiscal year 1905-6, 5,899,946 francs (\$2,371,778). The number of assessments was 352,541, the total amount of the assessed incomes 487,100,378 francs (\$1,958,144). Of these, 315,995 assessed persons, to a total amount of 2,731,867 francs (\$1,098,211), who are not assessed in the property tax. The incomes concerned in these assessments were increased to the amount altogether of 348,966,218 francs (\$1,392,844).

From the above it is apparent that income from property is more heavily taxed than income from business or profession. In respect to succession dues, it may be said that this is levied, according to a non-progressive tariff, on every inheritance from an estate in this country.

In the direct line of descent and between married people with children or descendants, 1 per cent; in the direct backward line, 3 per cent; between married people without children or descendants, 4 per cent; side lines, between brothers and sisters; between uncles and aunts on the one side and nephews and nieces on the other side, and vice versa; and between great-uncles and great-aunts on the one side and second cousins and second nieces on the other side, and vice versa, 6 per cent; in all other cases 10 per cent; wherever in the side line more is obtained than would be by inheritance at death, 10 per cent becomes due on that excess. (See art. 41 of the law relating to succession dues.)

Gifts in the direct line of descent and between married people and descendants are exempt, provided that which each receives does not exceed 1,000 francs (\$402). If it exceeds 1,000 francs (\$402), but is less than 1,500 francs (\$603), in that case 500 francs (\$201) is exempt from taxation. (See art. 56 of the law relating to succession dues.)

In addition to succession dues, transfer dues are levied on that part of the inheritance consisting of stocks and interest-bearing claims. This is, in the direct line, one-fourth per cent, and in all other cases 2 per cent. In addition thereto, 38 cents surtax is levied on succession and transfer dues.

A statement of the expenses of the property tax and the tax on incomes from business and professional callings can not be given, as the collection of those taxes is intrusted to officials who, at the same time, are charged with the collection of other taxes.

Denmark.

In Denmark the income tax is regulated by the law of May 15, 1903, according to which the tax is levied on a scale of from 1.3 per cent up to 2.5 per cent, and it has to be paid by all people living in Denmark. A reduction in the tax is made of such a nature that no tax is levied on the first \$214 (800 kroner) of people living in the cities, or \$160 (600 kroner) of people in the country districts, and a further deduction is made of \$26 (100 kroner) for every child in Copenhagen and \$18 (70 kroner) in the country. This provision will especially benefit the laboring class.

There is no difference between the tax on "earned" incomes, such as salaries, etc., and "unearned incomes," such as dividends.

Included in this income tax there is a property tax of 0.6 pro mille levied upon all property in Denmark, the only things that are held exempt being furniture, personal belongings, and also prospective rights, as a life insurance or a right to a future pension.

On an inheritance there is a certain inheritance tax, but the person who inherits does not pay an income tax on the amount which he inherits, for the reason that the inheritance tax has already been paid. Thus, in case a man inherited 100,000 kroner in 1907, he would have paid no income tax on that 100,000 in 1907, but in 1908 and afterwards would pay the income tax on the amount of the income from that 100,000 kroner.

Until now the taxes upon inheritance have been 1 per cent as between husband and wife, parent and child, or grandparent and grandchild; 4 per cent between other near relatives, as brothers or sisters and their children; and 7 per cent upon inheritance from distant relatives and strangers. Therefore when a man dies and his estate reverts to persons outside of his immediate family, the amount of the inheritance tax to be paid depends on the relationship to the deceased of the person inheriting. Thus the tax on the inheritance of a son would not be so heavy as it would be if a brother or a nephew inher-

ited; and, again, the person inheriting pays no income tax, as has been illustrated, because the tax is already paid in the shape of an inheritance tax.

In regard to the system of assessment, it may be said, briefly, to be as follows: In each district some citizens are elected to a taxation board, and this is a duty from which but few can escape. In case of dispute as to the amount of assessment, there is a board for greater districts which might take the matter over, and above them all is the minister of finance.

Before a certain date every taxpayer can state his income on a form sent to everybody by the board. If a taxpayer does not do so, the taxation authorities will state his taxable income, and if the amount assessed does not exceed his real income as much as 25 per cent he has to submit to the decision of the board and pay accordingly. Had the taxpayer given a statement of his income this would not have occurred, but as he did not, if the taxation board does not overestimate his taxable income by 25 per cent or more, he has to pay; thus, if it is assessed 24 per cent more, he has to pay. If there is a dispute the taxpayer can complain, and will be called to a meeting of the board to state his reasons, and if an understanding is not reached an appeal can be made to the higher board and again from that to the minister of finance. It must be a serious question before a taxpayer can appeal to the courts. It is generally conceded that a taxpayer can appeal to the courts if he claims not to be taxable, or if an important question is involved, as where a corporation declines to pay on the ground that it is not taxable. It is an unwritten law that questions as to the payable amount of income tax can only be referred to the minister of finance as a last resource and can not be appealed to the courts.

The income tax is levied, not upon the source of the income, but upon the income from all sources. If incorrect or fraudulent statements are made, the taxpayer will be fined up to ten times the amount of the tax he has defrauded; but, generally, when it is more a matter of mistake, the question is settled with a lesser amount. If the fraud is discovered after a man's death, the estate of the deceased will have to pay double the amount not paid.

In order to detect any fraudulent statements, the taxpayer will be called on by the taxation board to explain himself, and all means at hand, as official and private information, can be made use of and demanded of any person supposed to know anything about the matter.

The income tax is levied half-yearly upon the amount of the income of the last year. Thus, for example, where an income was \$10,000 in the year 1908, \$10,000 would be the amount taxable during the year 1909.

Finally, it may be said that the collectors of the Danish income tax are officials and are not members of the assessment boards, who are civilians. These collectors are paid by a percentage of 1.5 of the whole amount collected, which total in 1907 came to about \$2,150,000, while the number of income-tax payers in Denmark in 1908-9 was 337,011, which is 13 per cent of the total population of 2,588,919.

Germany.

The States comprising the German confederation contain about 20 income taxes. Among those that may be mentioned as embracing such system of taxes are Saxony, Grand Duchy of Baden, Grand Duchy of Hesse, Bavaria, Wurtemberg, Austria, and virtually all of the minor German States. In almost every instance the method of assessment is by a return or declaration by the taxpayer, disclosing his total income; the method of collection at the source does not seem to be in vogue here.

Austria.

The Austrian progressive income-tax law came into force in 1898. Prior to this an income tax had existed from 1849, but its extreme high rate, amounting in some cases to 10 per cent on the net income, rendered it very difficult to assess and collect, on account of evasions of the law. In order to arrive at the net income on which the tax is levied, deductions from the gross income are made for upkeep of business, houses, and lands for the premiums paid, for insurance against injuries, for interest on business and private debts, and for payment of taxes other than the income tax.

Incomes up to \$500 a year are free from income tax. The income tax is levied on an extended scale on incomes over \$50 a year. Taxation commences at about 0.6 of the income. At the twelfth stage the tax rises to 1 per cent, at the twenty-seventh it rises to 2 per cent, at the forty-third to about 3 per cent, and at the fifty-sixth to about 3½ per cent. An income of over \$4,000 pays about 4 per cent, and an income over that figure the tax approaches more and more closely to 5 per cent without ever quite reaching it.

The total yield of this tax to the treasury for the year 1905 was about 11,000,000.

The total amount of the income of the country, gross and net, which was assessed under the tax for 1902 was, gross, 135,520,000 pounds sterling; net, 117,110,000 pounds sterling. In general the idea is to weigh less heavily on the smaller income than on the larger one.

The exemptions comprise, among others, all members of the imperial family, all members of the diplomatic and consular service, those receiving pensions, salaries of members of the army and navy, and other military persons.

Progressive taxation is the same for all sorts of incomes, but the law defines the methods of taxing income derived from land, houses, industries (industries in the form of companies who emit shares are subject to another form of taxation), capital, salaries, and other sources of income.

The Austrian income tax is really a second tax on assets already taxed. The landed proprietor pays his land tax quite independently of his income tax. The possessor of invested capital in companies pays the tax on dividends; the merchant, manufacturer, artist, author, physician, lawyer, or proprietor of a school pays the industry tax. The only one who pays the income tax alone is the person who is merely in receipt of fixed salary or pay, and he also has to pay the salary tax if his salary or pay comes to more than \$267 per annum.

In levying the tax on land, on buildings, and on industries, only the net income is taxed, allowance being made for all necessary deductions from the gross income for upkeep, etc.

There are a great many special allowances. Special allowances are made for incomes derived from labor, either physical or mental. The income of the whole of the family is reckoned together, but every member of the family who derived his income from labor has a deduction made of \$21 before the remainder of his income is taxed.

Special allowances are made for a family with several children, depending upon their number and condition. There are also special exemptions in certain cases where the annual income does not exceed \$4,167 10s., such as for educating children who have afflictions, expense in maintaining poor relations, perpetual illness, debts, acts of God, etc.

According to Austrian law, the merchant or manufacturer who is a householder and has investments in stocks, bonds, mortgages, etc., has to pay the industry tax on his manufactory or place of business, the building tax on his house, the tax on dividends for every investment in securities apart from his business, and, finally, income tax on his entire net income.

The tax is, in most cases, assessed on a direct return from individual taxpayers, except in the cases of fixed salaries and wages, on which the tax is collected from the employer, who is allowed either to deduct it from the salary of the person employed or to pay it out of his own pocket. The general method of assessing taxation is to take the income of the previous year. In January every taxpayer whose income is more than \$81 must deliver to the tax collector a paper stating his income for the past year in actual figures if his income is fixed, and at the average of the last three years if it is fluctuating. In case of suspicion of an incorrect or fraudulent return, the treasurer and the commissioner can call witnesses and impound documents to prove their case, but they may only inspect the business ledgers if the taxpayer gives permission. Treasury officials are allowed, under certain conditions, to inspect the factories and workshops during working hours and to check the output. The usual appeals and penalties are connected with the plan of assessment. Half of the tax is due on the 1st of June and half on the 1st of December. The same machinery is employed in collecting all taxes, hence the cost of collecting the income tax can not be given.

Prussia.

The income-tax law of 1891 formed the basis for the complete reorganization of direct state and local taxation in Prussia. Under the present law all persons with incomes of over £150 a year have to send in an annual declaration of their full income divided according to the four main sources—capital, land and property, trade and industry, and employment bringing gain. Prussians and subjects of other states of the Empire domiciled in Prussia are liable to taxation, unless they come under the exemption clause. Foreigners are also liable if they are domiciled in Prussia or staying there for purposes of gain or for longer than one year. Joint stock companies, mining companies, limited liability companies, registered associations whose business extends outside the circle of their members, and cooperative stores are also liable to tax. Their income is estimated by the surpluses which are distributed as interest or dividends among members, with the addition of any sums used for the redemption of debt or capital, the improvement or extension of business, or the formation of a reserve fund. Three and one-half per cent is, however, deducted before assessment from the total thus estimated.

One of the main principles underlying the income-tax law is taxation according to capacity, and for this purpose a regular system of progressive taxation has been adopted: The normal rate is 3 per cent of the income. This rate calls for incomes under £500, and rises for incomes over £1,500 up to 4 per cent for those over £5,000. Taxation begins with an income of £45.

Certain abatements are allowed to taxpayers with incomes up to £475 whose solvency has been unfavorably affected by adverse economic circumstances.

In 1903 the number of income-tax payers was 38,977,821. The number of corporate bodies paying this tax was 2,598. The taxable income was £454,576,901. The tax altogether paid amounted to £9,317,915. In 1893 what is known as the "supplementary tax law" was passed. Its purpose was to more fully carry out the principle of the income-tax law, viz, the fair distribution of the burdens of state taxation, by more heavily taxing funded as compared with earned incomes, and also by supplementing the income-tax law where it did not sufficiently reach the wealthier classes.

SYSTEM OF ASSESSMENT OF INCOME TAX.

The income tax is both levied at the source in the case of companies and assessed on a direct return by the individual taxpayer of his income from all sources. Companies in paying dividends, etc., deduct the tax as part of its annual expenditure. The individual taxpayer, being assessed according to his income from all sources, has to pay again on the dividend he receives from the company, notwithstanding the fact that the latter has already been taxed. It is by way of compensation for this double taxation that companies are allowed to deduct from their income 3½ per cent of their capital. Salaries are not taxed before payment to the recipient. Fixed receipts are assessed, according to their amount for the taxation year which is about to begin. The assessment is made on the basis of the actual amount of income received from all sources at the time the returns are handed in, viz., November and December. Variable incomes are taxed on an average of the three years immediately preceding the assessment. The right of appeal exists both in favor of the taxpayer and the officials of the Government.

Persons delinquent in sending in the declarations and failing to do so immediately after the second request are penalized 25 per cent in addition to the tax at which they have been assessed. Incomplete or fraudulent declarations are punishable by a fine of from four to ten times the amount of which the State was thereby defrauded or by a minimum fine of £5.

SYSTEM OF COLLECTION.

The income tax and the supplementary tax are collected in the first half of the second month of each quarter by the communities, who bear the whole cost. No statistics are available giving the percentage cost of collection. Assessed amounts may in certain cases be reduced if their enforced collection would endanger the economic existence of taxpayers, or if the efforts to collect the tax would probably be of no avail.

In Prussia the income tax produces about one-third of the tax revenue.

Sweden and Norway.

The payment of an income tax in Sweden is governed by two laws—the law of 1897 and the law of 1902. The tax, in so far as it relates to income which may be derived from capital, labor, etc., is to some extent a progressive tax, inasmuch as all incomes below 500 kroner (£27 15s.) are exempt; from incomes between 500 kroner and 1,200 kroner (£86 13s.) 450 kroner (£23) are subtracted; from incomes between 1,200 kroner and 1,800 kroner (£100) 300 kroner (£16 13s.)

are subtracted; and the tax is only paid on the remainder. In towns where house rent is very high the maximum of exemption and the amounts subtracted may be increased by a sum not exceeding 200 kroner (§11 2s.).

The general supply is nearly always 1 per cent on incomes derived from capital and labor (subject to the above-mentioned exemptions and reductions).

The first tax law—that of 1897—did not provide for the taxation of incomes derived from dividends on investments in public companies and made no allowance for the proportion of incomes earmarked for payment of the interest on mortgages; hence, to meet the demand for additional revenue, the new law was enacted to supplement the old one. This new law introduces certain new principles of exemption, allowing the deduction from incomes of any amount paid as interest on mortgages and loans, and it provides for the payment of the tax by incomes which were previously unaffected, whereas the old law was thus less broad in its scope and effect.

It will be noticed that the new income-tax law proper affects incomes derived from all sources, including incomes from dividends on shares in companies, which were untouched by the former law, but admits the principle of subtracting from the total amount of income the proportion of such income paid as interest on loans and mortgages.

The rate of the tax is 1 per cent on all kinds of income. There is a progressive scale, not in the percentage rate, but in the estimation of the income on which it is raised, incomes of over 61,000 kroner (§339), being reckoned for the purpose of taxation at more than their actual value in ascending progression.

In ascertaining the assessment of land value it is assumed that the income from agricultural land is at the rate of 6 per cent on the assessed value. For example, assuming that the estate worth 100,000 kroner should produce an income of 6,000 kroner (§333); that is, 6 per cent, the income tax being 1 per cent on every 100 of estimated income, is therefore 60 kroner, or §34. The actual income tax levied would not, however, amount to this sum if there were mortgages on the property, the estimated income being calculated at its net amount after deducting the sum paid as interest on the loan or mortgage.

In the case of other real estate the income is assumed to be 5 per cent on the assessed value of the property, and from this again deduction is made of any sum paid as interest on mortgage.

In 1903 the amount of income taxed was 685,729,215 kroner (§38,096,067). But in consequence of the progressive scale at which incomes are estimated for the purposes of taxation, the 1 per cent was in reality calculated as due from a total of 1,058,650,400 kroner (§58,813,911).

The number of income-tax payers in 1903 was 194,963 out of a total population of 5,221,291. Of this number 191,515 were private individuals, 789 public bodies, and 2,659 companies and banks. Thus one private individual in 27.26 of the population paid the tax.

The principle of graduation adopted in taxing income is thus supplied: small incomes below 1,000 kroner (§55)—including the income of the wife—are altogether exempt. Incomes between 1,000 and 4,000 kroner (§222), are taxed only on a portion of their full amount. Incomes from 4,000 to 6,100 kroner (§338 17s.) are taxed on their full amount. Incomes above 6,100 kroner are taxed on more than their actual amount, in a progressively ascending scale, up to a maximum of 145,500 kroner (§8,083), for which income tax is paid as on a sum of 50,082 kroner (§2,333); that is to say, four times the real income. In addition to the deduction allowed for amounts payable as interest on mortgages or loans, certain other deductions from the amount of the estimated income is allowed, such as for necessary repairs, losses, bad debts, etc.

Since 1905 a system of slight differentiation exists.

Income tax is not paid at the source by companies and thereafter deducted in paying the dividend to the shareholders. But the companies, having themselves to pay an income tax on all dividends exceeding 6 per cent and the shareholder being obliged to declare on his honor the total amount of his income, this tax is assessed on a direct return by the individual taxpayer of his income from all sources.

Income on capital and income derived from labor other than wages or pensions is reckoned at the amount of the income of the immediately preceding year.

The following persons, companies, etc., are obliged by law to make declaration regarding the amount of their income without receiving any special notice: Companies which are provided with royal licenses or are registered as share companies, or are under public control; and, also, any taxpayer who was taxed the immediately preceding year for, or who enjoyed, an income of at least 1,000 kroner (§55) from landed estate or capital (shares and bank shares being here included).

The penalty for any person or company thus obliged to declare their income without notice, neglecting before April 1 to make proper declaration, is the loss of the right to a final appeal on the question of the amount of the income put down in the declaration.

It has been found impossible to ascertain the cost of collection.

There are two main systems of income tax in Norway—that of income tax paid to the municipal authorities, and income tax paid to the state. The state income-tax system is of recent date, being based on the municipal system, the same machinery for collecting the tax being used.

Taxes on real property in Norway are quite distinct from income tax. The same may be said of taxes on personal property, except in so far as they may have a common origin or basis of assessment, personal property being liable to taxation twice over, namely, once for the personal-property tax and once for income tax on the estimated income derived from the personal property. The following are the rates of state income tax at present in force:

Under 1,000 kroner, free of income tax.

	Per cent.
From 1,000 up to 4,000 kroner-----	2
From 4,000 up to 7,000 kroner-----	3
From 7,000 up to 10,000 kroner-----	4
Above 10,000 kroner-----	5

The total yield of the state income tax in the year ending March, 1904, was 5,421,956 kroner (§301,220). The total gross income of Norwegian state taxpayers for the same year was estimated at 248,225,609 kroner (§13,790,312). The total number of state income taxpayers in Norway in the year ending March, 1904, was 99,316, or 4.4 per cent of the total population.

Incomes under 1,000 kroner are free of state income tax. Above this amount a certain part of the income is always free of income tax. Persons liable to taxation are divided into four classes, according to the number of persons, beside the taxpayer's wife, to be supported, as follows: Class 1, those who have no one to support. This class in-

cludes companies and the like. Class 2, those who have from one to three persons to support. Class 3, those who have from four to six persons to support. Class 4, those who have seven or more persons to support. In the case of incomes exceeding 4,000 kroner per annum, the following amounts are exempted from paying state income tax: In class 1, 600 kroner; in class 2, 1,000 kroner; in class 3, 1,400 kroner; in class 4, 1,800 kroner.

The total national income is estimated at from 700,000,000 to 800,000,000 kroner (or from £30,888,888 to £44,444,444).

There is no system of differentiation within the income tax in Norway by which unearned income is taxed at a different rate from income from personal labor. Differentiation is, however, effected in practice by the operation of taxes on property and in a minor degree by death dues.

In the case of companies, the Norwegian income tax is levied at the source; but in the case of salaries, the tax is not deducted before payment. This tax is not assessed on a direct return by the individual taxpayer of his income from all sources, inasmuch as taxpayers make no returns on the subject; and incomes derived from companies, being leviable at the source, are omitted when assessing the individual taxpayer's income.

Assessments are made on the estimated income of the preceding year ending on the 30th of September last past. In cases of somewhat variable incomes an average of years can be taken as a basis of assessment.

The amount of a state income taxpayer's income from all sources, excepting that derived from companies, but including the probable income derived from personal property, is estimated by local municipal bodies appointed for the assessment of municipal taxes, and unconnected with the Government. The total income thus arrived at for purposes of municipal taxation is also used as the basis of assessment of state taxes. The same municipal body assesses the incomes of companies, which are taxed at the source, on the same principle as when assessing individual taxpayers' incomes. In making assessments on individuals, the municipal body calculates what they think to be his income. To this end they sometimes make inquiries of the taxpayer himself, or of other persons. The taxpayer is not bound to give information unless he wishes to do so. The assessments when made are published, and taxpayers are granted four weeks within which to appeal against the assessment.

On the whole, it is understood that the state system of income tax in Norway works satisfactorily.

Italy.

ROME, July 1, 1909.

1. There exists in Italy a system of income tax (tax on movables). It was established by the law of July 14, 1864, No. 1830. The income tax is not to be confounded with the house tax and land tax.

The revenue of a building is not to be considered as a source of income, but a special tax is imposed on it, viz, the "house tax." Likewise the land tax and not the "income tax" is imposed on the revenue of unbuilt ground or lands suitable for agricultural or other purposes. For instance, if "A's" only income is the sum of 800 lire, this being the amount of income he derives from a house, he does not pay the income tax, but only the "house tax." The same may be said in regard to income from land. The returns of the income tax are clearly specified in articles 3 and 4 of the "Testo Unico della legge." (Single law text.)

2. The Italian income tax actually but not nominally is graduated and is levied at different rates on both earned and unearned incomes.

3. It is levied at the source or is assessed on a direct return by the individual taxpayer of his income from all sources; that is to say, it is assessed on income wherever it may be found.

4. No fixed rule is prescribed for the tax collector to estimate the amount of the income either on estimated incomes for the current year, actual income for the preceding year, or an average of years. Availing himself of the authority conferred on him by paragraph 37 of the testo unico, he can make use of his discretionary powers by examining one year, or two, or an average of years. But with regard to limited and joint stock companies and other institutions or savings banks it is established in some cases that the assessment is to be made on the income of the preceding year.

5. Appeals are allowed. (Paragraphs 42, 46, 52, and 53 of the testo unico.)

6. No penalties are prescribed for incorrect or fraudulent returns. 7. As to the officials collecting these taxes: When the taxpayers' lists have been arranged and the assessments have been made definite, the collection of taxes is allotted by auction by the Government to private agents who acquire a right to attend to such a collection. This collection is intrusted to that private agent who offers to proceed with the various collecting operations with the least percentage. The percentage paid to the collector is divided among the taxpayers in proportion to the tax to be paid by them; therefore the Government collects the total amount of the income tax less the percentage allowed. The percentage offered by the agency that undertook the collection in the city of Rome was, at the last auction, 1 1/2 per cent.

The percentage is subject to alterations in different districts, according to the difficulties which are encountered in the collection.

8. The rate was originally, by the law of July 14, 1864 (No. 1830), fixed at lira 12 per cent, and successively was raised to lira 20 per cent.

9. The total amount of the income tax in the Kingdom of Italy was:

Year.	Land tax.	House tax.	Income tax.	Total.
	Lira.	Lira.	Lira.	Lira.
1904-5-----	99,000,237	92,716,507	300,671,606	492,388,350
1905-6-----	95,923,488	93,151,611	305,250,308	494,325,402
1906-7-----	88,640,000	94,200,000	268,250,000	451,090,000
1907-8-----	84,076,596	95,896,576	255,835,378	435,808,550

10. Income subject to tax, 1907:

	Lira.
Category a1-----	45,522,225. 87
Category a2-----	206,803,582. 84
Category b-----	339,104,589. 21
Category c-----	118,083,817. 57
Category d-----	56,684,032. 54

Total lira----- 766,198,248. 03

From these five categories the Government derived the sum of 156,844,887.88 liras.

The difference between this amount and the one given above is made up by other sources of income tax which do not appear in the five categories; for instance, business tax, income tax on the payments made by the Government to contractors who perform contracts for the Government, etc.

LAND TAX, 1907.

General proceeds of this tax, 238,436,141.64 liras.

HOUSE TAX, 1907.

General proceeds of this tax, 586,335,877.91 liras.

11. The number of income-tax payees, including their families, for the year 1907 was:

	Lira.
Income tax	1,210,717
Land tax	6,703,935
House tax	3,162,143

12. Income from property or investment is taxed at a higher rate than income from personal labor. The Italian law distinguishes four categories (art. 52 of the regulations issued in consequence of the royal decree dated July 11, 1907, No. 560):

a1. Interests and premiums of loans of provinces and communities, bonds to bearer at fixed rate of interest (active bonds) of companies based on guaranties and subventions of the Government, and premiums of lotteries of all kinds. Government debt is not included, for reason that a tax on income from this source was practically excluded in consequence of the conversion of the debt.

a2. All other incomes depending on investment of capital, namely, perpetual annuities, mortgages or other bonds, loans, either by verbal or written private agreements or under the form of bill of exchange.

b. The incomes for the production of which capital and a man's work concur—that is to say, the exercise of every industry and commerce.

c. The incomes depending exclusively on a man's work, i. e., the exercise of a profession or trade.

d. Wages, pensions, and salaries in money or in kind paid by the provinces and communities, salaries in kind paid by the Government, and the daily wages of the day laborers in the government establishments.

1. The tax on the income of category a1 must be paid on the whole income.

2. The tax on the incomes of category a2 is not imposed on the whole income, but on thirty-fortieths of it.

3. The tax on the incomes of category b is imposed on twenty-fortieths of the income.

4. The tax on the incomes of category c is imposed on eighteen-fortieths of the income.

5. The tax on the income of category d is imposed on fifteen-fortieths of the income.

13. The exemptions from the payment of the income tax are as follows:

1. Diplomatic representatives of foreign countries.

2. Consular agents, when neither native of the Kingdom nor naturalized citizens, provided they do not carry on business in Italy, and provided reciprocal treatment is granted in the country which they represent.

3. Military men on the active list in the army and navy below the grade of officer, as to their military fees.

4. The income from the state of the Crown and of the members of the royal family.

5. The incomes of the mutual-benefit societies, provided that such incomes do not accrue from nominal bonds or bonds to bearer. (Arts. 7 and 8, Testo Unico, pp. 14-15.)

The small incomes of categories b, c, and d, which, after making the deductions spoken of above in each of these categories, do not amount to a taxable income of 400 liras, are exempted from taxation. Articles 55, 56, and 57 of law No. 1830, of July 14, 1844, give particulars respecting the determination of the assessable income of certain kinds of incomes above 400 liras, but below 800 liras.

14. The income tax is collected by means of direct deduction effected by the state or by means of nominal lists (ruoli). The incomes the tax upon which is collected by means of deduction are quoted in article 11 of the Testo Unico. (Annexed document "a.")

The Government deducts the tax to be paid by a state officer from his salary instead of paying him in full. The same system is adopted for the payment of taxes on the certificates of the Government. The other income taxes are collected by means of the compilation of lists.

These lists are registers containing the names of the income-tax payers to whom the system of deduction can not be applied, viz, lawyers, physicians, manufacturers, tradesmen, etc., who are inscribed in the list for a sum which is presumed to be their income.

15. Inheritance taxes exist in Italy as follows:

	Per cent liras.
1. Between ascendants and descendants	1.60
2. Between husband and wife	4.50
3. Between brothers and sisters	7.00
4. Between uncles and nephews	8.50
5. Between cousins (brothers' and sisters' sons)	12.00
6. Between other relations and collaterals as far as the tenth degree, inclusive	13.00
7. Beyond the tenth degree and between strangers	15.00
8. In favor of benevolent institutions under the control of the Government	5.00
9. In favor of other institutions	15.00

A kind of proportion has been recently fixed by law of January 23, 1902, No. 25, according to the extent of a succession. A table is attached to that law fixing the proportions, which are, of course, favorable to small inheritances and unfavorable to the large ones, viz, from a minimum of 0.66 per cent to a maximum of 19.46 per cent. (See annexed law "B.")

Spain.

MADRID, April 26, 1909.

Spain has no income tax of the kind which exists in England, but the "impuesto de utilidades," described in the inclosed memorandum, is a tax upon certain kinds of income or net profits, and may fairly be described as a partial or limited income tax.

Full particulars in regard to it will be found in the inclosed pamphlet, which contains the law of March 27, 1900, now in force, and the regulations of September 16, 1906, issued in pursuance of that law.

In the budget for last year (1908) this tax represented 134,000,000 out of a total estimated income of 1,040,000,000. It may therefore be said to produce about one-eighth of the total national income.

Statistics as to the number of persons affected by this tax are not available.

It will be noticed that the profits from labor are taxed at a lower rate than those from capital and than those from labor jointly with capital.

SPANISH INCOME TAX.

The form of limited income tax which exists in Spain is known as the tax "on profits of movable wealth" (contribucion sobre utilidades de la riqueza mobiliaria), or more shortly as the "tax on profits" (impuesto de utilidades).

Its rates are as follows:

TARIFF I.—PROFITS FROM PERSONAL WORK.

1. Ten per cent of total salaries or fees of directors, managers, etc., of banks, corporations, etc.; of trustees and managers of property or estates.

2. Five per cent of total salaries, fees, or commissions of employees of banks, corporations, etc.; of insurance agents, of actors, bullfighters, etc. (salaries under 1,500 pesetas exempt).

3. On pensioners of the State, Provinces, or municipalities, from 15 to 20 per cent of their pensions.

4. On civil servants, from 10 to 20 per cent of their salaries.

5. On officers of the army and navy, from 5 to 18 per cent of their pay.

6. On employees of the provincial councils and municipalities, from 6 to 16 per cent of their salaries.

7. On registrars of property, from 10 to 18 per cent of their salaries.

TARIFF II.—PROFITS FROM CAPITAL.

1. On the annual interest of the Spanish state securities (with a few exceptions), 20 per cent per annum.

2. On the dividends of banks of issue (i. e., of Bank of Spain), 5 per cent per annum.

3. On dividends of railways and other companies of all kinds, 3 per cent per annum (except mining dividends, which pay 2 per cent).

4. On the interest of the debts and bonds of provinces, municipalities, and of banks and companies of all sorts, 3 per cent per annum.

5. On the interest of mortgage notes and loans, 3 per cent per annum.

6. On the interest of loans without mortgage, 3 per cent per annum.

TARIFF III. PROFITS FROM LABOR JOINTLY WITH CAPITAL.

1. On net profits of banks of issue (i. e., Bank of Spain), 15 per cent per annum.

2. On net profits of joint stock companies (except mining companies), in addition to tax under Tariff II on dividends, and of those of tramways, etc., 12 per cent per annum.

3. On net profits of railways, shipping and canal companies, 7 per cent per annum.

4. On societies for production and consumption (except those of workmen) and on net profits of cooperative credit associations, 6 per cent per annum.

5. On the premiums of fire and property insurance companies, 2 per cent per annum.

6. On the premiums of life, accident, and maritime insurance companies, one-half per cent per annum.

It will be seen that this tax is not like the English income tax based upon the total incomes declared by individual taxpayers, but that it is levied upon a limited number of sources of income, and only upon those in which the tax can easily be deducted at the source, i. e., can be retained by the State or by some company or public body which is made responsible for prompt and accurate payment.

This tax will probably be modified by the measures for financial reform recently introduced into the Cortes.

Canada.

OTTAWA, CANADA, June 7, 1909.

In Canada all income taxation is confined to municipalities. There is no national income-tax law and no provision for a graduated income tax.

The assessment act of Ontario, however, provides that all real property in the Province and all income derived either within or out of the Province by any person resident therein, or received in the Province by or on behalf of any person resident out of the same, shall be liable to taxation.

There is no system of differentiation in force by which unearned income is taxed at a higher rate than income from personal labor; but the annual income derived from personal earnings or from any pension, gratuity, or retiring allowance in respect of personal service, to the amount of \$1,000, is exempt, where such person is a resident and householder in a city or town; to the amount of \$700, where such person is a resident and householder in any other municipality; to the amount of \$600, where such person is a resident, but not a householder, in a city or town; and to the amount of \$400, where such person is a resident in any other municipality.

The income of any householder derived from investments is exempt when it does not exceed the sum of \$300. Rent or other income derived from real estate, except interest on mortgages, is exempt.

Income derived from business is subject to a "business assessment," graded according to the nature of the business, but based upon assessed value of land occupied. In certain prescribed callings, however, the income is additionally assessed to the extent to which it exceeds the amount of the business assessment.

One section of the law provides that "it shall be the duty of every person assessable in any municipality to give all necessary information to the assessors to properly assess him," and "any person who, having been duly required to deliver or furnish any written statement or information * * * makes default in delivering or furnishing the same * * * shall incur a penalty of \$100 and an additional penalty of \$10 for each day during which default continues. Any person knowingly stating anything falsely in any such statement or in furnishing such information shall incur a penalty of \$200."

Where the income is not a salary or other fixed amount capable of being estimated for the current year the income of such person for the purpose of assessment shall be taken to be not less than the amount of his income during the year ending on the 31st day of December then last past.

Appeals may be taken from the findings of the assessors to the court of revision and from the court of revision to the county judge.

The following statement gives the assessed value of the real property, business assessments, and taxable income, together with total amount

of taxes, the average rate of taxes per head of population and taxation rate in mills on the dollar of assessed value for the year 1907, classified as rural (townships), urban (towns and incorporated villages), and cities.

RURAL.

Population, 1,045,640; real property, \$587,619,115; business assessment, \$4,622,690; taxable income, \$2,832,831; total amount of taxes imposed for all purposes, \$6,820,102; taxation per head of population, \$6.52; and rate, 11.5 mills on each dollar of assessed value.

URBAN.

Population, 499,957; real property, \$156,145,587; business assessment, \$17,328,222; taxable income, \$4,644,311; total amount of taxes imposed for all purposes, \$4,203,766; taxation per head of population, \$8.41; and rate, 23.6 mills on each dollar of assessed value.

CITIES (19).

Population, 654,766; real property, \$321,518,357; business assessment, \$40,230,783; taxable income, \$14,039,181; total amount of taxes imposed for all purposes, \$8,505,301; taxation per head of population, \$12.09; and rate, 22.6 mills on each dollar of assessed value.

OTTAWA CITY, 1907.

Assessed population, 69,881; real property, \$35,379,450; business assessment, \$3,980,750; taxable income, \$1,957,950; total taxes imposed for all purposes, \$987,737; tax per capita, \$14.13; and rate, 23.9 mills on each dollar of assessed value.

INHERITANCE TAXES.

Inheritance taxes are imposed in Ontario under the succession duty act (7 Edward VII, Cap., 10).

No duty is leviable on any estate the aggregate value of which does not exceed \$10,000, nor on property devised for religious, charitable, or educational purposes to be carried out in Ontario, nor on property passing to a grandfather, grandmother, father, mother, husband, wife, child, daughter-in-law, or son-in-law of the deceased where the value of the property does not exceed \$50,000.

Where the property exceeds \$50,000 but does not exceed \$200,000, the tax is graded from 1 per cent to 4 per cent, according to the value of the property; if it exceeds \$200,000 value, the tax is 5 per cent, provided the property passes to the relatives above enumerated. These rates, however, are increased if more than \$100,000 passes to any one individual. On property exceeding \$10,000 value but under \$450,000, the tax is graduated from 5 per cent to 9½ per cent; if the property exceeds \$450,000, the tax is 10 per cent, provided the property passes to relatives of certain designated degrees of consanguinity. Property exceeding \$10,000 value passing to other persons than those specially designated is subject to a tax of 10 per cent.

The net amount of revenue received by the Province of Ontario for the year 1907 under the succession duty act was \$833,502.99.

New Zealand.

AUCKLAND, NEW ZEALAND, July 22, 1909.

(I am indebted for information to the Hon. George Fowlds, minister of education, and to Mr. P. Heyes, commissioner of taxes of the New Zealand government.)

I am sending under separate cover two copies of the "Land and income assessment act, 1908," the statute under which income tax is assessed and collected in this Dominion. I am sending also two copies of an excerpt from the Official Year Book, which contains a full description of the working and incidence of the income tax in New Zealand.

I am furnished by Mr. P. Heyes, commissioner of taxes in New Zealand, with information on the following points:

EARNED AND SO-CALLED "UNEARNED" INCOME.

"In New Zealand there is no income tax assessed on income from real property, owing to the land tax, which takes the place of income tax on income derived from land. The income of all joint stock companies is assessed at the rate of 1 shilling in the pound sterling, whereas a person or a firm is chargeable at the rate of 6 pence in the pound sterling on the first thousand of taxable income and 1 shilling in the pound sterling over and above this."

PAYMENT OF OFFICIALS.

"All officials engaged in the assessment and collection of income tax are paid fixed salaries as appropriated by Parliament. There is nothing approaching payment by results."

INHERITANCE TAXES.

These are assessed and collected by the stamp department at present. I am sending under separate cover two copies of the "Death duties act, 1908" and a form of statement giving a schedule of the duties.

The commissioner of taxes mentioned that "in 1905 the British Government called for full reports from all its representatives in its colonies, as well as its embassies abroad, concerning the incidence and working of the income taxes in force in different parts of the world, and these were published in full in the British Blue Book for 1905."

Saxony.

The direct taxation of incomes forms the chief source of revenue in Germany, and the whole method of securing accurate data on personal income is so admirably organized that the returns of the tax offices afford an exceptionally accurate view of the economic condition of the population and of the gradations of earning capacity.

The report of the tax office of Chemnitz for 1908 gives very detailed data on this subject, and their leading features are worthy of note, as they supply a tolerably fair idea of the range of incomes in one of the largest manufacturing cities of the Empire, and throw much light on the existing standards of life.

Out of a total population of 275,000 there were 111,381 whose annual income was over 400 marks (\$95.20) and who were subject to tax. These were classified as follows:

	Persons.
Incomes between 400 and 800 marks	36,461
Incomes below 1,100 marks	25,941
Incomes below 1,600 marks	27,068
Incomes below 2,500 marks	11,625
Incomes below 3,400 marks	3,615
Incomes below 4,800 marks	2,693
Incomes below 6,300 marks	1,238
Incomes below 7,800 marks	671
Incomes below 10,000 marks	600
Incomes below 20,000 marks	848

	Persons.
Incomes below 30,000 marks	247
Incomes below 40,000 marks	112
Incomes below 50,000 marks	62
Incomes below 60,000 marks	43
Incomes below 70,000 marks	44
Incomes below 80,000 marks	20
Incomes below 90,000 marks	14
Incomes below 100,000 marks	12
Incomes below 150,000 marks	27
Incomes below 200,000 marks	17
Incomes below 300,000 marks	12
Incomes below 464,000 marks	8

A single person in the city has an income of over 1,000,000 marks. The mark is worth 23.8 cents, but for the purpose of comparison it may roughly be estimated at 25 cents, and the above figures, divided by 4, give approximately the amount in dollars of the income in the various subdivisions.

Dividing the taxpayers into a few classes it will be seen that over one-half, viz, 62,402 have incomes of less than 1,100 marks, or \$261.20. The number of those possessing incomes of less than 2,500 marks, or \$595, is 100,695, or 90 per cent of the total number of taxpayers.

Seven thousand five hundred and forty-six persons have still higher incomes, but not exceeding 6,300 marks, or \$1,500. In the next class, with a maximum of 10,000 marks, or \$2,380, are 1,271 persons; in the following, reaching \$11,900, are 1,269. The next class, ranging to \$23,800, includes 133, while but 64 persons have a higher income than the last-mentioned figure.

The income tax in Chemnitz yielded \$1,025,442 in 1908, an increase of \$101,866 over 1907.

Panama.

[Law No. 32 of 1909 (February 16), by which is amplified and amended law 88 of 1904.]

The National Assembly of Panama decrees:

CHAPTER I.

Taxes on real estate and movable property.

ARTICLE 1. The taxes mentioned in this chapter are imposed upon real estate and movable property, whatsoever may be the form in which it is found, in conformity with the following rates:

A. Five per cent on the probable annual income of city property.

B. Lots within the limits of towns shall be divided into three classes, which shall pay annually per square meter as follows:

"In the cities of Panama, Colon, and Bocas del Toro: The first-class, at the rate of B. 0.04; the second class, at the rate of B. 0.02; the third class, at the rate of B. 0.01."

[Ordinance No. 51 (July 8, 1908) respecting subsidiary personal work. The departmental assembly of Panama.]

CHAPTER 1.—General provisions.

ARTICLE 1. Personal service is a contribution imposed on all male residents of each municipal district between the ages of 18 and 70.

ART. 2. This contribution is of special application, and shall be entirely applied to the improvement of means of communication, to public works of the respective districts, and to the post-office service, the latter in those districts where it is indispensable.

ART. 3. The municipal corporations can not include in their budget of revenue a less sum for public works of the respective district than that noted in the budget of revenue as a product in money of the subsidiary contribution.

CHAPTER 2.—On the formation of the lists.

ART. 4. In each municipal district there shall be "a council of personal subsidiary work," whose duty it shall be to form a list of those obliged to render their personal service in accordance with article 1.

ART. 5. This council shall be composed of the following functionaries: The alcalde, who shall preside; the treasurer; and the municipal representative.

The secretary of the alcalde shall act as secretary.

ART. 7. For the qualification of the persons liable to pay the personal subsidiary tax, the council shall take into account that those pertaining to the first class are those who can contribute ten days' work per year. To the second class those who can contribute eight. To the third class those who can contribute six. To the fourth class those who can contribute four. To the fifth class those who can contribute three.

ART. 8. Those pertaining to the first class are the owners of haciendas, fincas, merchants, and, in general, all those who have an income or annual return from their work or occupation of \$1,800. To the second class the owners of haciendas or fincas, merchants, and in general all those who have an annual income or return from their work or occupation of from \$1,800 to \$3,000. To the third class, those whose work or industry produces from \$1,000 to \$1,800. To the fourth class, those whose work, business, or industry produces \$500 or more and under \$1,000, and to the fifth class, those whose industry, occupation, or business produces less than \$500 per year.

ART. 9. Those of the first, second, and third classes are under the obligation to pay for their services in money; those of the fourth and fifth classes in work, but they may also pay in money if they so desire.

Cuba.

MAY 12, 1909.

Properly speaking, there is no income tax in this Republic. A municipal tax, however, is laid upon the income value of property. This should rightly be considered a property tax, and differs from the similar tax in force generally throughout the United States in that it is imposed or assessed upon the actual income or the income value of property rather than on the assessed or sale valuation. Neither upon personality or the income therefrom is there any tax.

By an order issued by General Brooke, then governor-general of Cuba, on March 25, 1890, the taxes above described, theretofore collected by the State, were transferred to the municipalities, and the legislation now governing them is contained in the municipal law and the law of municipal taxation, which were prepared by the law advisory commission during the late intervention and were promulgated by Governor Magoon. Copies of these laws may be had upon application at the War Department.

Mr. LAMB. Mr. Chairman, I now yield twenty minutes to the gentleman from Indiana [Mr. Moss].

Mr. MOSS. Mr. Chairman, I regret that in the short time allotted to me I will not have time to make the discussion that I should like of the agricultural appropriation bill. I regret that in the consideration of the great agricultural interests of the people Members should apparently seem impressed with the idea that this is the proper time to discuss the question from a political standpoint rather than from the standpoint of agricultural science, and that on the part of some Members, especially on the majority side of the House, it should seem to be more important which party will be in control of the Nation than what disposition should be made of the funds supposed to be expended in the interests of the farmers of the United States. I am not in the habit of discussing questions from a political standpoint. I do not do that when I am standing before my people in my own district, and I do not want to fall into bad habits over here. If I were going to discuss this question from a political standpoint, I should be glad to call the attention of this House to the information which got into to-day's paper that the State Department, so far as our own Government is concerned, has surrendered to Germany upon the tariff question, and has decided not to press a just demand which has been made by the farmers of the United States to admit their products on equal terms with the rest of the nations of the world.

But, Mr. Chairman, I want to call attention to the disposition of this money strictly from the standpoint of the farmer. The appropriation bills by the committees of this House are supposed to be based on recommendations made by the heads of the various departments which expend this money; and before any item carrying the expenditure of public moneys is recommended to this House, the department desiring the appropriation must show why they desire it and what public benefit will come from its expenditure. It is thus recognized that public money must be expended strictly for public purposes; and when any item has been carried in appropriation bills for some years, the official having charge of its expenditure must be prepared to demonstrate what benefits the public have derived from the use of such public funds. For this purpose estimates are submitted to these committees by the various officials, and sittings of the committee are held, at which time these estimates are explained to the satisfaction of the committee; and when an item of an appropriation bill is attacked, the chairman of that committee usually defends it by referring to the estimates and giving the explanations of the chief who requested the appropriation. Thus the committee stands between the Treasury and the public officials who are ever ambitious to secure the largest possible appropriation. This is the only way in which honest and economical government can be secured and the people protected against extravagance and undue taxation.

The distinguished chairman of the Agricultural Committee and his colleagues on that committee have reported a bill to this House, recommending its passage, carrying in the aggregate very large sums of money; and so far, Mr. Chairman, as these various items are based on estimates prepared by the Agricultural Department, I have no criticism to offer. I am a farmer myself, and have given my life to the study of agricultural science and the practical arts which grow out of that science, and in common with every other farmer of the United States, I honor and respect the present Secretary of the Agricultural Department. His long and successful administration of his duties are alike honorable to him as an officer, to his occupation as a farmer, to his political superiors who have had the good judgment to select and retain him in his position, and to our whole country, whose prosperity depends in so large a degree upon the agricultural wealth of our Nation. I repeat, Mr. Chairman, that the farmers of our country have the highest respect for Secretary Wilson and his administration of the Agricultural Department of our Government; and any item in this appropriation which has the recommendation and indorsement of his department behind it should not be lightly challenged or attempted to be reduced or set aside. I have also high regard for the honorable chairman and members of this committee. No doubt but that they have brought great ability and industry to bear upon the work of preparing this measure; but, Mr. Chairman, I desire to call the attention of this House to one item in this bill carrying a very large sum of money which is not based on any request or recommendation of any official in that great department, and which is not justified by any report which has been written by the official charged with the expenditure of these large sums of money.

I refer, Mr. Chairman, to the item appropriating \$300,500 for the purchase of miscellaneous seeds, bulbs, trees, vines, cuttings, and plants to be expended by the Bureau of Plant Industry in the Department of Agriculture. This is no new item, but has regularly appeared in every appropriation bill since 1865, until

the total appropriation for this purpose has exceeded \$5,500,000. And now, after a lapse of forty-five years, no Member of this House can produce a single report written within the past ten years by a member of the Agricultural Department defending this appropriation or asking that this work be continued. I hold in my hand the report of the hearings of the Agricultural Committee on the items of this bill, and not only is there not any statement of the benefits which come from the expenditure, but there is a distinct charge that the valuable work of the department, in one instance at least, has been halted and interfered with by an effort on the part of Congress to protect and extend this free distribution of seed. I read from the statements of Mr. Galloway, pages 69-70:

Mr. GALLOWAY. There is just one little matter that might be referred to, because the question might come up, and perhaps you would like to be informed on the subject. There was carried in the appropriation for seed for a number of years an item authorizing us to expend a certain portion of that money for forage-crop work. Under that we were carrying on quite successfully a number of projects which were yielding very satisfactory results.

The work was conducted in this fashion: We were securing, to the best of our knowledge, types of forage crops which might be sent into a community and placed in the hands of individual farmers who were acting with us and oftentimes cooperating with the stations and fixing a definite cropping system in that particular locality. We were spending about \$30,000 in that work without any detriment whatever, without taking anything at all from the usual congressional fund for the ordinary congressional seed. Last year, in order to have that item set out more distinctly, we segregated it as a special thing. Some one, probably thinking that the congressional seed distribution was going to be invaded, cut it, and it went out, or was changed to \$10,000 instead of \$30,000.

There we have the expressed statement that a valuable line of investigation of the department relating to forage plants which was yielding satisfactory results was cut out and crippled for fear on the part of Members of Congress that the congressional seed distribution was going to be involved; so that, in this instance at least, this congressional distribution was a detriment to the work of the department and an injury to the agricultural interests of our country, and this statement was not challenged by any member of the committee, nor did any member of the committee have the courage to ask Doctor Galloway his opinion of the congressional seed distribution. A Member of this House did ask Doctor Galloway to express his opinion of the congressional seed distribution, and as the committee failed to take advantage of their opportunity to secure a later expression from him concerning the value of this expenditure, I will read his opinion as given in 1906, which is the only official statement that I can find having reference to this phase of the department's work:

As to the value of this miscellaneous distribution of garden and flower seeds, it is very difficult to state what it may be. There is little doubt in my mind that such distribution accomplishes more or less good. Very few reports are received, however, and in the nature of the case it is impossible for us to use any but standard varieties in the distribution, because the quantities required make it impossible to use the rarer sorts. When this distribution was first undertaken, a great many years ago, there is no doubt that it accomplished much good, because at that time the seed industry was not as thoroughly organized as it is to-day. The practice of ordering through the mails from seed catalogues was not then in vogue and it was extremely difficult for persons living in isolated localities to secure good garden seeds. This condition has changed, however, and to-day it is quite possible for anyone to buy garden seeds of the same varieties as we distribute.

There is here no claim that seed of new or superior merit is distributed; but, on the contrary, it is expressly stated that it is impossible for the department to use these valuable varieties. I shall give this House a list of the varieties now being distributed, which will amply sustain the doctor in that statement; but at the present moment I desire to call attention that the committee in recommending this expenditure to Congress is not acting on the suggestion of Doctor Galloway that conditions have changed so as to make this appropriation neither necessary nor economical. But, Mr. Chairman, I desire to read another portion of the doctor's statement:

(C) THE INTRODUCTION AND DISSEMINATION OF NEW AND PROMISING SEEDS AND PLANTS FROM FOREIGN COUNTRIES.

This work, conducted as a part of the general seed and plant investigations, is one of the most important branches of the department. In the last five years a number of new things have been brought in and established as distinct industries.

I consider the work under the two last heads, namely, the securing and distributing of new or little-known varieties of field, forage, and other seeds, plants, etc., found in this country, and the securing and distribution of seeds and plants, etc., from foreign countries of the utmost importance to American agriculture. I believe that the total amount now authorized for the entire work could very well be devoted to these problems.

Mr. CANDLER. Will the gentleman yield?

Mr. MOSS. With pleasure.

Mr. CANDLER. I desire to ask the gentleman if he is opposed to seed distribution?

Mr. MOSS. I will try to make my position plain before I get through.

Mr. CANDLER. Have you sent out your seed for this year?

Mr. MOSS. Before I get through I will take up that question and try to make my position plain to the gentleman.

Mr. CANDLER. If you have any to spare, I would like to have them.

Mr. MOSS. Here is a work, entirely separate and distinct from the congressional seed distribution, which the Doctor urges as of the utmost importance to American agriculture, which is giving splendid results and bringing wealth to the American people and honor and satisfaction to the Agricultural Department of our Government. This work not only has this emphatic indorsement but is one to which he says the total amount now authorized for the entire seed work could very well be devoted. In this position Doctor Galloway has the support of every farmer and friend of agricultural development in our country. Then, why did not the committee follow the Doctor's suggestion? Why not spend the money when it is bringing good results and stop the expenditure where it is bringing no practical results?

I desire to call particular attention to the fact that of all this vast quantity of seed—250 carloads—not a packet is sent out to any citizen on his personal request to the Department of Agriculture. I ask the chairman of this committee why it is that seeds which are purchased out of public funds, to be given away by public officials, that no citizen can obtain a packet except by the courtesy of his representative in Congress? I am told that on an average 20,000 citizens of the United States make application for seeds to the Department of Agriculture every year, and that they are refused. Why is it that they are not supplied? I shall read a printed form which is sent to every such applicant:

UNITED STATES DEPARTMENT OF AGRICULTURE,
BUREAU OF PLANT INDUSTRY,
Washington, D. C., ———.

Replying to your request for ———, I regret that the department is not in position to comply with the same.

Assuring you that we would be glad to meet your wishes in this matter if it were in our power to do so, I remain,
Very truly, yours,

B. T. GALLOWAY, Chief of Bureau.

The hearings of the committee show that the department prepares 250 carloads of seed for free distribution, and yet under these conditions the department writes to the taxpayer who has applied for a share in this distribution:

I regret that the department is not in a position to comply with the request, but assure you that we would be glad to meet your wishes in this matter if it were in our power to do so.

Why is it not in their power to comply with these requests? In any other department of our Government this condition would be considered a scandal.

Mr. COCKS of New York. Will the gentleman yield?

Mr. MOSS. I would like to, but I see that I have only ten minutes left.

We have in this item a large appropriation of the people's money voted away by Congress, with the express stipulation that five-sixths of it shall be turned over to the Members who authorize this expenditure, to be sent out on their personal demand and without any accounting or report to any public authority. In the whole disbursement of this fund all the report that is required to be made by any authority is that the Secretary of Agriculture shall report the time, the place, the quantity, and the price of the seed purchased. Not even the varieties are demanded. And under this general provision I find that we are purchasing and distributing mustard seed. What a benefit it must be in these days of high-priced food products, when American workmen for the first time in the history of our Republic are forming clubs and refusing to purchase plain articles of food on account of the exorbitant prices. What a favor, I repeat, it is that their Representative in Congress can send some of them mustard seed without cost to anybody except the taxpayer. And while the clerks in the Bureau of Plant Industry are busy making up packages of mustard seed the clerks in the Division of Publications are sending out circulars giving the latest scientific methods of eradicating mustard plants in grain fields. Bulletin No. 41 of the Agricultural Department says that mustard is a well-known and very widely distributed weed pest and one which is very difficult to eradicate when once introduced, but that it can be destroyed by spraying with a solution of iron sulphate.

I do not know which costs the taxpayer the greater sum, the bulletin or the packet of mustard seed—the poison or the antidote—but we have, in this instance, an example of how mutually helpful different departments of our Government may become if well organized; and while the one department is scattering the seed of this "well known and widely distributed weed pest"

the other department is busy sending out instructions how the plants may be killed as soon as the seed germinates if unfortunately they should happen in a moment of carelessness to be sown. I shall request, Mr. Chairman, that a copy of this bulletin be included with every packet of mustard seed which is sent into my district, and if that is an act of extravagance you will have to make the most of it. And as a very large number of the Members of this House do not have the advantage of practical experience on the farm, I would be tempted to advise the members of this great committee to make this provision a condition precedent to the distribution of mustard seed if I did not possess confidential information that a reform is contemplated. I was told by a clerk connected with the congressional seed distribution that a former official in the service was very fond of mustard and, becoming enthusiastic in behalf of his favorite plant, had purchased a large quantity of mustard seed and began its distribution, and that the custom had since been continued. "I was born on the farm and therefore I am willing to admit," continued my informant, "that I would consider it an insult to be sent a packet of mustard seed, and when the present distribution is over, I'll be d—d if I will send out any more mustard seed." And in view of this very emphatic resolution, I will not insist that the committee act on my suggestion.

Under the distribution now in progress I have been notified that I had been allotted 20 packages of flower bulbs. As my wife does not devote all her time working in the garden, I could not use all these bulbs myself, and as there are more than 63,000 voters in my district, I was naturally puzzled to know why I was given 20 packages of bulbs to distribute among 63,000 voters. Assuming that there were 20 bulbs in each package, I found that I would have to divide each bulb into 157 pieces to make an equal distribution. So I appealed to the department for wisdom, and I asked the question, "Why am I given 20 packages of bulbs to distribute among 63,000 voters," and I was answered, "Because Congress ordered it done."

I was told further that these bulbs were grown in Holland, and were purchased there because they could not be grown in America. So it seems that in this instance we are not even patronizing American industry. The same may be said about much of the seed purchased, as considerable quantities of it is grown abroad. The only question asked is the price, and if seeds grown in foreign fields can be secured cheaper than those grown at home, the foreign-grown seeds are successful in the price contest. Of these 20 bulbs in each package I was told that some of them are exotic and will not reproduce themselves in our soil, and that when they once flower the plant dies. And yet the public funds are voted out and sent away to foreign lands to purchase these rare bulbs to be given away to the very select few in the inner circles of congressional favor, with the knowledge that with some of the bulbs so purchased the flower can only once be produced with no hope of the resurrection. Of what permanent advantage, Mr. Chairman, is the purchase of 20 packages of Dutch bulbs to the taxpayers of my district?

I have been informed that I would have to my credit 150 strawberry plants, and by computation I find that I could distribute 1 plant to every 420 voters of my district. Again, I asked the question, Why do you send 150 strawberry plants to be equally distributed among 63,000 voters? And I was answered, Because Congress wanted it done. I have considerable expert knowledge of strawberry growing and of the useful varieties of strawberries. And so I asked to be given the varieties which were being distributed. Here are some of the rare (?) plants which are available to be sent to the select circle of congressional friendship: Crescent, Sharpless, Michels Early, Warfield, Bubach, and other like varieties. Sending Crescent strawberry plants is an insult to any horticulturalist of education and experience. I do not know which is the greater imposition on the intelligence and forbearance of an educated citizenship—sending out Crescent and Sharpless strawberry plants or mustard seed. I would prefer to be sent the mustard seed, provided the bulletin was sent at the same time, as I would get equal value with less work. It is not necessary to give the entire list; there are none which can not be purchased in quantity at \$2.50 per thousand plants; and many of these varieties are worthless as a gift.

I also received notice that I would be given 40 grapevines. That is one vine for every 1,570 voters of the district. And when I repeated the question, Why do you give me 1 grapevine for every 1,570 voters in my district? the same old answer came back, Because Congress wanted us to do so. And wishing to know what varieties of vines I might be able to send out to my very dearest and closest friends, I was told that I could secure vines of the Concord, Ives Seedling, Delaware, Martha, or Moore's Early. Years ago, when we purchased our

plants in quantity, these vines would have been furnished by any Indiana nurseryman for \$3 per hundred vines. I can not give the wholesale price at the present time.

Mr. Chairman, I shall not take the time of the committee longer to show the common varieties of seed, bulbs, plants, and vines sent out; sufficient has been said to prove that this expenditure can not be justified on the ground that new and valuable seeds are furnished so that the whole country may ultimately share in the benefits which would come from any marked improvement of seeds. Nor can there be any claim that the Government is furnishing all the seed used by the people of the United States—but only a few varieties of seed to a very few citizens; so that all bear the expense and but few receive even the poor benefit which may come to those who are thus favored.

I called attention, Mr. Chairman, to the remarkable fact that this appropriation has been carried year after year without any recommendation in its favor by our Agricultural Department; and I desire to add that after a personal visit to the Bureau of Plant Industry I failed to find any subordinate officer who would speak a good word for it. I now desire to call attention to the fact that the farmers of the United States have placed themselves on record against it. I hold in my hand a resolution adopted by the Indiana State Grange condemning this expenditure. This resolution was sent to me by Mr. F. J. S. Robinson, of Cloverland, Ind., a high official in that order, a neighbor and constituent of mine, with the statement that this resolution had been indorsed by the National Grange. I now present a similar resolution which has been adopted by the National Farmers' Congress. This resolution was handed me by the President of that organization, Joshua Strange, of Marion, Ind., who stated that it expressed his personal conviction in the matter, as well as the sense of the organization.

I now read:

Resolved, That we reaffirm our opposition to the system of seed distribution as now conducted by the Federal Government. We recommend that the money now expended for seed distribution be used for maintaining American seed and plant explorers in other countries, under direction of the United States Department of Agriculture, and we recommend the distribution of promising new varieties of seeds and plants among the agricultural experiment stations of the country for practical test. (Session of 1907.)

What higher authority can be given to show the attitude of farmers on this subject? The National Grange has a membership of more than 1,000,000 farmers, widely distributed over the United States; it is the oldest and most conservative organization of the agricultural population of our country, and its pronouncements carry the weight of authority. The National Farmers' Congress is a great organization, composed of delegates who pay their own expenses. They are a body of public-spirited citizens, in full sympathy with agricultural pursuits and intelligently devoted to the public welfare. I have in my possession a large number of letters from individual farmers, every one breathing opposition to this expenditure. I feel, Mr. Chairman, a sense of pride, as a farmer, in being permitted on the floor of this Congress to present these resolutions and letters; they are protests by farmers themselves against this extravagant and useless expenditure of public funds which has been made in their name and supposedly in their interest. My purpose is to clear the good name of the members of my calling against this prostitution of public moneys to private purposes and to serve notice on the membership of this House that if this item is carried in future appropriation bills it must be done with the full knowledge that agricultural intelligence has outgrown such petty statesmanship and condemns such petty favors.

Connected with this subject, Mr. Chairman, and partly caused by it, is the deficit in our postal department. Doctor Gallows estimates that the quantity of mail matter originating with the congressional seed distribution is 250 carloads. This vast tonnage is carried without the payment of postage, and thus constitutes a charge on the postal revenues. The President has recommended a raise in the rates on newspapers and magazine publications to meet the deficit in our Postal Department. There is also a strong hint about retrenchment in the rural delivery service; and it can not be denied that the Post-Office Department, during the past year, failed to establish as many new routes as the appropriation would have permitted the department to establish if the entire appropriation had been expended for that purpose. In the editorial columns of the Rural Free Delivery News of January, 1910, a statement is made that the department established only 492 new routes out of an appropriation ample to sustain 1,240 full 24-mile routes for one year. Here is a loss of 748 possible routes in one year. Any reduction in the extension of rural service or raise in the rates on second-class mail matter is in reality a tax on the rural population of our country. In both

of these recommendations, if enacted into law, the loss will fall heavily on our rural population. We who are so fortunate as to live beyond the congested centers of population do not receive our daily papers by carriers, or go to the libraries to read our favorite magazines. They are now brought to our doors by the Post-Office Department at fair rates of postage. The publishers have met the situation with like good judgment, and any daily paper now published in the State of Indiana is delivered 313 days in the year for \$3 per subscription along rural routes; and as a result, 85 per cent of the farmers in my district are readers of daily papers, and practically all of them readers of magazines. And if the majority of this Congress believe that these patrons will be willing to receive tons and tons of junk which is franked out free through the mails in exchange for higher rates on mail matter or anything halting in rural delivery service, you are acting on bad information or false conclusions.

I stand here pledged to all proper measures of economy. The country has general information of gross extravagance in the management of our governmental affairs; but we are under great obligations to the gentleman from Illinois [Mr. MANN] for his specific statement that it is easily possible without any crippling of efficiency in the public service to save \$2,500,000 annually in our Treasury Department. And if it were not for the fact that this statement was made for the express purpose to secure an additional appropriation of \$25,000 to hire other high-priced clerks to teach those we now are paying large salaries to conduct public business, I would feel hopeful that we are at the beginning of a much-needed reform. But I must confess, Mr. Chairman, that I am from Missouri on any proposition to save money which begins by hiring more men to do the same work. Why not dismiss the incompetent clerks you have employed and pay their salaries to these new men? We at least could not lose by this procedure. Out in Indiana we have ample experience in this particular brand of economy. We have employed one set of officials to do the work of others until there is no vacant room in the statehouse, and we have an army of officials going over the State teaching high-salaried officials to perform their legal duties. I am opposed to that plan of economy; and I suggest that it is a better policy to cut off expenses at the paymaster's desk. The people of the country are forming clubs pledged to reduce living expenses by refusing to spend money; and whatever may be the final result of their organization, it can not be denied that they have set our body a good example. If you wish to economize, the way to do it is to refuse to spend money; and I shall propose at the proper time an amendment to strike out this item from the bill.

I desire also, Mr. Chairman, to call brief attention to another expenditure of the Agricultural Department, which, while not authorized by the pending bill, is a work carried on by the Agricultural Department and paid for out of the Public Treasury. I refer to the meat-inspection service of the Bureau of Animal Industry. This work was authorized during the Roosevelt administration, and the recommendation of the President was that the expense should be paid by the industry benefited. The beef trust was powerful enough to defeat this good counsel of the President, and an appropriation of \$3,000,000 a year was made on the Public Treasury, and the taxpayers have been paying the bills. Since that time our exports in meat products have been rapidly falling off, and the price of domestic meats have become so high that American citizens who crave meats and have been used to putting meat on their tables three times a day are organizing a boycott against the use of meat as a food product. I hope that the law which was so recently invoked against Gompers and his associates for refusing to purchase stoves and ranges will not be appealed to by the beef trust to compel the American people to pay the price. I am not a lawyer, but I can see but little distinction in the action of advising laboring people to refuse to spend their wages to buy meat and to advise them not to buy stoves; but I do know, Mr. Chairman, that at the present moment the American workingman is taxed to pay for the inspection of meats which wages will not permit him to eat or to set before his family and that such a charge can not be justified in right or in justice.

The President in his original message estimated that the charge could not exceed 8 cents per animal inspected, and if this charge were to be shifted from the taxpayer to the packer it would not reduce the margin of profit much below the rate of 35 per cent on the capital invested for a period of ten years, which report has been made by one of the great packing companies. What justification can be given for the Government making a microscopical examination of the food products of a private industry at public expense and certifying the results to the public so that these products can enter the market to a

better advantage? Why not compel the packers to guarantee their own products and make them amenable to the criminal law for failure to obey the pure-food statutes? But whatever the substitute policy may be, I insist that the taxpayer should not be compelled to pay inspection charges on a product which monopoly has placed beyond his ability to purchase and consume. If you place this matter on the ground of protection to the public health, it is a pretty severe tax on the credulity of a man to believe that his health is endangered by a food product which he can not consume or place before his family as an article of food.

I have thus in an imperfect manner indicated in two definite instances where large sums of money may be saved to the Treasury and the burdens of government lightened to the people; and I have no doubt but that others better informed can cite many additional instances. I have refrained from discussing this question from a partisan standpoint, but I wish to call attention to the fact that the expenses of our Government during the Fiftieth Congress, under Harrison's administration, was, in round numbers, \$794,000,000, while for the Sixtieth Congress, under Roosevelt, it had risen to \$2,052,000,000.

This vast increase is not justified. In many instances these increased expenditures are no better than embezzlement of public funds under the protection of law. Special privilege should be stricken from the appropriation bills as well as from our general statutes—and the instances here cited are flagrant examples of special privilege—of spending public moneys contributed by all the people for the special benefit of a part of our people. I do not favor a cheese-paring policy which will halt the progress of our Nation. But, Mr. Chairman, economy in public expenditures is the broad road to progress. Our growth as a Nation is now halted in many directions, because our wasteful extravagance has emptied our Treasury. Our people are demanding the improvement of our rivers, the extension of rural free delivery, assistance to good road building, extension of our national-forest area, the better conservation of our national resources, a reduction in taxation on the necessary articles of living, and a resumption of that good old policy of our fathers—the gradual payment of our national debt. I would rather vote for these measures than to create new commissions to investigate why the rich are getting richer and the poor becoming poorer, and then sell bonds to pay the cost of the investigations.

In conclusion, Mr. Chairman, a word as to high prices. The President, in his annual message, says that the production of our farms have not kept pace with the increase in our population. I have had prepared for me by the Agricultural Department a statement of the per capita production of wheat and corn since the civil war. The results are as follows:

Year.	Bushels of wheat per capita.	Bushels of corn per capita.
1869	7.5	19.7
1879	9.2	35.0
1889	7.5	33.9
1899	8.7	35.1
1905	8.4	32.8
1906	8.8	34.9

Unfortunately for the years 1907 and 1908, the population of Hawaii and Alaska were included without adding their production. The result, of course, would be to lessen the per capita yield. The result is of no value for comparison, yet I will give it:

Year.	Bushels of wheat per capita.	Bushels of corn per capita.
1907	7.4	30.2
1908	7.8	30.2

It will be noticed that in wheat there has been no reduction in production per capita; nor has there been in corn. These are the two great bread grains, and high prices can not be charged to failure of our farms to produce the grain. There are no statistics of value, so far as live stock is concerned, except as taken from the number of animals marketed in the great live stock centers. As vast numbers of meat animals are slaughtered in private slaughterhouses and in smaller markets, these figures are worthless for comparison.

This fact is undeniably true, that we are now producing more—both grain and meat—than our own people can consume,

and the table given shows that our per capita production in 1899, a period of low prices for food products, was practically the same as for the latest year in our table, 1906. To bring this point out clearer by comparison, I will place the two years together:

Year.	Bushels of wheat per capita.	Bushels of corn per capita.
1899	8.7	35.1
1906	8.8	34.9

The man who can prove from these figures that prevailing high prices of food products are caused by production failing to keep pace with the growth in population is a better mathematician than I am. In his speech before the Manufacturers' Club at Philadelphia January 26, Secretary Wilson said: "It costs more to get the common necessities of life in the United States to-day than in any other country of the world." To explain this situation we have the general cause of a large increase per capita in our volume of money together with the special cause of monopoly.

A system of special privilege was overthrown in our Government by the civil war; and, however severe an indictment may be truthfully presented against the efforts of our civilization of that system, it must be conceded that it enthroned white women as queens of their households and protected the virtue of the womanhood of our race from barter and sale. The overthrow of that system was followed by the upbuilding of another system of special privilege, which has enhanced the power of money in our civilization; and in the long years which have passed since 1865 this system of privilege has gradually strengthened until it now threatens the home life of our Nation. It has caused a struggle for food among our people in the midst of plenty; it has reduced the savings of the workingman until it has robbed thousands of the hope to own a home in which to shelter his family; it has driven woman from the place which God gave her in the divine plane of creation into the ranks of those who work in shops to earn their daily bread. All this it has accomplished. And if we are to believe the terrible revelations made by those who have investigated the white-slave traffic, the wealth which would support the happy homes of those who create it, could they receive it, is being used by him who has possession without having given value received to purchase the virtue of women of his own race and to drive the white girl as well as the black into a slavery more terrible than the punishments of hell. A system which can work these results; which can produce from virtuous seed within the life of one generation, a civilization so foul that when its inner blackness was uncovered by a commission appointed by President Roosevelt to study the home life of our Nation, that the printed edition of that report was exhausted so quickly as to be open to the charge of having been suppressed; a system, I repeat, which can produce these results in the life of a free self-governing Nation would gather sufficient strength sooner or later to control the price of the food products of that Nation.

Mr. LAMB. I yield twenty minutes to the gentleman from Mississippi.

Mr. CANDLER. Mr. Chairman, on March 24, 1908, when the bill making appropriations for the Agricultural Department was pending, I made the following statement in a speech delivered on the floor of this House:

"During the Fifty-ninth Congress I was a member of the Agricultural Committee. I was placed there upon the recommendation of the minority leader, the Hon. John Sharp Williams, upon the written request and indorsement of 101 Democratic Members out of a total Democratic membership of 137 in that Congress. During my service upon that committee I discharged every duty devolving upon me with the utmost fidelity and in accordance with the conscientious convictions of my own heart. During that service I came in direct conflict with the seed trust, which sought to have the provision making appropriation for the seed stricken from the bill. It was stricken out in the committee, but was restored in the House upon an amendment offered by me. But for the adoption of my amendment, or one like it, no farmer in this whole country would have received a package of seed from his Member of Congress or Senator, and no lady in this broad land would have received a package of flower seed. While a member of the committee I also helped frame the meat-inspection law, which requires the beef trust to furnish the people pure and wholesome meats.

"I insisted that the bill be specific and effective. There were some provisions which Mr. LAMB of Virginia and Mr. Bawie of

Alabama and I thought ought to go into the bill to make it the more effective, but which were left out of the bill when reported from the committee. We therefore made a minority report, and two out of the three provisions we contended for were adopted by the House. I also favored appropriations, within constitutional limitations, for good roads. Since I have been in Congress I have done all I could in the interest of rural mail delivery and all the mail facilities for the people. In other words, without going further into details, as a member of the committee and as a Member of Congress I have favored such measures as I honestly believed would be most helpful to the farmers of this country, believing, as I do, that when you contribute to the prosperity of the farmers you at the same time help every other vocation, trade, calling, profession, and interest in the land. At the beginning of this session of Congress the Speaker, in the exercise of the power conferred upon him by the rules of this Republican House, removed me from the Agricultural Committee and assigned me to other committees, although I was again recommended for membership upon the Agricultural Committee by the minority leader [Mr. Williams], and although Mr. Williams vigorously protested against my removal and although I am assured my continuance upon the committee met the unanimous approval of all the Democratic Members. [Applause.]

"My removal from the committee, however, has not diminished my interest in the agricultural people nor cooled my ardor to labor for their welfare. The Speaker had the power to take me off the committee, but, thank God, he has not the power to prevent me from being heard upon this floor. [Applause.] The only power which could thus close the door of opportunity to me is that exercised by the patriotic, chivalrous, noble, and loyal Mississippians who live in my district; and until they demand my retirement I shall continue to work earnestly and faithfully for them and to speak out boldly for their interests and the interests of the people of my beloved country. [Applause.] I am a candidate for reelection, and to my people I shall appeal for their indorsement and a vindication of my record at the ballot box, and I have no doubt as to what the result will be." [Applause.]

After I made this statement I understood that my advocacy of the Appalachian Forest Reserve and for increased appropriations for agricultural schools were other matters which militated against me and contributed in some degree to bringing about my removal from the Committee on Agriculture. Therefore on all of the above-mentioned issues, as well as upon my whole record in Congress, I was a candidate for reelection to this the Sixty-first Congress, and did appeal to my people for their indorsement and a vindication of my record at the ballot box, and in every speech which I made during the campaign I presented and argued the above-mentioned questions especially, and presented my record and asked my constituents to give me their indorsement in no uncertain tones [applause], and in the primary election which followed I received the decisive majority of 2,814, being the largest majority I have ever received; carried 109 out of 134 voting precincts and 8 out of 9 counties, losing only the home county of my distinguished and able opponent by the small margin of only 20 votes. [Applause.] Therefore I know I am in Congress with my course on the above-mentioned matters, as well as my whole record, fully indorsed and approved by a large majority of my constituents, and to one and all of the people of my district I am profoundly grateful and thankful. I believed then, and certainly have reason to know now, that in what I have done and said as their Representative in Congress I voiced their sentiments and carried out their wishes and views, and in doing so I was then, and am now, happy and content, for I much prefer to truly and honestly represent my people and have their confidence, esteem, and approval than to misrepresent them to gain favor here, if I could thereby have the approval of the Speaker of this House with the highest committee assignments at his disposal. [Applause.] His power seems, from the signs of the times, to be gradually slipping away from him and growing less, and may God speed the day when a Democrat will take his place, when the majority on that side of the House, under a righteous public opinion, may fade away and this side of the House increase, and thereby secure the election of a Democratic Speaker, who, I trust, will be a true representative of the American people and a man who will look after their interests and their welfare; and I know of no man in whom we can place greater confidence or who would be more acceptable than the minority leader, Hon. CHAMP CLARK, of Missouri. [Loud applause on the Democratic side.]

I shall faithfully, efficiently, honestly, and promptly represent and serve my people so long as they honor me with their commission, and I trust thereby to continue to merit and receive their

approval, commendation, and confidence. My conception of the duties of a Representative is expressed in the word "Representative." I believe a Member of Congress should in deed and in truth represent his people; should represent their views, their wishes, their sentiments, and their opinions, and thereby subserve their best interests. When he can not conscientiously do so, he should have the manhood and courage to retire. Since I have been in Congress I have cast every vote as I believed in my heart a majority of my people would vote themselves if present here to do so. I have not uttered a word or sentiment but what I have earnestly believed I was voicing their sentiments and expressing their views. I may have made mistakes, but if so, my God knows it was an "error of the head and not of the heart" [applause] and so long as I have the honor to remain the Representative of the first district of Mississippi I shall continue to work and vote and speak for those things which I believe to be for the interest of all the people I represent and the glory of the country. [Applause.]

I was not elected to Congress to represent the Speaker of this House or his views. He could not be elected from my district if he lived there, because my people do not agree with his policies or his views. [Applause.] Therefore I do not represent the views of the Speaker, but represent the views and the interests and look after the welfare and the prosperity of my people as best I can. They believed I had the ability and courage to do so, and they had confidence in me, and therefore they conferred upon me their commission. So I say to you frankly upon the floor of this House to-day that I will be removed from every committee at the disposal of the Speaker before I will misrepresent or prove false to my people. [Loud applause on the Democratic side.]

If by reason of faithful service to the people I receive the disapproval of the powers that be on this floor, I consider it a compliment, and with truth, honesty, and faithfulness as my guiding stars, I shall press onward, conscious of having done my full duty to my people and to the country. I do not belong to any cliques, rings, machines, or combinations here or elsewhere, and I never have and never will "wear any man's collar." [Loud applause.] I am the servant of all the people in my district and anxious at all times to be useful to them, and I am never happier than when I am doing something for them. [Applause.]

I never get greater pleasure out of life than when I am able to scatter sunshine into the pathway of somebody else. [Applause.]

The smallest soul in all the world is possessed by the man who is so full of egotism that he is wrapped up in himself, while the man with the greatest soul in all the universe is the one who continually, like the "Man of Galilee," seeks to help and bless somebody else and contribute to the prosperity and happiness of others. One of my sins when I was removed from this great committee—and I consider it one of the greatest committees of this House—was that I was in favor of increased appropriations for agricultural schools. I wish there was a school accessible to every child in this country. I want to educate the youth of this great Republic. A man could not bring greater blessings to humanity than to devise means to cultivate the minds of the youth of this Nation; open the door to them to knowledge and let them learn, not only about the Nation and the country, but let them study the mysteries of the past and the problems of the present as they unfold, as we travel forward in the pathway of the future. Let them realize what a great country we possess and create patriotism in their hearts, and it will make them better citizens and more useful by reason of the fact that they have been permitted to acquire knowledge which may be furnished to them in the schools of the country. [Applause.] I believe that there is nothing more important than the cultivation of the mind except the salvation of the eternal soul. [Applause.] As so I believe that we should prepare a way to cultivate the mind and teach, as best we can, the youth of the country the benefits and joys which come from the acquisition of knowledge, and the good mothers, I am sure, will impress the importance of the eternal destiny of the soul. And because I believe in that doctrine and because I believed in these principles I did stand for an increased appropriation for the agricultural schools of the country, because I wanted to help the cause and benefit the youth, and I stand here to-day voicing the same sentiment. I have heard that it was the policy which I advocated that also contributed to take me from the Agricultural Committee.

I want to tell you what my policy was. My policy on that committee was to develop and build up all the country. Especially did I have in view the development of the agricultural interests of this country, because I believe in developing those interests we help every trade and calling and profession in this

broad land. I collected year after year the appropriations which were made for the other departments of the Government. I contrasted those appropriations with the appropriations for the Department of Agriculture, and I showed that the Government was doing many, many times more for brass buttons and for show and for armament of warfare than it was doing for the peaceful pursuits of this country, in helping the agricultural interests of the land, and that may have been another reason why I was in disfavor. Mr. Chairman, it is shown in the statistics which I submitted on a former occasion that the average annual appropriations for the War and Navy departments for ten years was, in round numbers, \$245,000,000, which is more than has been appropriated for the whole Agricultural Department for the sixty-nine years of its existence. [Applause.] Just think of that. Is it just to thus treat a great department, representing the marvelous agricultural interests of this country? The farmers of America produced this year crops valued at \$8,760,000,000, and in the pending bill only \$13,417,136 is appropriated to foster and develop all this great industry. Because I believed in larger appropriations and, as a consequence, greater development I was arbitrarily stood aside, and this year the distinguished gentleman from Alabama [Mr. HEFLIN], than whom the farmers never had a better friend or more zealous advocate, suffered the same fate. It is well known here that in committee and on the floor the gentleman from Alabama was always alert, active, and energetic in looking after every interest of the farmers of this country; but faithful service to them seems to be a crime to be punished here rather than a virtue to be recognized. If Mr. HEFLIN feels like I do—and I am sure he does—he is willing, if need be, to suffer for a righteous cause, for right is mighty and will yet prevail. When the proper time is reached in the consideration of this bill, the distinguished gentleman from Mississippi [Mr. DICKSON], who is a farmer himself and has suffered from the boll weevil, and therefore has knowledge of present conditions, will move to increase the appropriation for the study and demonstration of the best methods of meeting the ravages of the boll weevil from \$215,000 to \$500,000. This is asked for by the farmers of Mississippi in a unanimous resolution passed by the Farmers' Cooperative and Educational Union, and I hope his amendment when offered will prevail.

Mr. Chairman, I have introduced a bill to prevent dealing in cotton futures, farm products, and, in fact, all kinds of future dealing. The people of this country, and especially the farmers, desire legislation on this subject to put an end to this unwholesome and pernicious speculation. If my bill can not pass, I will cheerfully and gladly support the Henry bill, or any other bill which will accomplish the end desired. I appeal to the membership of this House to get together and give the people relief from this great evil. Mr. Chairman, one of the greatest blessings and benefits ever bestowed upon the rural sections of our country is rural delivery of the mails. Now, add to this good roads and the whole country will call you blessed. As was well said by Senator BANKHEAD in a speech in the Senate, when speaking on this subject:

Another reason for national aid is to be found in the fact that nearly all of the great appropriations made by Congress are for projects that do not benefit the rural districts. The shipping interests have had the rivers and harbors improved to expedite their business; the cities have been supplied, at a cost of \$300,000,000, with post-offices and custom-houses; the railroads have received large appropriations and have made use of the credit of the Government; millions collected from the people have been loaned to the banks without interest, and iron masters have depended upon the Government to construct great locks and dams for facilitating the assembling of materials at cheap rates for making iron. The tariff laws have been shaped to benefit the manufacturers, but none of them are intended to benefit the great American farmer.

May I not appeal to your patriotism to consider this great question, and if you really want to do something to benefit all the people everywhere, spend some of the millions yearly appropriated in aiding the construction of good roads. The average cost of hauling over the public roads is 25 cents per ton per mile, and the average haul is 8 miles. Good roads will reduce the cost to 10 cents per mile, which would reduce the cost of transportation to the farmers more than half and save them every year enormous sums of money in the aggregate. [Applause.]

The CHAIRMAN. I regret to announce that the time of the gentleman from Mississippi has expired.

Mr. CANDLER. Mr. Chairman, I am sorry that my time has expired, because I desired to pursue this interesting subject further; permit me, however, to sincerely thank the membership of the House for their very kind attention. [General applause.]

Mr. LAMB. Mr. Chairman, I yield ten minutes to the gentleman from Louisiana [Mr. WICKLIFFE].

Mr. WICKLIFFE. Mr. Chairman, the failure or partial failure of a cotton crop is not a local matter in so far as the ultimate results are concerned, but, in the end, a national calamity.

Hence, in the same proportion, a substantial reduction of the total yield of cotton in the United States in this year and those to come, thus depriving the Nation of its main article of clothing, is a misfortune which falls upon the consumer as much as upon the producer of the article. So, the decrease in the amount of cotton produced in 1900, amounting to fully 1,500,000 bales below that of the preceding year, in view of the constantly increasing demand for raw cotton, is causing much study to be given to the subject.

The cause for this decrease should merit the attention of every Member of this body, for there is not a person in our entire land who does not use cotton in some form. I can not recall any other article so universally used as is this.

One of the best authorities holds that the demand for raw cotton doubles every twenty-two years; that, estimating 13,000,000 bales as a minimum supply on the part of the United States for the world's clothing at the present time, you may go back twenty-two years and you will find that a little more than 6,000,000 bales was sufficient in 1888 and that in 1866 3,000,000 bales were sufficient to supply the demand upon the American cotton fields, while about the year 1844 the exigencies of the trade were met with 1,500,000 bales. Hence, if history repeats itself, we must look forward to the world requiring 26,000,000 bales in 1932 and 52,000,000 bales in 1954. These figures are not idle guesswork by an inexperienced layman, but are the result of deep study of that question by one of the most industrious and intelligent men connected with the Agricultural Department of the United States, Dr. Seaman A. Knapp.

And even should we refuse to accept these estimates for the future requirements of cotton, still, proceeding upon the conservative theory that history will repeat itself, at least to the extent of showing a constantly increasing demand each year, however moderate that increase may be, it behooves us to look seriously into the matter of the decrease in our cotton yield, for it may be safely asserted that the cotton crop of 1900 is 1,500,000 bales short of what the world requires.

To the reasons for this shortage in yield in the face of such an increasing demand for cotton I shall now address my remarks. And if this cause is shown to be one that would logically come within the usual supervision of the Department of Agriculture in order that same be removed, then the appropriation for that purpose should be a liberal one. To anyone who has made any study of the subject the main cause, if not the entire cause (though there may have been minor ones which have in a small degree contributed thereto), of the large failures within a certain radius in the cotton belt is the rapid spreading of the cotton boll weevil, the enormous ravages of which have attracted the attention of every student of agriculture. Such proportions has the damage wrought by this insect reached that the Secretary of Agriculture in his recent report to the President has given much space to the consideration of this topic. He estimates that the crop for 1908, for instance, was damaged nearly \$30,000,000, and that while all of this amount was not due entirely to the ravages of the weevil, that the most of it was the result of same. In connection with this the Secretary uses the following language:

The great loss in Louisiana is a verification of the prediction made for several years, and it indicates the importance of means of control adapted to such conditions as are found in Louisiana and other States that will soon be invaded by the weevil.

Further on the Secretary, in his report, states:

The subject is an extremely complicated one and will require additional work for several years.

On page 109 the Secretary uses this language:

Special studies have been made in the Mississippi Delta, where conditions differ to a considerable degree from those in any other region invaded by the weevil. The heavy precipitation, presence of heavy timber, mild winters, and other features combine to make the boll-weevil problem more serious than it has been elsewhere, and special work has been carried on for the purpose of ascertaining any change in the life history of the weevil due to these differing conditions.

On page 88 of said report the Secretary says:

Any observer of farm crops in the United States has noticed that a few farmers secure a good yield almost every year regardless of seasons or pests, while the great majority of farmers make only moderate returns the best seasons, and between these secure only partial yields or have total failures. The advent of the boll weevil in the cotton States accentuated this situation and enormously multiplied the failures until a total wreckage of that great fiber industry was threatened.

The cotton boll weevil is not a native of the United States. Authorities tell us that its original home was in the plateau region of Mexico or Central America. Previous to 1892 the insect had spread through Mexico, but little is known regard-

ing the extent or rapidity of this dispersion. It is said that it was the cause of the abandonment of cotton in certain regions there. About 1892 the boll weevil crossed the Rio Grande near Brownsville, Tex.

We learn from such authorities as W. D. Hunter and W. E. Hinds, and W. W. Yothers, of the Bureau of Entomology, that there is very little certainty regarding the history of the Mexican cotton boll weevil before its presence in Texas came to the attention of the Bureau of Entomology in 1894. The species was described by Boheman in 1843 from specimens received from Vera Cruz, and it was recorded by Suffrian in 1871 as occurring at Cardenas and San Cristobal, in Cuba. Written documents in the archives at Monclova, in the State of Coahuila, Mexico, indicate that the cultivation of cotton was practically abandoned in the vicinity of that town about the year 1848, or at least that some insect caused great fears that it would be necessary to abandon the cultivation of cotton. A rather careful investigation of the records makes it by no means clear that the insect was the boll weevil, although there is a rather firmly embedded popular notion in Mexico, as well as in the southern United States, that the damage must have been perpetrated by that species.

Messrs. Hunter and Hinds further state:

From the time of the note by Suffrian regarding the occurrence of the weevil in Cuba in 1871 up to 1885, there has been found no published record concerning it. In 1885, however, C. V. Riley, then entomologist of the Department of Agriculture, published in the report of the commissioner a very brief note to the effect that *Anthonomus grandis* had been reared in the department from dwarfed cotton bolls sent by Dr. Edward Palmer from northern Mexico.

By 1894 it had spread to a half dozen counties in southern Texas and was brought to the attention of the Bureau of Entomology of the United States. A preliminary examination by Messrs. Howard and Townsend, of that bureau, showed the enormous capacity for damage by the pest.

Subsequent events have verified in every way the predictions that were made at the time, when the insect had not attracted and considerable amount of attention in the South. Since 1894 the weevil has extended its range annually from 40 to 70 miles. During the first ten years after its advent into this country, the annual rate of spread was 5,640 square miles. Since 1901 the annual increase in the infested territory has averaged 26,880.09 miles, but in one exceptional season, namely, 1904, 51,500 square miles became infested. The total area now infested may be conservatively stated as a quarter of a million square miles, and within these limits nearly 40 per cent of the cotton acreage of the United States may be found.

These figures do not refer to the area in cotton, as in many parts of the infested territory the area devoted to cotton is much less than 10 per cent of the total area. At the present time the weevil is found more or less extensively in five States—Texas, Louisiana, Mississippi, Arkansas, and Oklahoma. In Mississippi more than 30 counties are now infested; in Arkansas, 28; in Oklahoma, about one-fifth of the State; and in Texas and Louisiana, practically the entire cotton belt.

The average yield per acre in Texas from 1893 to 1901 (when the weevil had not done damage sufficient to affect the general production) was 0.40 of a bale. The average from 1902 to 1907 was 0.35 of a bale. By comparing these periods we have a reasonably accurate basis for estimating the damage the insect has done. The difference is 0.05 of a bale, or 25 pounds of lint, per acre each year. Even taking an average price of 10 cents per pound (it has recently been as high as 15 cents), this means an annual loss of at least \$2.25 per acre which has been sustained by the cotton planters of Texas. Assuming that the Texas acreage has averaged 10,000,000, the total loss for the State has annually been \$22,500,000.

Undoubtedly for several years—

Says Mr. W. D. Hunter in a recent publication, and from whose work the foregoing statistics were taken by me— the boll weevil has caused a loss of about 400,000 bales of cotton annually. Although farmers in older regions in many cases are increasing their production, there is loss in the newly infested regions which offsets that gain. A conservative estimate shows that since the weevil has invaded this country it has caused a loss of 2,550,000 bales of cotton, at a value of about \$125,000,000.

And in making up this estimate the loss to the crop of 1909 is not included.

On page 8 of his recent work Mr. Hunter says:

Reference has been made to the greater damage inflicted in moist regions and where the shelter for hibernation is best. The records of the Weather Bureau show that the annual precipitation increases very rapidly from the west to the east in the cotton belt. This is especially the case during the early growing season of cotton, namely, April, May, and June. The precipitation in the greater part of the cotton-producing area in Texas is normally about 40 inches. In Louisiana, Mississippi, and the eastern States of the cotton belt it is more

than 50 inches, and sometimes exceeds 60 inches. The records that have been kept in Texas show that the damage has always been greatest in wet seasons and that the insect has affected land values most where the general conditions approach those of the eastern part of the cotton belt. Without the assistance that is furnished by climatic conditions, especially dry weather during the spring, the farmers of Texas would not have been by any means as successful in producing cotton during the last few years as they have. The system of control increases greatly in effectiveness when assisted by weather conditions. Fortunately in Texas this assistance is given under normal conditions. When this assistance is above the normal, as in 1904 and 1906, the crops will be exceedingly large.

On the other hand, it is clear that the problem of control of the boll weevil will be more difficult as the pest continues its invasion of the cotton belt. It can not be considered, therefore, that the problem is as yet completely solved. Better means of control must be devised for the region that is becoming invaded, and, if possible, means must be devised that will reduce the enormous loss that is suffered, especially during unfavorable seasons, in Texas. The principal work of the Bureau of Entomology at this time is in attempting to devise means for this requisite additional control.

In his latest work on the subject, on October 18, 1909, Mr. Hunter says:

The cotton boll weevil is now causing a damage in the United States each year of at least \$25,000,000.

While in a former work the same authority, in reference to the cotton boll weevil, writes:

The pest is undoubtedly the most serious menace that the cotton planters of the South have ever been compelled to face, if not, indeed, the most serious danger that ever threatened any agricultural industry.

It has been stated by the highest authority, and it is now accepted by all who have made any study of the question, that the cotton boll weevil will soon spread over the entire cotton-producing territory of the United States. Therefore, as any serious impairment of the cotton crop is a national calamity, it is the duty of the Department of Agriculture to continue vigorous action, and it is the duty of Congress to lend all necessary aid in a financial way to that department for such purpose. It has been stated in substance on this floor that, in reference to a great pursuit like agriculture, in which the entire country has so vital an interest, it is the right and duty of the National Government to make investigation relating to the fundamental principles which underlie the success and productiveness of that pursuit. Hence, if this principle be correct, it is also the duty of the Government, in my opinion, to diffuse and disseminate in a practical and effective manner the knowledge obtained as a result of such investigations. The mere possession of useful knowledge by an individual is of little value to the world unless that knowledge is diffused among and understood by others. Unless it is disseminated by its possessor among his fellow-men, it is of little, if any value, to the world at large. The possession of knowledge by a single individual or set of individuals is one thing, its diffusion among those whom it benefits another, and a mode should be adopted which will most successfully and quickly accomplish this dissemination.

Hence it matters little if the Bureau of Entomology, by its deep and careful study of the life history of the boll weevil, has found a method under which cotton can be grown under boll-weevil conditions unless that method is successfully diffused among the actual growers of cotton. The Bureau of Entomology, giving the results of its study of the life history of this insect to the Bureau of Plant Industry, thereby enabling the latter to evolve a system of cotton culture which will be successful in the boll-weevil territory, will be of no avail in obtaining results unless the Bureau of Plant Industry is given the opportunity to diffuse and disseminate its knowledge in a way that will cause the ready acceptance of that method by the actual cotton growers.

Proceeding upon these premises, the next question is, How can this system of culture, an entirely new one, involving the introduction of many innovations, if not totally different system in the culture of cotton, be presented to the cotton grower so that he will accept and believe in it? Can it be done by sending the grower a bulletin by mail? Remember that the farmer does not readily take to innovations. He knows from past experience how to cultivate the particular crop with which he has had that experience, and he is not inclined to overturn the practical experience and teachings of a lifetime merely upon the perusal of the pamphlet of 20 pages, the author of which he does not know and as to whose interest in his welfare he may hold some doubt.

It would be the same with reference to the grower of corn in the district of the distinguished chairman of the Committee on Agriculture [Mr. Scott] were some hitherto unknown insect to appear in Douglas or Linn counties and destroy the corn crop in relatively the same proportions as the boll weevil has done cotton in the South.

The way, and only way, by which you can revolutionize the method of culture of any farm product so that the farmer will take hold of and accept the new theory within a reasonable length of time and completely reverse or change his former methods of cultivation is by the actual, practical, demonstration in the immediate vicinity of the farmer, that in the face of altered conditions the new method is the way, and the only way, by which that product can be produced.

Realizing the truth of this principle, the Department of Agriculture has established the farmers' cooperative demonstration work, which has been in existence since 1904, and while the activities of this branch of the Bureau of Plant Industry are not confined to the cultivation of any one product, it has been peculiarly successful in the boll-weevil section of the cotton belt, demonstrating in every community wherein the weevil has recently appeared, and right under the eye of the neighboring cotton growers, how the new method of cotton culture is the only one by which the staple can be grown under the altered conditions.

In his bulletin on the subject, Doctor Knapp states that the effect of a field demonstration is immediate and positive and reaches all classes, and in concluding his discussion of the subject he uses this language:

It has been proved by the cooperative demonstration work that by following the instructions of the Bureau of Plant Industry a good crop of cotton can be raised in the worst-infested boll-weevil districts and despite the ravages of this pest. It is possible that the future may discover some better method of meeting the boll-weevil problem, but experience has shown that the method outlined is the only safe one at present. The boll weevil has now (1908) covered a large portion of Texas, Louisiana, Arkansas, Oklahoma, and several counties in Mississippi. It is annually invading new territory, with a column 600 miles long and in numbers sufficient to cover every stalk of cotton to a width of 30 miles. A cotton crop can be produced despite the boll weevil, and the sooner American farmers face the situation the better it will be for all concerned. To demonstrate the truth of this theory is one object of the farmers' cooperative demonstration work.

A peculiar feature about this pest is that it is absolutely immune from total eradication in so far as at present known. Once having reached a particular territory, it has never been known to leave it untenanted by its species. With most agricultural insect pests, if not all of them, the history has been one of only temporary activity in any one locality; then it either dies out altogether, is eradicated by the use of poison, or passes on without permanent colonization; but to sum up the duration of occupancy by this insect when it reaches a given territory is best expressed in the words: Once the weevil, always the weevil.

While it is not to be understood that the necessity for the actual demonstration work on the part of the Government in every locality where the weevil is found exists for all times to come, yet it is a fact that the work should be begun in each locality immediately upon the advent of the weevil, and it should be kept up in that same locality for several seasons; and as the weevil is not only advancing eastward, but also northward and southward toward the uttermost limits of the cotton belt, the large ratio of increase each year shows the necessity for the large expansion of the demonstration work.

Hence to carry out this system now being so intelligently conducted by the special agent in charge of the demonstration work, as well as to assist the Bureau of Entomology in continuing this study concerning the life history of this insect, a liberal appropriation by the National Government should be forthcoming.

I will now address my remarks to some facts showing the ravages of this pest which have come within my own observation. In the parish of Pointe Coupee, in Louisiana, which is immediately west of that in which I reside, and wherein the boll weevil first entered the district which I have the honor to represent, there were produced in the year 1904—a banner year in cotton production—just prior to the advent of the weevil into that parish, 58,597 bales of cotton; in the last year, 1909, only 3,348 bales. In the parish of West Feliciana, where I reside, the total production for 1904 was 22,004 bales; in 1909, only 1,336 bales. In the parish of East Feliciana—contiguous to the latter and immediately eastward thereto—the production in 1904 was 35,707 bales; in 1909, only 5,607 bales. Continuing on eastward through the district, the next parish, St. Helena, produced 10,577 bales in 1904; and in 1909 only 7,491 bales; while the parishes of East Baton Rouge and Livingston, lying to the southward of the last three named, produced, in 1904, 37,079 bales and 8,197 bales, respectively, as against 7,491 bales and 2,500 bales, respectively, in 1909. The remainder of the cotton parishes in the district were all affected in the same degree proportionally to the length of time elapsing since the advent of the weevil into each parish, respectively. In giving the production for 1909 in the above

localities I should state that I took the census reports down to December 13, 1909, being the latest available. Will state, however, that in a weevil-infested territory practically all of the cotton is ginned by December 13.

A storm in September, 1909, did some little damage to the cotton in the section mentioned, though same was infinitesimal in comparison with the havoc wrought by the weevil, to which latter may be attributed this enormous difference in production.

Utter demoralization has followed the entrance of the weevil into the section mentioned, and our farmers are skeptical of all suggestions, though this last I feel is only temporary, and the splendid work of Doctor Knapp and of Mr. J. A. Evans and others connected with the Farmers' Cooperative Demonstration Work, and of Mr. Wilmore Newell, of the Louisiana Crop Pest Commission, is beginning to produce good results just as in the more western section of the cotton belt, whence the weevil has been gradually advancing eastward.

While same has not come within my immediate observation, I am reliably informed that like conditions of demoralization prevail in the southwestern counties of Mississippi as a result of the recent advent of this insect into that territory.

Mr. Chairman, the agricultural interests of our country are not, in my opinion, receiving sufficient encouragement at the hands of the National Government. We hear much upon this floor in behalf of innumerable projects, projects calling for the appropriation of millions of dollars, but all too little do we hear on behalf of the development of our agricultural resources. Congress last year appropriated for all purposes over a billion dollars for governmental expenditures for the fiscal year ending June 30, 1910, but of this vast sum only \$12,995,036 for agriculture. And yet the agricultural crops raised in the year 1909 were worth \$8,760,000,000.

The total amount carried by this bill for the Department of Agriculture, which we have under discussion, is \$13,417,136. We hear much of the increased cost of living in the Nation. Resolutions have been introduced in this House and in the Senate looking toward an inquiry into the causes thereof, and while the reasons for the increased cost of other commodities may be numerous and diverse there is one and only one main cause for the high price of raw cotton, and that is the large decrease in the supply due to the ravages of the cotton boll weevil.

And yet for the great and good and sensible cause of stamping out this pest and combating its ravages this bill carries only the sum of \$215,155.

I now contend, Mr. Chairman, that I have established from the best sources of authority the following facts:

First. That the boll weevil is causing an enormous deficit in the Nation's great clothing supply.

Second. That this deficit is as likely to increase annually as to decrease.

Third. That within fifteen years the entire cotton belt of the Nation will be within boll-weevil territory.

Fourth. That vigorous and effective work on the part of the Department of Agriculture should be maintained and extended to every part of the boll-weevil territory.

Fifth. That the consumer of cotton throughout the land, and the producer who dwells within the boll-weevil territory, equally share in the loss ultimately resulting from the ravages of this insect, destined in a short while to cover the entire cotton belt.

Sixth. That it is the duty of the Nation—through its Agricultural Department, sustained by liberal appropriations for that specific purpose—to work toward eradicating this insect through the Bureau of Entomology on the one hand, while on the other the Bureau of Plant Industry should be permitted to keep up the good work it is now doing by demonstrating actually in every locality where necessary the methods by which a crop of cotton can still be made, notwithstanding the presence of the weevil.

But what are we doing in the matter of an appropriation to be used in this great, good, and sensible cause? The answer is found on page 18 of this bill, and is contained in the following words:

For the study and demonstration of the best methods of meeting the ravages of the cotton boll weevil, \$215,155.

This is all. This is the Nation's annual contribution toward the work of solving a question so serious as to cause the Secretary of Agriculture himself to state that we suffered in the year immediately preceding that in which his last report was issued a loss of nearly \$30,000,000 in our cotton crop. And when he shall have given out his estimates as to the percentage of loss in the crop of 1909 as a result of these ravages, I feel sure that the estimate will be greater than his last.

Mr. Chairman, had I consulted my own inclination, and my own conception of a reasonable amount to be appropriated for this purpose, knowing the situation in the cotton belt as I do, it would have been far greater than the amount contained in the bill which I introduced at the beginning of this session. A half million dollars would not be a cent too much. But realizing, as I did, how little the situation in the boll-weevil section of the cotton belt was understood in this House; how difficult it was to the Members of this body who dwell in all parts of this Nation, to conceive how a small insect of this kind should require such strenuous efforts on the part of the Agricultural Department to check its ravages, I fix the amount of \$300,000 as the lowest possible amount which ought to be considered in this matter, and in my remarks to-day I have done my uttermost to lay before you the true facts in this matter; and that amount instead of \$215,155 should be accepted by the Members of this body and duly incorporated as a part of this bill. A million would not be too much if you would but pause to think of the enormous interests the Nation has at stake.

But certainly, when you have the statement of the Secretary of Agriculture that the value of the cotton crop in 1909 is second only to one other of all the various agricultural crops of this Nation; when he estimates the total value of farm products of 1909 to be approximately \$8,760,000,000, and of which this cotton crop comprises \$850,000,000, almost one-thirteenth of the total, I submit that a little over a quarter of a million dollars is a most reasonable appropriation, considering the vast extent of the territory that must be covered in the demonstration work and the importance of the matter involved. Yet out of \$13,417,136, which this measure now under consideration carries, there is not so much as one-fiftieth of that total devoted to the study of this great and grave crisis in the life of the second greatest agricultural product in value in the Nation. This great staple is now more seriously threatened than any other product ever has been. It has failed to keep pace with demand until a cotton famine may yet result, even if one is not now upon us. Such a crisis in the history of this great staple that even the conservative Secretary of Agriculture says of it:

The subject is an extremely complicated one and will require additional work for several years.

I appeal to the Members of this body from the East on behalf of this appropriation, on the ground that it is to their interest that the great white staple which supplies their looms be not reduced in yield below what the market requires for consumption.

I appeal to the Members from the North and West, on the ground that it is to their interest that the great article of clothing, which protects them and their families from cold in winter and furnishes them the more shadowy and comfortable draperies for summer wear, be not destroyed, or partially so, by withholding a just appropriation at this time.

I appeal to those of the South not yet within the confines of the boll-weevil circle, and who, now reveling in the prosperity of 15-cent cotton, may not stop to think of the shadow hanging over them; that of the silent army of strange insects which silently yet so steadily, slowly yet so surely, is marching ever, ever onward and outward, always leaving a rear guard to forage on the fields already conquered, while the advance of the outpost leads the destructive army ever onward until the Atlantic seaboard is reached and the conquest of cotton by a foreign enemy is complete.

As to the Members of this body who live in the boll-weevil territory, no appeal need be made; they know the seriousness of the situation; they fully realize that the future of the fleecy staple is in the balance and that the most serious problem that has ever confronted the cotton grower remains unsolved.

I appeal to this body as a whole not with the idea of requesting something for any particular locality, not for the benefit for one section of the country alone, but upon the ground that the appropriation sought is for a purpose entirely national in character when ultimate results are considered and the general principle underlying the reasons for appropriations in such matters of agriculture is fairly applied.

I appeal to you as a whole, not only upon the principle of Bentham "of the greatest happiness to the greatest number," but upon even a broader basis, namely, of the greatest good to every inhabitant of the entire Nation; and in the name of every consumer—whether "ultimate" or intermediate—as well as every producer of cotton I appeal to you to increase the appropriation for this good and patriotic purpose: The repelling of the invasion of our latest foreign enemy—the Mexican cotton boll weevil. [Loud applause.]

Mr. SCOTT. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and Mr. DALZELL, Speaker pro tempore, having taken the chair, Mr. CAMPBELL, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 18162, the agricultural appropriation bill, and had come to no resolution thereon.

FLOOD DISASTER IN FRANCE.

Mr. AUSTIN. Mr. Chairman, I ask unanimous consent for the present consideration of the following resolution, which I send to the Clerk's desk and ask to have read.

The Clerk read as follows:

House resolution 334.

Resolved, That the House has heard with profound regret of the great disaster caused by the recent floods in France, and is deeply stirred with sympathy for the unfortunate sufferers: And further,

Resolved, That a copy of these resolutions be delivered to the President of the United States, with the request that he communicate the same to the people of France.

The SPEAKER pro tempore. The Chair would say to the gentleman from Tennessee that, in view of the rule announced by the Speaker with respect to requests for unanimous consent, the present occupant of the chair hesitates to recognize the gentleman for that purpose in respect to this resolution. This resolution would go on the calendar, and the Chair does not think it comes within the rule adopted by the House.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted to Mr. WANGER, for three days, on account of public business.

ADJOURNMENT.

Then, on motion of Mr. SCOTT (at 5 o'clock and 13 minutes p. m.), the House adjourned.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of War recommending legislation to readjust certain fiscal relations of the Panama Railroad (H. Doc. No. 600)—to the Committee on Interstate and Foreign Commerce and ordered to be printed.

2. A letter from the Acting Secretary of the Treasury, transmitting a copy of a letter from the Acting Secretary of Commerce and Labor, submitting amendment to estimate of appropriation for the Bureau of Standards (H. Doc. No. 599)—to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. PRAY, from the Committee on the Public Lands, to which was referred the bill of the Senate (S. 2523) for the establishment of a new land district in the State of Montana, reported the same without amendment, accompanied by a report (No. 331), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. BURKE of South Dakota, from the Committee on Indian Affairs, to which was referred the bill of the House (H. R. 12437) to authorize the sale and disposition of a portion of the surplus and unallotted lands in Mellette and Washabaugh counties in the Rosebud Indian Reservation, in the State of South Dakota, and making appropriation and provision to carry the same into effect, reported the same with amendment, accompanied by a report (No. 332), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

He, also, from the same committee, to which was referred the bill of the House (H. R. 12440) to authorize the sale and disposition of the surplus and unallotted lands in Bennett County, in the Pine Ridge Indian Reservation, in the State of South Dakota, and making appropriation to carry the same into effect, reported the same with amendment, accompanied by a report (No. 333), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 6841) granting an increase of pension to Henry Mott—Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 8994) granting an increase of pension to William Pack—Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 15740) for the relief of D. M. Carman—Committee on Military Affairs discharged, and referred to the Committee on Claims.

A bill (H. R. 19363) granting a pension to Peter J. Mengel—Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 11366) granting an increase of pension to Fred A. Rudolph, sr.—Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 16826) granting a pension to Effie Flynn—Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials of the following titles were introduced and severally referred as follows:

By Mr. POINDEXTER: A bill (H. R. 19546) to amend section 1753 of the Revised Statutes of the United States, relating to the civil service—to the Committee on Reform in the Civil Service.

By Mr. PLUMLEY (by request): A bill (H. R. 19547) to regulate the appointment of pharmacists in the Public Health and Marine-Hospital Service of the United States, and to fix their pay and allowances—to the Committee on Interstate and Foreign Commerce.

By Mr. PAYNE: A bill (H. R. 19548) prescribing certain provisions and conditions under which bonds and certificates of indebtedness of the United States may be issued, and for other purposes—to the Committee on Ways and Means.

By Mr. MILLER of Minnesota: A bill (H. R. 19549) for an act abolishing warehouses for the receipt, storage, and shipment of goods for the Indian service—to the Committee on Indian Affairs.

By Mr. GOLDFOGLE: A bill (H. R. 19550) to amend section 21 of the immigration law so as to provide for the deportation of alien criminals in certain cases—to the Committee on Immigration and Naturalization.

By Mr. CARY (by request): A bill (H. R. 19551) to authorize the town of Chevy Chase, Md., to connect its water system with the water system of the District of Columbia—to the Committee on the District of Columbia.

By Mr. BARTHOLDT: A bill (H. R. 19552) providing for the transfer of certain names from the freedman roll to the roll of citizens by blood of the Choctaw and Chickasaw nations—to the Committee on Indian Affairs.

By Mr. TAYLOR of Ohio: A bill (H. R. 19553) to pension the widows and minor children of deceased soldiers and sailors of the Spanish-American war and the Philippine insurrection—to the Committee on Pensions.

By Mr. PRATT: A bill (H. R. 19554) to authorize the extension of Van Buren street NW.—to the Committee on the District of Columbia.

By Mr. KEIFER: A bill (H. R. 19555) to provide for the appointment of an additional district judge in and for the southern district of Ohio and to repeal section 2 of an act to provide for the appointment of an additional district judge in and for the southern district of the State of Ohio, approved February 25, 1907—to the Committee on the Judiciary.

By Mr. DALZELL: A bill (H. R. 19556) to provide for the erection of a public building at East Pittsburg, Pa.—to the Committee on Public Buildings and Grounds.

By Mr. AIKEN: A bill (H. R. 19557) to prohibit the sale of intoxicating liquors in the District of Columbia—to the Committee on the District of Columbia.

By Mr. SHERLEY: A bill (H. R. 19558) to authorize the Secretary of War to effect an exchange of a certain parcel of land owned by the United States for another parcel owned by the Cave Hill Cemetery Company, of Louisville, Ky.—to the Committee on Military Affairs.

By Mr. SOUTHWICK: A bill (H. R. 19559) amending an act approved June 10, 1880—to the Committee on Ways and Means.

By Mr. BURKE of Pennsylvania: A bill (H. R. 19560) to regulate and control the use of wireless telegraphy and wireless telephony—to the Committee on the Merchant Marine and Fisheries.

By Mr. HAYES: A bill (H. R. 19617) providing for an increase of the navy—to the Committee on Naval Affairs.

By Mr. HUMPHREYS of Mississippi: A bill (H. R. 19618) providing for an increase of the navy—to the Committee on Naval Affairs.

By Mr. VREELAND: A bill (H. R. 19619) to equalize the rate of taxation upon national-bank circulation secured by deposits of United States bonds with the Treasurer of the United States by national banks—to the Committee on Banking and Currency.

By Mr. AUSTIN: Resolution (H. Res. 334) expressing sympathy for the sufferers from the floods in France—to the Committee on Foreign Affairs.

By Mr. HAYES: Joint resolution (H. J. Res. 129) to provide for the transportation by sea of men, material, stores, and equipment for account of the United States, and of material, stores, and equipment for use in the construction and maintenance of the Panama Canal—to the Committee on the Merchant Marine and Fisheries.

By Mr. FOELKER: Joint resolution (H. J. Res. 130) providing an amendment to the Constitution—to the Committee on Ways and Means.

By Mr. ANDREWS: Joint resolution (H. J. Res. 131) approving certain laws of the legislative assembly of the Territory of New Mexico—to the Committee on the Territories.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions of the following titles were introduced and severally referred as follows:

By Mr. ANDERSON: A bill (H. R. 19561) granting an increase of pension to Henry Bilising—to the Committee on Invalid Pensions.

By Mr. ANDREWS: A bill (H. R. 19562) for the relief of the city of Tucumcari, county of Quay, Territory of New Mexico—to the Committee on the Territories.

By Mr. ANSBERRY: A bill (H. R. 19563) granting an increase of pension to Jacob Saul—to the Committee on Invalid Pensions.

By Mr. BELL of Georgia: A bill (H. R. 19564) granting an increase of pension to Robert C. Wallace—to the Committee on Pensions.

Also, a bill (H. R. 19565) granting an increase of pension to Herbert D. Ingersoll—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19566) granting a pension to Robert Shope—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19567) granting a pension to William Cornell—to the Committee on Pensions.

Also, a bill (H. R. 19568) for the relief of William J. Cochran—to the Committee on War Claims.

Also, a bill (H. R. 19569) for the relief of N. C. Tankersley—to the Committee on War Claims.

Also, a bill (H. R. 19570) for the relief of Joseph M. Davis—to the Committee on War Claims.

Also, a bill (H. R. 19571) for the relief of Mrs. F. E. Chandler—to the Committee on War Claims.

Also, a bill (H. R. 19572) for the relief of the heirs of W. W. W. Fleming—to the Committee on War Claims.

By Mr. BURKE of Pennsylvania: A bill (H. R. 19573) granting an increase of pension to Anna M. Benner—to the Committee on Invalid Pensions.

By Mr. BYRNS: A bill (H. R. 19574) granting an increase of pension to John Harrington—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19575) granting an increase of pension to John L. McMurtry—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19576) for the relief of Liberty Spring Missionary Baptist Church—to the Committee on War Claims.

By Mr. CARY (by request): A bill (H. R. 19577) for the relief of Frederick P. McGuire, trustee for Bessie J. Kibbey, owner of lot 75, square 628, Washington, D. C., with regard to assessment and payment of damages on account of changes of grade due to construction of the Union Station, District of Columbia—to the Committee on the District of Columbia.

Also, a bill (H. R. 19578) granting an increase of pension to Augusta Welle—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19579) granting an increase of pension to Andrew McNeil—to the Committee on Invalid Pensions.

By Mr. DALZELL: A bill (H. R. 19580) granting an increase of pension to Elizabeth H. Pearson—to the Committee on Invalid Pensions.

By Mr. FLOYD of Arkansas: A bill (H. R. 19581) granting an increase of pension to John Battenfield—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19582) granting an increase of pension to Benton Allen—to the Committee on Invalid Pensions.

By Mr. FOCHT: A bill (H. R. 19583) for the relief of John Weil—to the Committee on Military Affairs.

By Mr. FULLER: A bill (H. R. 19584) granting an increase of pension to Jackson Painter—to the Committee on Invalid Pensions.

By Mr. HANNA: A bill (H. R. 19585) granting an increase of pension to Horatio G. Carr—to the Committee on Invalid Pensions.

By Mr. HAWLEY: A bill (H. R. 19586) granting an increase of pension to Charles D. McCoy—to the Committee on Invalid Pensions.

By Mr. HAYES: A bill (H. R. 19587) granting an increase of pension to Frederick C. Hammetter—to the Committee on Invalid Pensions.

By Mr. HOWELL of New Jersey: A bill (H. R. 19588) granting a pension to Lydia Hunt—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19589) granting a pension to Benjamin F. Vaughn—to the Committee on Invalid Pensions.

By Mr. JAMES: A bill (H. R. 19590) for the relief of the estates of John H. Stovall, William Hughes, and Timothy L. Hughes—to the Committee on War Claims.

Also, a bill (H. R. 19591) for the relief of the estate of J. Milton Best, deceased—to the Committee on War Claims.

Also, a bill (H. R. 19592) for the relief of the estate of Leander Johnsey, deceased—to the Committee on War Claims.

Also, a bill (H. R. 19593) for the relief of the estate of Mary H. S. Robertson, deceased—to the Committee on War Claims.

By Mr. KENNEDY of Ohio: A bill (H. R. 19594) granting an increase of pension to Albin Irely—to the Committee on Invalid Pensions.

By Mr. KINKAID of Nebraska: A bill (H. R. 19595) to grant title in fee to Fred G. Smith and Lula Smith to the east half of the southwest quarter and the east half of the northwest quarter of section 7, township 24 north, range 13 west, sixth principal meridian, to which George Smith, deceased, made homestead entry—to the Committee on the Public Lands.

By Mr. LANGHAM: A bill (H. R. 19596) granting an increase of pension to Samuel A. Craig—to the Committee on Invalid Pensions.

By Mr. MADDEN: A bill (H. R. 19597) granting a pension to John Finucane—to the Committee on Invalid Pensions.

By Mr. MANN: A bill (H. R. 19598) granting an increase of pension to James J. C. White—to the Committee on Invalid Pensions.

By Mr. MARTIN of Colorado: A bill (H. R. 19599) to remove the charge of desertion from the military record of Charles Coburn and to grant him an honorable discharge—to the Committee on Military Affairs.

By Mr. MAYS: A bill (H. R. 19600) granting an increase of pension to David G. Connell—to the Committee on Pensions.

By Mr. MOON of Pennsylvania: A bill (H. R. 19601) to correct the naval record of James C. Johnson—to the Committee on Naval Affairs.

By Mr. A. MITCHELL PALMER: A bill (H. R. 19602) granting an increase of pension to Henry Zellner—to the Committee on Invalid Pensions.

By Mr. PAYNE: A bill (H. R. 19603) granting an increase of pension to George H. Brill—to the Committee on Invalid Pensions.

By Mr. PUJO: A bill (H. R. 19604) to remove the charge of desertion from the military record of Zephania Squyres—to the Committee on Military Affairs.

Also, a bill (H. R. 19605) to remove the charge of desertion from the military record of Bernard Curley—to the Committee on Military Affairs.

By Mr. REID: A bill (H. R. 19606) for the relief of Mary E. Stout—to the Committee on War Claims.

By Mr. RHINOCK: A bill (H. R. 19607) granting an increase of pension to George G. Hughes—to the Committee on Invalid Pensions.

By Mr. SABATH: A bill (H. R. 19608) granting an increase of pension to Jacob Zimmermann—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19609) granting an increase of pension to Valentine Schwartz—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19610) for the relief of Peter Clark—to the Committee on Military Affairs.

By Mr. SCOTT: A bill (H. R. 19611) granting an increase of pension to William B. Cooper—to the Committee on Invalid Pensions.

By Mr. SISSON: A bill (H. R. 19612) for the relief of the legal representatives of John Lewis Tindall, deceased—to the Committee on War Claims.

By Mr. WALLACE: A bill (H. R. 19613) to correct the military record of Erastus Coyle—to the Committee on Military Affairs.

By Mr. COLLIER: A bill (H. R. 19614) for the relief of heirs of Peter J. Mosley, deceased—to the Committee on War Claims.

Also, a bill (H. R. 19615) for the relief of heirs of Benjamin Garrett—to the Committee on War Claims.

By Mr. COOPER of Pennsylvania: A bill (H. R. 19616) granting an increase of pension to John Dugan—to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. ANDERSON: Paper to accompany bill for relief of H. H. Cunningham—to the Committee on Invalid Pensions.

By Mr. ANDRUS: Petition of Charles E. Gorton and others, of Yonkers, N. Y., against postal savings banks—to the Committee on the Post-Office and Post-Roads.

By Mr. ASHBROOK: Paper to accompany bill for relief of William Hendricks—to the Committee on Invalid Pensions.

Also, petition of Charles A. Cook and 215 other soldiers, for increase of civil-war soldiers' pensions, as per National Tribune bill—to the Committee on Invalid Pensions.

By Mr. BELL of Georgia: Paper to accompany bill for relief of Mrs. Mary Whilchel—to the Committee on Pensions.

Also, paper to accompany bill for relief of John C. Addison—to the Committee on War Claims.

By Mr. BYRNS: Papers to accompany bills for relief of John L. McMurtry and John Harrington—to the Committee on Invalid Pensions.

By Mr. COLLIER: Papers to accompany bills for relief of estate of Benjamin Garrett and heirs of estate of Peter J. Moseley—to the Committee on War Claims.

By Mr. CARY: Petition of Licensed Tugmen's Protective Association, Tug Linesmen and Firemen's Association, Dredge-workers' Association, and International Longshoremen and Transport Workers' Association, against purchase of a government dredge for east coast of Lake Michigan—to the Committee on Rivers and Harbors.

Also, petition of Robert Chivas Post, No. 2, Department of Wisconsin, Grand Army of the Republic, against acceptance of the Lee statue for Statuary Hall—to the Committee on the Library.

Also, petition of Publishers and Printers' Trade of Chicago, against increase of postage on second-class mail matter—to the Committee on the Post-Office and Post-Roads.

By Mr. COOK: Petition of Manufacturers' Association of York, Pa., favoring certain amendments of the corporation-tax clause in the Payne tariff bill—to the Committee on Ways and Means.

Also, petition of Philadelphia Foundrymen's Association, against section 38 of the tariff law—to the Committee on Ways and Means.

Also, petition of the Commercial Exchange of Philadelphia, against House bill 16362, relative to tonnage dues—to the Committee on the Merchant Marine and Fisheries.

By Mr. DALZELL: Petition of citizens of Pennsylvania, against postal savings banks—to the Committee on the Post-Office and Post-Roads.

Also, petitions of Philadelphia Foundrymen's Association and Manufacturers' Association of York, Pa., for modification of the publicity clause of the corporation-tax law—to the Committee on Ways and Means.

Also, paper to accompany bill for relief of Mrs. Elizabeth H. Pearson—to the Committee on Invalid Pensions.

By Mr. DRAPER: Petition of publishing and printing trade of Chicago, against increasing postage on second-class mail matter—to the Committee on the Post-Office and Post-Roads.

By Mr. FLOYD of Arkansas: Papers to accompany House bill 18889, relative to forest reserve in Van Buren County, Ark.—to the Committee on the Public Lands.

Also, papers to accompany bills for relief of Benton Allen, John Battenfield, and Fannie Brasel—to the Committee on Invalid Pensions.

By Mr. FOCHT: Paper to accompany bill for relief of Emanuel Sassaman (H. R. 18960)—to the Committee on Military Affairs.

By Mr. FULLER: Paper to accompany bill for relief of Jackson Painter—to the Committee on Invalid Pensions.

Also, petition of Hibbard, Spencer, Bartlett & Co., of Chicago, Ill., favoring the repeal of the publicity feature in the corpora-

tion-tax clause of the Payne tariff bill—to the Committee on Ways and Means.

Also, petition of F. S. Burch & Co., of Chicago, Ill., in favor of certain amendments to the corporation-tax clause of the Payne tariff bill—to the Committee on Ways and Means.

By Mr. GOULDEN: Petition of New York Produce Exchange, against the Humphrey bill on tonnage dues—to the Committee on the Merchant Marine and Fisheries.

Also, petition of National Business League of America, favoring the Cullom-Sterling consular bill—to the Committee on Foreign Affairs.

By Mr. GRONNA: Petition of citizens of Hatton and Carpio, N. Dak., for legislation to more effectively regulate the liquor traffic—to the Committee on Alcoholic Liquor Traffic.

Also, petition of Commercial Club of Grand Forks, N. Dak., for appropriation to improve the Red River of the North—to the Committee on Rivers and Harbors.

By Mr. HANNA: Petition of citizens of White Earth, N. Dak., against the passage of the proposed parcels-post law—to the Committee on the Post-Office and Post-Roads.

Also, petition of citizens of Rolette, N. Dak., and vicinity, favoring House bills 1017, 2137, 2150, etc., relative to the liquor traffic—to the Committee on Alcoholic Liquor Traffic.

By Mr. HUFF: Petition of Manufacturers' Association of York, Pa., against publicity clause of corporation-tax bill—to the Committee on Ways and Means.

By Mr. HULL of Tennessee: Paper to accompany bill for relief of John L. McMurtry—to the Committee on Invalid Pensions.

By Mr. JAMES: Paper to accompany bill for relief of estates of John H. Stovall and others—to the Committee on War Claims.

By Mr. JOYCE: Petition of Everett King and others, of Dresden, Ohio, against sectarian legislation and a proposed bill relating to the observance of Sunday in the District of Columbia—to the Committee on the District of Columbia.

By Mr. KENDALL: Petition of citizens of Iowa, favoring a volunteer officers' retired list—to the Committee on Military Affairs.

By Mr. LAFEAN: Petition of residents of New Freedom, Pa., against postal savings banks—to the Committee on the Post-Office and Post-Roads.

By Mr. LAMB: Petition of citizens of Wrenceville, Va., against a postal savings-bank law—to the Committee on the Post-Office and Post-Roads.

By Mr. LOVERING: Petition of citizens of Brockton, Mass., favoring a national commission to investigate the increased cost of the necessities of life—to the Committee on Agriculture.

By Mr. MCKINNEY: Petition of citizens of Industry, Ill., against increase of postal rate on periodicals—to the Committee on the Post-Office and Post-Roads.

Also, petition of residents of La Harpe, Ill., against increasing postage on second-class mail matter—to the Committee on the Post-Office and Post-Roads.

By Mr. MANN: Petition of Chicago Post-Office Clerks' Association, favoring House bill 3680, to regulate hours of work of post-office clerks—to the Committee on the Post-Office and Post-Roads.

By Mr. MILLINGTON: Petition of Standard Furniture Company, of Herkimer; Utica and Mohawk Valley Steam Cotton Mills, of Utica; Oneida Steel Pulley Company, of Oneida; and Giblin & Co., of Utica, N. Y., against publicity features of the corporation-tax law—to the Committee on Ways and Means.

Also, petition of W. G. Twitchell and others, of Mohawk, N. Y., against S. 404, Sunday observance in the District of Columbia—to the Committee on the District of Columbia.

By Mr. MOORE of Pennsylvania: Petition of Manufacturers' Association of York, Pa., against section 38 of tariff law—to the Committee on Ways and Means.

Also, petition of Philadelphia Foundrymen's Association, against section 38 of the tariff law—to the Committee on Ways and Means.

Also, petition of National Institute of Arts and Letters, favoring participation by the United States in the Italian exposition of 1911—to the Committee on Industrial Arts and Expositions.

Also, petition of National Hardware Association of the United States, against House bill 16335—to the Committee on the District of Columbia.

Also, petition of Philadelphia Maritime Exchange, against section 4 of House bill 16362 relative to tonnage dues—to the Committee on the Merchant Marine and Fisheries.

By Mr. NORRIS: Petition of certain residents of Stevens, Nebr., against increase of postal rate on periodicals—to the Committee on the Post-Office and Post-Roads.

By Mr. PRINCE: Petition of Grand Army of the Republic Post No. 45, Galesburg, Ill., against acceptance of the Lee statue—to the Committee on the Library.

By Mr. PUJO: Paper to accompany bill for relief of Bernard Curley—to the Committee on Military Affairs.

By Mr. SABATH: Petition of Chicago Woman's Club, favoring conservation of the natural resources of the country—to the Committee on Agriculture.

Also, petition of Chicago Lodge, No. 199, Switchmen's Union of North America, against any increase of postage on second-class mail matter—to the Committee on the Post-Office and Post-Roads.

Also, petition of the allied interests of the publishing and printing trades of Chicago, against increase of rates of postage on second-class matter—to the Committee on the Post-Office and Post-Roads.

By Mr. SCOTT: Petition of citizens of Fort Scott, Kans., against an increase of the rate of postage on periodicals and against any restriction of the rural free-delivery service—to the Committee on the Post-Office and Post-Roads.

By Mr. STERLING: Paper to accompany bill for relief of Antonette Stewart (H. R. 18657)—previously referred to the Committee on Invalid Pensions, reference changed to the Committee on Pensions.

By Mr. TAYLOR of Ohio: Petition of David C. Biggs and others, citizens of Columbus, Ohio, for repeal of the corporation-tax law—to the Committee on Ways and Means.

Also, petition of John L. Tranger and others, citizens of Columbus, Ohio, favoring postal savings bank law—to the Committee on the Post-Office and Post-Roads.

By Mr. THOMAS of North Carolina: Petition of citizens of Mount Olive, N. C., against increase of postal rate on periodicals—to the Committee on the Post-Office and Post-Roads.

By Mr. VREELAND: Petition of Sinclairville Grange, No. 401, Patrons of Husbandry, against any change in oleomargarine law—to the Committee on Agriculture.

SENATE.

FRIDAY, January 28, 1910.

Prayer by the Chaplain, Rev. Ulysses G. B. Pierce, D. D.

The Journal of yesterday's proceedings was read and approved.

RAILROAD LANDS IN OREGON.

The VICE-PRESIDENT laid before the Senate a communication from the Attorney-General, stating that in order to comply with the provisions of the resolution adopted by the Senate on the 24th instant relative to railroad lands in Oregon, it will be necessary to secure certain detailed information from that State, and that as soon as such information is received it will be prepared and transmitted to the Senate (S. Doc. No. 334), which was referred to the Committee on Public Lands and ordered to be printed.

LIST OF JUDGMENTS.

The VICE-PRESIDENT laid before the Senate a communication from the Secretary of the Treasury, transmitting a list of judgments rendered by the Court of Claims amounting to \$10,393.32, which have been presented to the Treasury Department and require an appropriation for their payment (S. Doc. No. 337), which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

LIST OF CLAIMS.

The VICE-PRESIDENT laid before the Senate a communication from the Secretary of the Treasury, transmitting, pursuant to law, schedules of claims amounting to \$90,965.90 allowed by the several accounting officers of the Treasury Department under appropriations, the balances of which have been exhausted or carried to the surplus fund under the provisions of section 51 of the act of June 30, 1874 (S. Doc. No. 333), which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

FINDINGS OF THE COURT OF CLAIMS.

The VICE-PRESIDENT laid before the Senate communications from the assistant clerk of the Court of Claims, transmitting certified copies of the findings of fact filed by the court in the following causes:

T. J. Coagar v. United States (S. Doc. No. 335); and William Erskine, administrator of the estate of John M. Doddridge, deceased, v. United States (S. Doc. No. 336).

The foregoing causes were, with the accompanying papers, referred to the Committee on Claims and ordered to be printed.