By Mr. CLARK of Missouri: A bill (H. R. 18614) granting an increase of pension to Archibald F. Bottoms; to the Committee on Invalid Pensions.

By Mr. CLAYPOOL: A bill (H. R. 18615) granting an increase of pension to Joshua D. Smith; to the Committee on Invalid Pensions.

By Mr. KENNEDY of Connecticut: A bill (H. R. 18616) granting an honorable discharge to Thomas McCarthy; to the Committee on Military Affairs.

By Mr. LONERGAN: A bill (H. R. 18617) for the relief of William Dixon; to the Committee on Military Affairs.

By Mr. MURDOCK: A bill (H. R. 18618) granting an increase of pension to George E. Harris; to the Committee on Invalid Pensions.

By Mr. NEELEY of Kansas: A bill (H. R. 18619) granting a pension to William W. Peyton; to the Committee on Pensions.

Also, a bill (H. R. 18620) granting a pension to Edward Sheehan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18621) granting a pension to Allen Sigler; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18622) granting a pension to James Kinser; to the Committee on Invalid Pensions.

By Mr. SMITH of Idaho: A bill (H. R. 18623) granting a pension to John Shanks; to the Committee on Pensions.

By Mr. SMITH of New York: A bill (H. R. 18624) for the relief of the Lackawanna Steel Co.; to the Committee on Claims.

By Mr. TEN EYCK: A bill (H. R. 18625) for the relief of Anthony Schnell; to the Committee on Claims.

By Mr. WICKERSHAM: A bill (H. R. 18626) granting an increase of pension to Mary E. Miller; to the Committee on Invalid Pensions.

By Mr. RAKER: A bill (H. R. 18627) to correct the military record of George F. Reid and to pay his widow, Isabella Reid, a pension; to the Committee on Military Affairs.

By Mr. FITZHENRY: A bill (H. R. 18628) granting pensions to certain enlisted men, soldiers and officers, who served in the Civil War; 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 the SPEAKER: Petition of the Chautauqua Assembly at Louisiana, Mo., urging adoption of antipolygamy resolution; to the Committee on the Judiciary.

By Mr. ASHBROOK: Petition of Mrs. M. S. McCune and other ladies of the Woman's Missionary Society of the Methodist Episcopal Church of Sulde, Ohio, protesting against the passage of House bill 16804, relative to railroad tracks opposite Sibley Hospital in Washington, D. C.; to the Committee on Interstate and Foreign Commerce.

By Mr. BRUCKNER: Petition of the Washington Heights Taxpayers' Association, relative to proposed improvement of the United States ship canal at Spuyten Duyvil; to the Committee on Rivers and Harbors.

Also, petition of District Grand Lodge No. 1, Independent Order B'nai B'rith, against literacy test in immigration; to the Committee on Immigration and Naturalization.

Also, petition of the National Child Labor Committee, favoring passage of House bill 12292, relative to reform in child labor; to the Committee on Labor.

Also, petition of the American Optical Association, favoring the passage of the Stevens bill, House bill 13305; to the Committee on Interstate and Foreign Commerce.

Also, petition of Sam S. Brewer, of New York, against national prohibition; to the Committee on Rules.

By Mr. BURKE of Wisconsin (by request): Petition of the Woman's Christian Temperance Union of Fort Atkinson, Wis., favoring national prohibition; to the Committee on Rules.

By Mr. CARY: Petition of various manufacturers of Wisconsin relative to importation of chemicals, etc., from foreign countries now at war; to the Committee on the Merchant Marine and Fisheries.

By Mr. FRANCIS: Petition of the Methodist Protestant Christian Endeavor Society of Steubenville, Ohio, favoring national prohibition; to the Committee on Rules.

By Mr. KAHN: Petition of H. L. Judell & Co. and the Retail Cigar Dealers' Association of San Francisco, Cal., protesting against any additional revenue tax on cigars; to the Committee on Ways and Means.

By Mr. LONERGAN: Petition of certain citizens of Branford, Conn., in favor of consideration of the woman-suffrage amendment at the present session of Congress; to the Committee on Rules.

By Mr. McGILLICUDDY: Petitions of various business men of Waldoboro, Damariscotta, South Bristol, Boothbay, Bath, and Stonington, all in the State of Maine, favoring passage of House bill 5308, relative to taxing mail-order houses; to the Committee on Ways and Means.

By Mr. MAGUIRE of Nebraska: Petitions of various business men of Barada, Shubert, Brownville, and Peru, all in the State of Nebraska, favoring the passage of House bill 5308, relative to taxing mail-order houses; to the Committee on Ways and Means.

By Mr. MERRITT: Petition of Lucy Skerry, of Bangor, N. Y., favoring the appointment of a national motion-picture commission; to the Committee on Education.

Also, petition of Mr. James Skerry, of Bangor, N. Y., favoring national prohibition; to the Committee on Rules.

Also, petition of Mr. James Skerry, of Bangor, N. Y., urging the appointment of a national motion-picture commission; to the Committee on Education.

Also, petition of Lucy Skerry, of Bangor, N. Y., favoring national prohibition; to the Committee on Rules.

By Mr. MURRAY of Oklahoma: Petitions of various Sunday schools of Kay County, Hunter, Tipton, Caddo County, Oklahoma City, Cherokee, the Presbyterian Church of Tulsa and Christian Endeavor Society of Tulsa, and the United Brethren in Christ Sunday School at Dacoma, all in the State of Oklahoma, favoring national prohibition; to the Committee on Rules.

By Mr. NEELEY of Kansas: Petition of various business men of Bucklin, Kans., favoring House bill 5308, to tax mail-order houses; to the Committee on Ways and Means.

By Mr. RAKER: Petition of the San Francisco (Cal.) Retail Cigar Dealers' Association, against proposed revenue tax on tobacco; to the Committee on Ways and Means.

Also, petition of sundry citizens of Altemas, Modoc County, Cal., for a post-office building at Altemas, Cal., signed by 589 patrons of the United States post office, to accompany H. R. 18554; to the Committee on Public Buildings and Grounds.

Also, petition of the Master Roofers and Manufacturers' Association, of San Francisco, Cal., against passage of Clayton antitrust bill at present time; to the Committee on the Judiciary.

By Mr. REED: Petition of the Manchester (N. H.) Branch of the German National Alliance, favoring disapproval by United States Government of Japan's participation in the European war; to the Committee on Foreign Affairs.

By Mr. STAFFORD: Memorial of various manufacturers of Wisconsin, relative to importation of chemicals from Germany; to the Committee on the Merchant Marine and Fisheries.

By Mr. WILLIS: Petition of C. A. Burrows, of Lancaster, Pa., in favor of adoption of House bill 4352, relative to old-age pensions; to the Committee on Pensions.

Also, petition of Cecil Carpenter and other citizens of Ostrander, Ohio, in favor of House joint resolution 168, relative to national prohibition; to the Committee on Rules.

Also, petition of International Union of Journeymen Horseshoers of America, against the passage of House joint resolution 168, relative to national prohibition; to the Committee on Rules.

Also, petition of Viola Cole and other citizens of Kilbourne, Ohio, in favor of House joint resolution 168, relative to national prohibition; to the Committee on Rules.

SENATE.

TUESDAY, *September 1, 1914.*

(*Legislative day of Tuesday, August 25, 1914.*)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

PROPOSED ANTITRUST LEGISLATION.

The VICE PRESIDENT. The Senate resumes the consideration of the unfinished business.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

The VICE PRESIDENT. The pending question is on the amendment of the Senator from Iowa [Mr. KENYON] to the amendment of the Senator from Missouri [Mr. REED].

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

The VICE PRESIDENT. The Secretary will call the roll.

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

Ashurst	Chamberlain	Hitchcock	Kern
Bryan	Chilton	Hollis	Lane
Burton	Culberson	Jones	Lea, Tenn.
Camden	Gallinger	Kenyon	Lewis

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McCumber	Perkins	Smith, Md.	Vardaman
McLean	Pittman	Smith, Mich.	Walsh
Martin, Va.	Ransdell	Smoot	White
Martine, N. J.	Reed	Sterling	Williams
Nelson	Sheppard	Swanson	
O'Gorman	Shively	Thomas	
Overman	Simmons	Thornton	

Mr. SMOOT. I desire to announce the unavoidable absence of my colleague [Mr. SUTHERLAND]. He has a general pair with the senior Senator from Arkansas [Mr. CLARKE]. I will allow this announcement to stand for the day.

The VICE PRESIDENT. Forty-one Senators have answered to the roll call. There is no quorum present. The Secretary will call the roll of the absentees.

The Secretary called the names of the absent Senators, and Mr. CLARK of Wyoming, Mr. COLT, Mr. SHIELDS, and Mr. THOMPSON answered to their names when called.

Mr. CUMMINS entered the Chamber and answered to his name.

Mr. CLARK of Wyoming. I desire to announce the unavoidable absence of my colleague [Mr. WARREN]. He is paired with the senior Senator from Florida [Mr. FLETCHER].

Mr. DILLINGHAM entered the Chamber and answered to his name.

Mr. DILLINGHAM. I wish to announce the absence of my colleague [Mr. PAGE] on account of illness in his family.

Mr. BRADY, Mr. FLETCHER, Mr. POMERENE, Mr. NORRIS, and Mr. LEE of Maryland entered the Chamber and answered to their names.

Mr. McCUMBER. I wish to announce the unavoidable absence of my colleague [Mr. GRONNA], who will in all probability be absent during the entire week. Therefore I make the statement at this time.

The VICE PRESIDENT. Fifty-two Senators have answered to the roll call.

The Senate will pardon the Chair for making a statement just now. For the last three or four days it has been impossible on the part of the Chair to hear responses of Senators to the roll call and the Chair would request Senators when the roll is called to speak out loud. It has been impossible two or three times for the Chair to tell on which side a Senator has voted.

Mr. NELSON. I have here a copy of the decision in the United States District Court for the District of Minnesota, recently made in the International Harvester Trust case. I ask that it be printed as a Senate document. (S. Doc. No. 569.)

The VICE PRESIDENT. Is there objection?

Mr. SMOOT. Was not that decision printed a little while ago?

Mr. NELSON. No; that was a different case. This is a decision that was lately made.

The VICE PRESIDENT. Without objection, it is so ordered. The question is on the amendment of the Senator from Iowa [Mr. KENYON] to the amendment of the Senator from Missouri [Mr. REED].

Mr. KENYON. I offer an amendment to the amendment of the Senator from Missouri in the form in which I send it to the desk.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The SECRETARY. Add at the end of the amendment proposed by the Senator from Missouri [Mr. REED] the following proviso:

Provided, That at least 90 days before commencing suit the attorney general of the State has requested the Attorney General of the United States to bring such suit, and such request has not been complied with by the Attorney General of the United States, and said Attorney General of the United States shall have the right to appear and participate in said suit with said attorney general of the State.

Mr. SMOOT. May I ask the Secretary to read the amendment as originally proposed by the Senator from Missouri, so that we may have both together?

The VICE PRESIDENT. It will be read.

The SECRETARY. The Senator from Missouri proposes to add a new section to the bill, as follows:

SEC. —. That the attorney general of any State may, at the cost of the State, bring suit in the name of the United States to enforce any of the antitrust laws.

Mr. CUMMINS. Mr. President, I desire to ask a question of the Senator from Missouri. Does the Senator from Missouri understand that this amendment would in any wise change the jurisdiction of the State courts. That is to say, is it the purpose to allow the attorney general of a State to bring a suit for the enforcement of the antitrust law in the courts of his State?

Mr. REED. I do not think the mere fact that the attorney general brought the suit would in any manner affect the place of bringing the suit. It was not my purpose to in any manner affect that question.

Mr. CUMMINS. At the present time, of course, a suit can only be maintained in the courts of the United States. I think we will all agree that in order to preserve uniformity in the decisions the course heretofore pursued ought to be continued. I was a little fearful that the amendment of the Senator from Missouri might be construed to destroy that exclusive jurisdiction of the Federal courts.

Mr. REED. I think not. I think that would require an express provision, and this law, in my judgment, would be given the same construction that is given to many other similar laws. To illustrate, if the Senator will permit me, it is now the law in a great many States that the attorney general may bring suits of ouster, quo warranto proceedings, and so forth, and the primary jurisdiction is vested in him to bring those suits; but it is also frequently provided that the prosecuting attorney may bring such suits in the name of the State. That does not affect the jurisdiction; it does not change the power of the court; it does not vest a court with jurisdiction which did not previously have it; but it simply provides a new way of initiating litigation.

Mr. CUMMINS. I have not examined it enough to even question the conclusion of the Senator from Missouri, but I had no doubt he had thought about it sufficiently to know whether it by any possibility could have that effect.

Mr. CULBERSON. Mr. President, I will ask the Senator from Missouri what effect his amendment will have upon section 13 of the bill, which is but section 4 of the act of 1890. Section 13, I repeat, is but a repetition of section 4 of the Sherman law of 1890, changed to meet the fact that circuit courts have been abolished and district courts inaugurated in their stead.

Mr. REED. I think the solitary effect would be this, that whereas section 13 now reads—

That the several district courts of the United States are hereby invested with jurisdiction to prevent and restrain violations of this act, and it shall be the duty of the several district attorneys of the United States, in their respective districts, under the direction of the Attorney General, to institute proceedings in equity to prevent and restrain such violations—

If this section was added section 13 would, in effect, read in this wise:

That it shall be the duty of the several district attorneys of the United States, in their respective districts, under the direction of the Attorney General, to institute proceedings in equity to prevent and restrain such violations. In the event the district attorney shall not, within 90 days after he has been requested to bring such proceedings by the attorney general of any State, bring the same, then in that event the attorney general of the State may institute the proceedings.

The sections are not in conflict at all.

Mr. CHILTON. Mr. President——

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from West Virginia?

Mr. REED. I do.

Mr. CHILTON. I should like to ask the Senator what would be the situation presented and what would be the possible outcome if there should be a diversity of opinion between the attorney general of the State who had instituted the suit and the Attorney General of the United States as to its conduct thereafter? Does not the Senator see that it might bring a conflict of authority as to what ought to be done and some one should have the final say as to what should be the outcome of the suit? For instance, the attorney general of the State might see fit to dismiss the suit and the Attorney General of the United States would say, "No; go ahead with it." Of district attorneys there are—I do not know how many—probably 75 or 100, all over the United States. There is at least one in each State and in some of the States two or three or more, there being one for each district. Does not the Senator think that it is ample to vest the enforcement in the district attorneys and let them be under the general supervision of the Attorney General, whereas if you have the attorney general of the State in addition you have an officer that the Attorney General of the United States can not control, and therefore very probably the Attorney General of the United States might lose control of these suits in some of the cases.

Mr. REED. I am intending to accept the amendment offered by the Senator from Iowa [Mr. KENYON], and I am intending to ask that it be further amended by adding the words "and to control the prosecution," so that the Attorney General would be given the control.

Mr. President, answering the question of the Senator, I will say, of course, if I believed that the Attorney General ought absolutely to control this litigation and should alone be intrusted with the enforcement of all these laws, if I were content with that, I should not have offered this amendment. I am not content with it; I have never been content with it from the day

the Sherman law was written unto this hour, and there is not a man in the United States who wants to really enforce those laws who can conscientiously say that he is contented with the enforcement we have had.

In reply to the Senator from West Virginia I will say that if the amendment of the Senator from Iowa is accepted as suggested, it amounts simply to this: That the Attorney General can control all litigation; he is given the first right to initiate it, then he is given the opportunity to stop it and to control it; but there is this important difference: If he does not initiate the litigation within 90 days, it can then be initiated by the attorney general of a State; the litigation is there on the books and is before the public. If the Attorney General takes the responsibility of dismissing the litigation, he must do so in view of those circumstances. It is a very different proposition from the present one, which is that nobody can start this litigation except the Attorney General, and he can keep it locked up in his office or locked up in his bosom for any period of time, however long or indefinite.

This amendment gives the power of initiation to the attorneys general of the various States; it puts 46 watchdogs on guard—I use the term "watchdog" respectfully, of course—instead of merely one man. It at the same time will leave in the hands of the Attorney General a complete control of the situation. If he takes the responsibility of dismissing the litigation, he can do so, knowing that he will very likely be criticized if he is wrong.

Mr. CUMMINS. Mr. President, I suggest to the Senator from Missouri, out of abundant caution, an amendment to his proposal. It will be noticed that in section 14, the section in which we extend to anyone injured injunctive relief under the antitrust laws, we say:

SEC. 14. That any person, firm, corporation, or association shall be entitled to sue for and have injunctive relief in any court of the United States having jurisdiction over the parties.

I confess to a little fear that if those words are not in this amendment it might create embarrassment.

Mr. REED. I am willing to accept them.

Mr. CUMMINS. So I suggest that, after the words "United States," in line 3 of the Senator's amendment, there should be inserted "in any court of the United States having jurisdiction over the parties." It will then be in harmony with the language of section 14.

Mr. REED. I accept the amendment.

Mr. NELSON. Mr. President, will the Senator from Missouri allow me to make a suggestion?

Mr. REED. Certainly.

Mr. NELSON. If the amendments offered by the two Senators from Iowa are agreeable to the Senator from Missouri, I would suggest that they be incorporated in one amendment. Then, we need have but one vote.

Mr. REED. That is what I intend to do.

Now, I desire to accept the amendment offered by the junior Senator from Iowa [Mr. KENYON], and to further amend the amendment by adding the words at the end of the amendment:

And the Attorney General of the United States shall have the right to control the prosecution.

I ask that the entire amendment shall be stated as modified.

Mr. KENYON. Mr. President, that simply means that when the Attorney General of the United States is requested by the attorney general of a State to bring a suit under certain facts and circumstances which the attorney general of the State thinks constitute a violation of the antitrust act, if the Attorney General of the United States does not do that, and the attorney general of the State, at the expiration of 90 days, brings that action, the Attorney General of the United States, under the change which the Senator from Missouri now makes in his amendment, may step in and dismiss the suit. I do not think that ought to be done.

Mr. REED. Mr. President, that is not in accordance with my real desire. I want to get this amendment so framed that at least the right of initiation shall be preserved to the States.

Mr. KENYON. I think that is right; but the Attorney General of the United States, having had the opportunity to bring the suit and to control the case by bringing it within 90 days, if he does not do that, and the attorney general of the State brings the suit, the Attorney General of the United States ought not to have the power to dismiss it.

Of course, if the Senator from Missouri puts those words into his amendment, I can not help it; but I think the amendment as at first suggested by him was better.

Mr. CHILTON. Mr. President, I want to ask the Senator from Iowa a question before he takes his seat. Does the Senator from Iowa mean to say that under his amendment there can be a stage in such a suit at which the Attorney General of the United States has no power to control, no power to prosecute, and no power to dismiss? Is it possible he means that?

Mr. KENYON. That is exactly what I mean. The Senator from West Virginia does not mistake the purpose at all. If the Attorney General has had the opportunity to bring a suit and neglects to do so, and the attorney general of a State has investigated the matter and as a result of his investigation brings the suit, he ought to have the right to go ahead and finish with it. The State is paying the cost all the time, and no attorney general of a State would proceed with a suit when it would involve his State in great expense if he had no substantial case; but under the amendment as changed by the Senator from Missouri the Attorney General of the United States would have the right to dismiss the suit.

Mr. CHILTON. In other words, Mr. President, section 13 gives the various United States district attorneys in the States the power, under the direction of the Attorney General of the United States, to enforce this law, and the amendment would give the attorneys general of the States a greater power than we give to the regularly appointed and employed counsel of the United States in the various districts. It seems to me that this is not only an innovation but a most dangerous experiment.

Mr. NORRIS. Mr. President, I hope the Senator from Missouri will not make the change which he has intimated he desires to make. It seems to me that the effect of the change will be to nullify in all practical effect the amendment which he has proposed and with which I am in entire accord. I should like to call his attention to the fact that his amendment provides that the prosecutions contemplated will be brought at the expense of the States. It strikes me that if after a suit is instituted by the attorney general of a State you then give the power to the Attorney General of the United States to control the case and to manage it, you have practically nullified the purpose sought to be obtained, and that no attorney general of a State would want to get his State involved in a case the control of which he would absolutely lose.

There can be no objection, in my judgment, on the part of the Attorney General of the United States to the attorney general of a State having control, because before the attorney general of a State can get control or can institute proceedings he must give the Attorney General of the United States 90 days' notice, and the Attorney General of the United States during that time has it within his power to go ahead; but when he fails to do so and the attorney general of the State, at the expense of the State, commences the suit, then it seems to me that it is not right to take the control of that case away from the attorney general of the State.

Mr. REED. Mr. President, answering the Senator, I would be very willing——

Mr. SMITH of Michigan. Mr. President, the object sought by the Senator from Missouri is to insure prosecutions under the antitrust laws. If 90 days elapse, the Attorney General of the United States is entirely out of the affair if the suggestion of the Senator from Nebraska prevails, and the attorney general of a State may assume jurisdiction and authority over the case, and from that moment the Attorney General of the United States has no influence or authority over the proceeding. Now, I should like to ask the Senator from Missouri what Attorney General of the United States, who has a proper motive in refusing to take the initiative, would consent to waive jurisdiction over a case by allowing the 90-day period to elapse?

If the Senator from Missouri were Attorney General of the United States, and felt that a prosecution of a given cause under this act was not desirable at the time proposed, would he yield to a State officer the power he would not exercise himself? The Senator from Missouri, as such Attorney General, would not remain quiet and permit any other authority to institute proceedings, and thus hamper his general plan of proceedings. He can begin the case very easily by filing the first paper and get control of the case, thus depriving the State of the power to move in the matter. It seems to me that the amendment is calculated to add confusion and lack of symmetry and purpose to the work of the Department of Justice, which has been specially created for this work. In a sense the Attorney General of the United States is a semijudicial officer, and his authority can not be ruthlessly disregarded without a reflection upon his title.

If I were Attorney General of the United States and the attorney general of the State of Missouri threatened to institute suit, and I had a good reason for not acquiescing in his action, I should take charge of that litigation and hold it in statu quo until I felt that it was proper and expedient to proceed, thus rendering the amendment of no potency whatever.

There ought to be some way of enforcing obedience of the antitrust laws, but I seriously question whether the method proposed by the Senator from Missouri will be found to be practicable in that regard.

Mr. REED. Mr. President, does the Senator address the question to me?

Mr. SMITH of Michigan. I presume it is not a question.

Mr. REED. I have only a few minutes left, but if I may answer in the Senator's time, I should be very glad to reply now; otherwise I will wait until I may have another opportunity.

Mr. SMITH of Michigan. I would be very glad if the Senator would take the time I have left.

Mr. SHAFROTH. Mr. President——

Mr. REED. I was asked a question by the Senator from Nebraska, and then a question, I take it, was propounded by the Senator from Michigan. If the Senator from Colorado will wait a moment, I will yield to him.

Answering both the Senator from Nebraska and the Senator from Michigan, I desire to say, first, that I recognize the fact that the amendment last suggested by me will, of course, weaken the power of the attorneys general of the States; I recognize the fact that the Attorney General of the United States could, after litigation had been initiated by them, go into court and stop it; but he would have to take the responsibility of going into court and stopping a case brought by the legal representative of a great State, and he would hesitate about doing that. Therefore I think there will still be left in the provision virility enough to fully warrant its adoption. At the same time, if the attorney general of a State were to be engaged in some utterly bad piece of work, the Attorney General of the United States would restrain him.

Now, answering the question of the Senator from Michigan, I think the great trouble with the enforcement of the antitrust act lies in the fact that the various Attorneys General of the United States—I think there is no exception to the rule—have so hesitated about initiating litigation that the enforcement of the antitrust act has been to a large extent, until very recent years, practically nullified. They have seemed to be of the opinion that no case should ever be brought until they had made a preparation so complete, so perfect, and so absolute that they thought there was no conceivable or possible escape, with the result springing from that policy that they have brought but very few cases. We are told to-day that there are over a thousand combinations in restraint of trade; I have no doubt that is an understatement rather than an overstatement; and yet there are now pending a total of 46 cases in all the United States—46 cases, old and new, in the Supreme Court and in the nisi prius courts in the entire country.

Answering again the inquiry of the Senator from Michigan, as to what good would come from it and how it would stimulate, recognizing that the Attorneys General have always pursued the policy I have just indicated, I think an Attorney General might very well be heard to say: "I do not feel like bringing this suit; but if you desire to take the responsibility, and your State desires to pay the costs and test this thing out, I have no objection."

That, to my mind, presents a very practical question, and one which I think, in its practical application, will result in much good.

Mr. POMERENE. Mr. President, does the Senator feel that the attorney general of a State would have the power to expend the State's money in litigation which was begun under a Federal law without some additional State legislation to that effect?

Mr. REED. That will depend absolutely upon the laws of each State and upon the authority which has been conferred upon the attorneys general under the laws of the respective States. If we pass this bill, and there is any lack of authority, it can be speedily supplied by those States desiring to avail themselves of this privilege; but I think there are undoubtedly States where the attorney general has broad power, and where he can bring any suit in any way he pleases, so long as he is, in fact, bringing it for the benefit of the citizens of the State.

The Senator from Colorado desired to ask me a question.

Mr. SHAFROTH. Mr. President, when I rose the Senator was being appealed to by various Senators to modify and change his amendment. I was going to appeal to him not to change the amendment as suggested by the Senator from Iowa, because I believe there should be a power in the United States Government to control this litigation, even if it is commenced by the attorney general of a State. I feel that without that power being vested in the Attorney General of the United States considerable harm and wrong might be done, whereas I believe it has some virility in it by reason of the fact that if the attorney general of a State shall present to the Attorney General of the United States a request to commence a suit, and he fails to do it, and then the attorney general of the State begins the suit, it would be a bold Attorney General of the United States who would attempt to come in and say, "I will not let that suit be prosecuted."

For those reasons it seems to me that the amendment of the Senator, as it is now, is far preferable to the suggestion that was made to eliminate part of it.

Mr. GALLINGER. Mr. President, on yesterday, with a good deal of trepidation and my usual modesty, I propounded a couple of questions to the distinguished lawyers who are advocating this change. The responses that were made were not at all satisfactory to my mind. At least they did not lead me to believe that this is wise legislation, and I do not believe it now.

I am unable to work out in my mind the necessity that exists for this innovation. We have a Department of Justice of the United States, and that department has never asked for an appropriation since I have been in public life that it has not received. We have been not only generous but almost profligate in our appropriations to the Department of Justice. We are supposed to have a man at the head of that department who will do his duty. We have just confirmed a new man for that position, vouched for by eminent lawyers as a man of ability, integrity, and devotion to public duty. In that department we have a Solicitor General, an Assistant to the Attorney General, 6 Assistant Attorneys General, 3 special Assistant Attorneys General, 23 attorneys, 13 assistant attorneys, 12 special assistant attorneys, and 48 United States district attorneys distributed among the several States.

Mr. CHILTON. More than that.

Mr. GALLINGER. And, as has been suggested to me *sotto voce* by the Senator from Utah [Mr. SMOOT], in the last appropriation bill there were appropriations made for additional help in that department; and I apprehend that the great lump sum we give that department enables the Attorney General to employ further help if it is needed.

Mr. President, we have likewise created a Federal Trade Commission, which will be an expensive luxury before we get through with it, that takes jurisdiction over some of these cases at least, or some phases of this antitrust legislation; and I suppose the Interstate Commerce Commission deals with a certain class of cases that might well come under this head.

Why should we go into the States, ignoring the United States district attorneys, who are there to do this work under the direction of the Attorney General of the United States, and take the attorneys general of the several States and impose this duty upon them? I do not know how it may be in other States, but I know that in the little State which I in part represent our attorney general is a very hard-worked man, and we have by statute prohibited him from doing any outside work, compelling him to give his entire time to the interests of the State, which he is doing with a good deal of ability. Why that man should now be required, at the expense of the State—which, to my mind, can not be done unless we have additional legislation giving him that authority—to engage in the prosecution of cases that belong to the Department of Justice of the United States, Federal in their nature, surpasses my comprehension.

Mr. WHITE. Mr. President——

The VICE PRESIDENT. Does the Senator from New Hampshire yield to the Senator from Alabama?

Mr. GALLINGER. I yield.

Mr. WHITE. I should like to ask the Senator if the adoption of this amendment would not be a confession that the people of the United States were incapable of directing and accomplishing the purposes for which the Federal Union was formed?

Mr. GALLINGER. Why, absolutely so, from my viewpoint. I am speaking now, as I said yesterday, as a layman. From my viewpoint it is an absolute confession of our inability through the Department of Justice to prosecute the suits that belong to that department.

Mr. WHITE. A further question: If this amendment is correct in principle, should we not also enact a law saying that whenever the governor of any State differs with the President of the United States about the enforcement of Federal laws or handling Federal questions, the matter should be left to the governor of the State?

Mr. GALLINGER. I am inclined to think that would be equally logical. It strikes me so.

As I said in the beginning, however, I speak with trepidation on this question. I have simply been trying to interpret it as best I could, and it does not appeal to me as wise legislation. It looks to me as though it is going to create a great deal of

confusion. As it was in the original amendment submitted by the Senator from Missouri, I saw this possible confusion: That the attorney general of the State of New Hampshire would proceed to prosecute a case under the antitrust laws; the attorney general of Missouri would start a prosecution of the same nature touching the same offense; the State of New Hampshire might lose the case and the State of Missouri might win the case, and there would be two differing results in prosecuting the same case; and so it would go throughout the Union. I presume the amendment that has been offered and accepted modifies that to a very considerable extent; but still I confess that, after giving this matter as careful thought as I am capable of giving it, I look upon it as unusual, unnecessary, and dangerous legislation, and for that reason my one vote will be cast against it.

Mr. VARDAMAN. Mr. President, I do not share with the Senator from New Hampshire [Mr. GALLINGER] the apprehension that there is going to be too much enforcement of the antitrust law. You can not have too many men on guard. The public is not going to suffer by giving the attorneys general of the States the right to institute proceedings of this character when the Attorney General of the United States refuses, either himself or by direction of his assistants, to bring suit; nor will the attorney general of the State bring a suit that is going to involve costs to his constituents unless there is some good reason for it. He knows the operation and the effect of the trust, the predatory ravages of the combination in restraint of trade. He knows the effect upon his own constituents. He ascertains those facts by complaints from them. He is probably in a better position to know and find out the truth regarding these matters than the Attorney General sitting in Washington. When he devotes his talents and gives the information which he has gathered to the Department of Justice, cooperating with the Department of Justice in the enforcement of the laws designed to protect the people against predatory interests, I can not for the life of me see how any harm is going to result from it.

I think it was prudent in the Senator from Missouri [Mr. REED] to accept the amendment offered giving the Attorney General of the United States final control of the litigation; and it would be better, I think, if he would amend it further so as to permit the Attorney General of the United States to dismiss the case with the approval of the court.

Mr. CHILTON. Mr. President——

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

Mr. VARDAMAN. With pleasure.

Mr. CHILTON. If it be true that it is best to have a great number on guard, why not go further in your legislation and give the prosecuting attorneys in the various counties in the various States the right to institute suit if the attorney general of the State does not act?

Mr. VARDAMAN. Of course you could carry it on down to the justice of the peace and the constable and any one individual, but that would carry it to an absurdity; whereas the proposition made by the Senator from Missouri [Mr. REED] simply gives to the Department of Justice the assistance of a man who is elected to office because of his fitness for the place, and who is in possession of information that ought to be of use to the Attorney General of the United States in the enforcement of the law. I can not see the harm that could result from it to the people. I am sure, however, the trusts that are liable to be prosecuted by the attorney general of the State think the power should not be given that State officer.

Mr. CHILTON. Will the Senator allow me, then, to ask him another question?

Mr. VARDAMAN. I will.

Mr. CHILTON. Has the Senator looked at the statutes of the United States as to the enforcement of this amendment? Does not the Senator know that in the United States courts there are two kinds of suits—civil and criminal? The only criminal suit known in the United States court, of course, is a prosecution by the district attorney. Has the Senator figured out that you can have the State pay the costs and that the attorney general of the State can have the use of the Federal officials or others in enforcing this law? Does not the Senator see that you have a conflict of jurisdiction?

Mr. VARDAMAN. I see no reason in the world why there should be a conflict any more than there would be if the Senator from West Virginia should go into court and proffer assistance to the Attorney General or the district attorney, and assist in the prosecution, and assist in gathering testimony for the prosecution of a suit. I do not see how any harm at all could come of it.

Mr. SHAFROTH. Let me suggest to the Senator that I can see no reason why a State that has made a demand upon the Attorney General of the United States to bring suit, and he has declined to do so, should not have the right to bring suit, because its people are affected by the trust.

Mr. VARDAMAN. That is exactly what I said a moment ago.

Mr. President I repeat that there is every reason why the attorney general of the State should be given this power to cooperate with the Department of Justice, and I have not heard one single logical objection to it.

Mr. SHAFROTH. Mr. President, I should like to suggest to the Senator that the people who are interested in the prosecution of such a suit are the people in the State, and not the people down here in Washington, or the Attorney General. They have not the interest which the people of a State have. It may be that the monopoly exists in that State, and that State alone. It is not impressed upon the Attorney General of the United States, but it is impressed upon the attorney general of the State, and it is impressed upon the people of the State. The only reason why the first amendment as proposed by the Senator was faulty, in my judgment, was because it could not or should not take it entirely out of the hands of the United States. There ought to be an influence there that will make him bring the suit, and if he declines, then to have him willingly let the State attorney general bring it.

I want to suggest, while I am on my feet, that I think there ought to be one word added to the amendment of the Senator from Missouri. It says "cost." There ought to be in the amendment the words "cost and expense." I do not know what the amount of the expense may be, but it ought to be on the people who are ready to institute this suit either against the advice or because of the negligence of the Attorney General of the United States.

Mr. NORRIS. Mr. President——

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

Mr. SHAFROTH. I do.

Mr. NORRIS. I agree with what the Senator has said about the attorney general of the State having a special knowledge of the conditions, perhaps, in his State, and that therefore he ought to have a right, if the Attorney General of the United States declines to do so, to begin this suit; but, as I understand the Senator from Colorado, he believes that after the attorney general of the State has done that, has expended the money of the taxpayers of the State, we should still give to the Attorney General of the United States the right to come in and dismiss the suit.

Mr. SHAFROTH. Yes; I think so; because I believe you will have to have these prosecutions at least under the supervision of one head. I do not believe any Attorney General of the United States would order the dismissal of a suit unless it conflicted with some general policy which he was willing to advocate and let the people understand and know about. If he is willing to take that burden, I think he ought to have the right to have prosecutions uniform throughout the United States. I believe, however, that this amendment as it is proposed will have a wholesome influence upon the Attorneys General of the United States, and that they will not dismiss these cases if there is ground for bringing an action against any trust in the respective States or in any part of the United States.

Mr. SMOOT. Mr. President——

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Utah?

Mr. SHAFROTH. I do.

Mr. SMOOT. I wish to ask the Senator one question. Does he know of one case anywhere in the United States where an official of any State has asked the Attorney General of the United States to bring suit and the Attorney General refused to do it?

Mr. SHAFROTH. I do not know; but I do know that there were no prosecutions for years and years under the Sherman Antitrust Act.

Mr. SMOOT. I am perfectly aware of that.

Mr. SHAFROTH. And complaint was made generally.

Mr. SMOOT. But I wanted to know if any Attorney General of the United States had refused to bring proceedings against any corporation that had been charged by an official of a State with violating the antitrust law?

Mr. SHAFROTH. If that is true, there can be no harm in this amendment.

Mr. SMOOT. If it is true, there is no need of it.

Mr. SHAFROTH. If it is his policy to do it when anyone requests him, surely when the attorney general, representing, no doubt, the administration of the State, requests the prosecution, the Attorney General will give it more attention than he would if the request came from an individual.

Mr. REED. I wish to answer the question that was asked by the Senator from Utah. I know of such cases.

Mr. SMOOT. Will the Senator give the information to the Senate?

The VICE PRESIDENT. Just a moment. The Chair will be compelled to make a ruling. There is a unanimous-consent agreement here, and it is being violated all the while.

Mr. SMOOT. Does the Chair——

The VICE PRESIDENT. Not so far as the Senator from Utah is concerned has it been violated, but the Chair is constrained to make this statement as to the enforcement of the agreement. When a Senator yields, if he yields for more than a question, the Chair is going to hold that the Senator who interrupts the Senator on the floor has made his one speech on the amendment.

Mr. SMOOT. That is a very good ruling.

Mr. CULBERSON. Mr. President, the Committee on the Judiciary as a committee has taken no action with reference to this amendment though one similar to it was formally considered in the committee. I am not therefore authorized to speak for the committee with reference to the proposed amendment, but personally I am opposed to it upon the broad ground that it is best that authority for the enforcement of a general law of the United States should be lodged in the Attorney General and the district attorneys of the several districts. This has been provided for by section 4 of the Sherman law of 1890, and is brought down in conformity with certain conditions in section 13 of the bill under consideration.

In 1903 the Supreme Court of the United States, speaking by Mr. Justice Harlan, construed section 4 of the Sherman law both as to its meaning and as to its probable policy. I ask the Secretary to read from that opinion in the case of Minnesota *v.* The Northern Securities Co. (194 U. S., the marked places at pp. 70 and 71). It expresses my judgment not only with reference to the proper construction of the statute, but the policy upon which it was based and ought to rest.

The Secretary read as follows:

The injury on account of which the present suit was brought is at most only remote and indirect; such an injury as would come alike, although in different degrees, to every individual owner of property in a State by reason of the suppression, in violation of the act of Congress, of free competition between interstate carriers engaged in business in such State; not such a direct, actual injury as that provided for in the seventh section of the statute. If Minnesota may, by an original suit, in its name, invoke the jurisdiction of the circuit court, because alone of the alleged remote and indirect injury to its proprietary interests arising from the mere absence of free competition in trade and commerce as carried on by interstate carriers within its limits, then every State upon like grounds may maintain, in its name, in a circuit court of the United States, a suit against interstate carriers engaged in business within their respective limits. Further, under that view every individual owner of property in a State may, upon like general grounds, by an original suit, irrespective of any direct or special injury to him, invoke the original jurisdiction of a circuit court of the United States to restrain and prevent violations of the antitrust act of Congress. We do not think that Congress contemplated any such methods for the enforcement of the antitrust act. We can not suppose it was intended that the enforcement of the act should depend in any degree upon original suits in equity instituted by the States or by individuals to prevent violations of its provisions. On the contrary, taking all the sections of that act together, we think that its intention was to limit direct proceedings in equity to prevent and restrain such violations of the antitrust act as cause injury to the general public, or to all alike, merely from the suppression of competition in trade and commerce among the several States and with foreign nations, to those instituted in the name of the United States under the fourth section of the act by district attorneys of the United States, acting under the direction of the Attorney General, thus securing the enforcement of the act, so far as direct proceedings in equity are concerned, according to some uniform plan, operative throughout the entire country. Possibly the thought of Congress was that by such a limitation upon suits in equity of a general nature to restrain violations of the act, irrespective of any direct injury sustained by particular persons or corporations, interstate and international trade and commerce and those carrying on such trade and commerce, as well as the general business of the country, would not be needlessly disturbed by suits brought on all sides and in every direction, to accomplish improper or speculative purposes. At any rate, the interpretation we have given of the act is a more reasonable one. It is a safe and conservative interpretation in view as well of the broad and exclusive power of Congress over interstate and international commerce as of the fact that, so far as such commerce is concerned, Congress has prescribed a specific mode for preventing restraints upon it, namely, suits in equity under the direction of the Attorney General. Of the present suit the Attorney General has no control and is without any responsibility for the manner in which it is conducted, although in its essential features it is just such a suit as would be brought by his direction when proceeding under the fourth section of the antitrust act.

Mr. COLT. Mr. President, the question here relates to the enforcement of a Federal statute, and it is proposed by this amendment to call in 48 attorneys general of the different States to help enforce a Federal statute. I believe that this is an innovation unheard of and unparalleled in the history of congressional legislation. We are appointing under this proposed amendment 48 State attorneys general, who are charged with the enforcement of State laws, to help the Department of Justice enforce Federal laws. If this Federal antitrust statute is not sufficiently enforced, the true remedy is to strengthen the Department of Justice by adding further assistants.

Mr. President, the question of the enforcement of the antitrust law involves in a larger sense a question of policy. The President of the United States, whether a Democrat or a Republican, may have certain views in respect to the enforcement of this law. It may be that the President would like to have the policy of his party carried out with respect to the enforcement of this law. How can that be done if you have 48 attorneys general in the different States charged with the enforcement of this law?

This amendment will prevent the carrying out of any uniform policy in the enforcement of the antitrust law, and it can not but lead to confusion; and, further, this amendment is an admission that the Department of Justice is a failure and that it requires the assistance of the law departments of 48 States to enforce Federal law.

Mr. President, the Department of Justice is only one department of the Government; and if it is necessary to call upon the States to help us conduct this department, why should we not also call upon the States to afford assistance to the Executive in the execution of the laws? Or, to take a more extreme case, why should we not call upon the States to assist Congress in the passage of proper laws?

This proposed amendment, to my mind, is absolutely wrong in principle. It is an innovation upon our system of government and its division into different departments, and we should not for one moment consider the passage of such an amendment unless for very grave reasons.

I am not prepared to say that the Department of Justice—and I have had some experience with the different Attorneys General, both Democratic and Republican—has so far failed in its duty, for I know what a tremendous task it is to enforce this law; nor am I prepared to cast such a reflection upon that department as is involved in the proposition that we must go to the different States and call in their attorneys general to help the Attorney General of the United States to perform his duty.

Mr. McCUMBER. Mr. President, I hope this amendment will be adopted. I think we are attempting to raise up a number of ghosts that will never materialize. I believe we are assuming things that we have no right to assume, namely, that the Attorney General will be liable to be dishonest and will not wish to perform his duty. I do not think it is necessary for us to assume that there will be a conflict between the Attorney General of the United States and the attorney general of any State.

Now, let us see what the mode of operation would be. The attorney general of a State that is directly affected by the trust action will ask the Attorney General of the United States to bring an action. He will not ask the Attorney General of the United States to institute that action unless he has some evidence and reason that will justify him in making the request. On the other hand, the Attorney General of the United States will not peremptorily refuse to prosecute that action. He will call in the attorney general of the State if he feels there is not sufficient evidence to justify him and say to him frankly, "I do not think we are justified under the evidence or under the law. Confer with me and tell me what evidence you have to produce and what is the law upon the case." Those two, then, without much question, will get together upon a line of procedure. The evidence may be almost wholly within the State of the attorney general. It may be that he is able to secure what the Attorney General might not be brought in close enough proximity to to know anything about. The attorney general of the State must not only have the evidence, but he must also have the consent and authority of his State. If he has it not directly under the law of his State, he must obtain it through a resolution, and an appropriation would have to be made to cover his expenses. You can rest assured that the State is not going into a case of this kind and shoulder the responsibility unless it has what appears to be a substantially clear case.

Mr. President, in every one of these most important cases the United States through its Attorney General has paid out vast sums of money to employ counsel in other States. If we can be justified, as we have justified ourselves every year by our acts, in employing outside counsel, I certainly think we may be justified in accepting the attorney general of another State who has been elected or appointed for the particular purpose of protecting the citizens of that State.

So I think, Mr. President, there is no real substantial conflict to endanger the authority of the United States, and I also believe that it will be of wonderful assistance to the Government of the United States to allow the State to come in, if it desires to do so of its own volition, and assist in the prosecution.

Mr. POMERENE. Mr. President, of course the motive back of this amendment is the proper enforcement of the law. I am in entire sympathy with the motive that is behind it. I doubt the wisdom of the amendment for this reason: It has been urged that the attorneys general of the States being upon the scene of action perhaps have a more direct knowledge of the facts involved in the alleged violation of the law, but each State has United States district attorneys who are residents of the respective States. They are just as much interested in the enforcement of the law within the boundaries of that State as can be the Attorney General.

What I most fear is the effect of the divided responsibility when it comes to the enforcement of the law. If you are to have one head with his various assistants in the persons of the United States district attorneys, who are responsible to the Department of Justice, it seems to me that we are more likely to have a vigorous enforcement of the law than if we are to say to the State attorney general, "You may enforce this," or to the Department of Justice here at Washington, "You may enforce it."

Mr. REED. Will the Senator pardon me? The law states that the Department of Justice shall enforce it.

Mr. POMERENE. That is all true.

Mr. REED. This is simply giving the privilege to the States.

Mr. POMERENE. That is all true; but it is also suggested by one of the amendments that the attorneys general of the States may have direct charge of such cases, independent of the Department of Justice here at Washington. That is a part of the vice of this proposition.

But let us go a little further in this matter. If it is a proper thing to have the States interfere or inject themselves into the enforcement of Federal law, it would likewise be a good thing to have the Federal Government inject itself into the enforcement of the State laws. What is going to be the effect of it?

Mr. SMITH of Michigan. It would result in a divided jurisdiction.

Mr. POMERENE. Undoubtedly; the jurisdiction would be divided; the responsibility would be divided; and, as a result, in my judgment, the law would not be so well enforced as it now is.

More than that, I submit this proposition: That in all of the larger States the attorneys general of those States have quite enough to do to enforce the laws of their own States. If you are going to permit them to wander out into other fields, there will be a temptation on the part of some of the attorneys general of the States to ignore the matters at home, thinking that they can, perhaps, get more publicity—I am sorry to say it, but that is the fact with respect of some of them—by taking up the larger matters that concern the enforcement of the Federal statutes.

So, in my judgment, if proper assistance is not furnished the Federal Department of Justice to enforce the antitrust laws, we should provide for more United States district attorneys. Let us provide for more assistants, who will be specially charged with this duty; but let us not tempt the attorneys general of the several States to desert their own duties for another field that, for one reason or another, they might find to be more attractive.

I believe that, on the whole, instead of this proposition aiding in the enforcement of the law we should simply have a state of confusion worse confounded. I believe, for these reasons, the amendment is not a wise one.

The VICE PRESIDENT. The Secretary will state the amendment as modified.

The SECRETARY. Mr. REED offers, as modified, the following amendment as a new section:

SEC. —. That the attorney general of any State may, at the cost of the State, bring suit in the name of the United States in any court of the United States having jurisdiction over the parties to enforce any of the antitrust laws: *Provided*, That at least 90 days before commencing suit the attorney general of the State has requested the Attorney General of the United States to bring such suit, and such request has not been complied with by the Attorney General of the United States; and said Attorney General of the United States shall have the right to appear and participate in said suit with said attorney general of the State, and the Attorney General of the United States shall have the right to control the prosecution.

Mr. SHAFROTH. Mr. President, I should like to offer an amendment to the amendment by inserting the words "and expense" after the word "cost," so as to read "the cost and expense."

Mr. REED. Does the Senator offer that as an amendment?

Mr. SHAFROTH. Yes, sir.

Mr. KENYON. Mr. President, I should like to suggest to the Senator from Missouri that the word "district" should be inserted before the word "court," so that it would read "district court of the United States."

Mr. REED. I desire to make a parliamentary inquiry. In the opinion of the Chair, have I the right to speak further upon this amendment? I thought I had. I have been answering questions, and I carefully reserved about 10 minutes of my time; but if every interrogatory I have answered is to be charged to me as a speech, I have exhausted my time.

The VICE PRESIDENT. The Senator from Colorado [Mr. SHAFROTH] has offered an amendment to the amendment. The whole question is again open for discussion.

Mr. REED. That is as I understand it. Mr. President, I will take only a few minutes, just long enough to answer the points that have been raised.

There is nothing in the point raised by the Senator from Ohio [Mr. POMERENE] that this will invite attorneys general of States into new fields, and lead them to go out and endeavor to exploit themselves. The attorneys general of States may fairly be presumed to be men of a reasonable degree of common sense. What they are interested in is the protection of the people of their respective States. Of course it is not intended that they shall wander beyond the State borders; but it is intended to give them the right to invoke the tremendous powers now granted by this amended bill, namely, to use the decrees of other courts in other cases in evidence, to have the right to summon witnesses, and to do those various other things for which we have provided in the pending bill.

Mr. President, another word. I utterly repudiate the idea that the attorneys general of the States will engage in a senseless and useless proceeding. It is absurd to the last degree to claim that an attorney general of a State would enter upon the enforcement of this proposed law except for the protection of his own people when his State is required to bear the cost and expense. Neither is there, in my judgment, the slightest ground to claim that attorneys general of the States will interfere with the jurisdiction of the Attorney General of the United States, save and except where the people of some State are being burdened and oppressed and the Attorney General of the United States, either for lack of time or for some other reason, may be unwilling to invoke this law.

Why, Mr. President, it is all right to assume in an argument, if you wish to do so, that the Attorney General of the United States is always capable, is always honest, is always wise, is always infallible, and, in contrast with that, to assume that the attorneys general of the States are all foolish, are all incompetent, and are all untrustworthy; but, on the contrary, I think we ought to assume, generally, that all these men are human beings, and that all of them have some good and some bad in them.

I call attention, however, in passing, to the fact that the best enforcement there has been of antitrust legislation, the best protection the people have ever obtained, and without which there would have been no real enforcement of any antitrust legislation, is found in the action of the attorneys general of the respective States. In Texas they have lashed corporation after corporation engaged in restraining trade from the borders of that great State; they have done the same thing in my State; they have done it in the State of Kansas. Every attorney general of a State, however, bringing a case under a State statute has found himself confronted with the fact that his powers were not nearly so broad and his ability to mass evidence not nearly so complete as it would be if he could avail himself of the provisions of this bill. What harm can come in allowing the attorney general of a State to initiate litigation at the cost of his State when the Attorney General of the United States in every instance can stop it if he sees fit to stop it?

Mr. President, it has been urged with great vehemence that we should trust entirely to the Attorneys General of the United States, and eulogies have been pronounced upon them. I say that the enforcement of the Sherman Antitrust Act has been a farce, a sham, and a disgrace to our jurisprudence. It was enacted over 20 years ago; since that time hundreds, if not thousands, of combinations in restraint of trade have been formed; and in all that time there has not yet been one man put behind the bars of a jail or of a penitentiary for violating the provisions of that law. In that, sir, I shall speak now by authority and not as one of the scribes.

I hold in my hand a letter, which I will not take the time to read, but will send to the desk to be printed in the RECORD, coming from the private secretary of the present Attorney General, inclosing a document, which I also ask to have printed in the RECORD, giving a history of antitrust litigation now pending. That document states that there are now pending 46 cases, whereas we are told there are over a thousand trusts and monopolies in the United States. Forty-six cases in all the courts—in the appellate courts as well as in the nisi prius courts, in the courts of appeal as well as in the Supreme Court of the

United States—only 46 cases. There ought to be 400 cases. I read:

The fundamental weakness in the enforcement of the antitrust act in previous administrations was the failure to insist upon a real dissolution of monopolies and combinations which the courts had adjudged unlawful.

If that is the record—and this is the assertion of the private secretary of the man whom we have just placed upon the Supreme Court of the United States—if that, sir, is the record that has been made for 20 long years in the Department of Justice, it is high time that men elected by the people of the respective States should be given authority to invoke this great law and to put some blood and iron into its enforcement.

Mr. GALLINGER. Mr. President——

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from New Hampshire?

Mr. REED. I do, if it is not counted in my time.

Mr. GALLINGER. I merely desire to ask a question. Does the Senator think that it is becoming in a private secretary to make an observation of that kind in a letter?

Mr. REED. Mr. President, I do not know whether it is becoming or unbecoming; but the letter states—and it is on the letterhead of the Attorney General:

OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., August 29, 1914.

Hon. JAMES A. REED,
United States Senate.

MY DEAR SENATOR: I take the liberty of inclosing herein a carbon copy of a sketch of the work of the Department of Justice under Attorney General McReynolds, which was recently prepared. It shows succinctly what has been going on at the department under the present administration in the way of trust prosecutions. There has been added a brief paragraph with regard to the white-slave traffic act. I send it to you for whatever use you may desire to make of it.

Very truly, yours,
J. T. SUTER, *Private Secretary.*

Inclosure.

The use I desire to make of it is the use I am now making of it.

Mr. GALLINGER. Will the Senator read the criticism which the private secretary made of the department?

Mr. REED. I have already read that.

Mr. GALLINGER. I should like the Senator to reread it.

Mr. REED. I shall put the entire document in the RECORD, and I ask unanimous consent that I may do so at this point.

The VICE PRESIDENT. In the absence of objection, permission is granted.

The matter referred to is as follows:

ENFORCEMENT OF THE ANTITRUST ACT.

The preservation of fair competition in trade and the prevention of monopoly are essential to the general welfare. Therefore efficient and energetic enforcement of the Federal antitrust act prohibiting restraints and monopolizations of interstate trade is of the highest importance to the people. The work of the present administration in that regard is set forth below.

There are now pending in the Federal courts 46 proceedings under the antitrust act. There are also pending numerous investigations of alleged violations of the act. These proceedings and investigations are being conducted by the Department of Justice, which is charged by law with the enforcement of the act.

WEAKNESS IN PAST ENFORCEMENT OF THE ACT.

The fundamental weakness in the enforcement of the antitrust act in previous administrations was the failure to insist upon a real dissolution of monopolies and combinations which the courts had adjudged unlawful.

In the principal case in the Roosevelt administration—the Northern Securities case—and in the principal cases in the Taft administration—the Standard Oil case, the Tobacco case, and the Powder case—the parts into which the unlawful monopoly was divided were left in control of the same persons. The only effect of this was to change the form of the monopoly, since, of course, competition in any real sense can not exist between corporations controlled by the same persons. The law was thus virtually nullified by reason of the defective manner of its enforcement.

On the other hand, the present administration has insisted in every case—notably the Union Pacific-Southern Pacific merger case, the Telephone case, the New Haven case, and the Harvester case—that the parts into which the unlawful combination or monopoly was or may be divided must be separate and distinct in ownership and must not be left under the control of the same set of men. In this way only can real competitive conditions be brought about.

UNION PACIFIC-SOUTHERN PACIFIC MERGER CASE.

This case was decided by the Supreme Court December 2, 1912. It was held (1) that the Union Pacific Co. are substantial competitors in interstate transportation, and (2) that the acquisition by the former of a controlling stock interest in the latter created a combination in restraint of trade (226 U. S., 61).

How to dissolve the combination was one of the first problems which the present administration had to meet. It was insisted for the Government that the dissolution should be effectual, and especially that it should be free from the fundamental defect in the plans adopted in the Standard Oil and Tobacco cases, where the separate parts into which the businesses were divided were left under the control of the same stockholders. Several proposals by the Union Pacific Co. were rejected because they did not adequately guard against a similar result. Through conferences between the Attorney General and counsel for the defendants a plan satisfactory to the Government was finally worked out and submitted to Circuit Judges Sanborn, Hook, and Smith at St. Paul on June 30, 1913, and by them embodied in a decree. Briefly stated, the plan was as follows:

1. Of the $126,650,000 of Southern Pacific stock held by it the Union Pacific Co. was authorized to sell $38,292,400 to the Pennsylvania Railroad Co. in exchange for $42,547,200 of the capital stock of the Baltimore & Ohio Railroad Co. This aided in separating the Southern Pacific from the Union Pacific and at the same time divested the Pennsylvania Railroad Co. of a large amount of the capital stock of an active competitor—the Baltimore & Ohio Railroad Co.—thereby dissolving, without the cost and delay of litigation, another unlawful combination. No new combination in restraint of trade was created by the exchange, since the Pennsylvania and the Southern Pacific systems are noncompetitive, and the same is true of the Union Pacific and the Baltimore & Ohio.

2. After this exchange there was left in the ownership of the Union Pacific $88,357,600 of Southern Pacific stock. This was transferred in trust to the Central Trust Co. of New York—an independent institution—which became a party to the suit and completely subject to the direction of the court. The trust company was authorized to issue certificates of interest representing this stock, and these were offered to Union Pacific stockholders. The holder of such a certificate, however, has no right to vote or receive dividends in respect of the stock, but he may convert it into Southern Pacific stock by making affidavit that he owns no Union Pacific stock and is not acting on behalf of any Union Pacific stockholder, or in concert, agreement, or understanding with anyone to obtain control of the Southern Pacific Co. in the interest of the Union Pacific Co., but in his own behalf and in good faith.

Pending such conversion the trust company was authorized to collect the dividends accruing on the stock and to vote the same only when and as directed by the court. Upon conversion of a certificate of interest into Southern Pacific stock the holder becomes entitled to receive the accumulated dividends. Of course the purpose in withholding the dividends is to accelerate the distribution of the Southern Pacific stock among persons not Union Pacific stockholders.

If by January 1, 1916, any certificates of interest have not been converted into Southern Pacific stock, the court may order the sale of the Southern Pacific stock represented by such certificates.

The plan effectually prevented the Union Pacific Co. or its stockholders who were parties to the combination from continuing in control of the Southern Pacific. The great advantage of the course pursued over a compulsory and immediate sale of the $126,650,000 of Southern Pacific stock is that, whilst as effectually dissolving the combination, it saved the stockholders of both companies from unnecessary losses and avoided the very serious financial strain which such a sale would have entailed.

In actual practice the plan has worked successfully. Up to July 1, 1914, through conversion of the certificates of interest or of subscription receipts issued by the trust company, $81,606,000 of the $88,357,600 of Southern Pacific stock transferred to the trust company by the Union Pacific Co. has passed into the hands of persons who made the required affidavits.

Summed up, the plan adopted in this case not only effectually dissolved the particular unlawful combination therein complained of, but also dissolved without further litigation the unlawful combination resulting from the ownership by the Pennsylvania Railroad Co. of over $42,000,000 of the capital stock of the Baltimore & Ohio Railroad Co.

The principle established by this decree, namely, that in the dissolution of combinations in restraint of trade the separate parts must not be left in control of the same stockholders, has since been strictly adhered to.

TELEPHONE CASES.

For a long time there had been persistent complaints made to the department by the so-called independent telephone companies that the American Telephone & Telegraph Co. and its associated companies, commonly known as the Bell system, were attempting to bring under one control the means of communication by wire throughout the entire country, not only through the expansion and extension of their own system, but by the acquisition of competing lines, in violation of the Federal antitrust laws. The American Co., indeed, had frankly admitted its purpose in this regard in its annual report for the year ending December 31, 1910, in which it is stated:

"This process of combination will continue until all telephone exchanges and lines will be merged either into one company owning and operating the whole system or until a number of companies with territories determined by political, business, or geographical conditions, each performing all functions pertaining to local management and operation, will be closely associated under the control of one central organization exercising all the functions of centralized general administration."

The department investigated these complaints and found that they were not without basis. The Bell system had already so far accomplished its purpose that considerably more than half of all the telephones in the United States were under its control, and it also had acquired through stock ownership practical control of the largest of the two principal telegraph companies of the country.

In July, 1913, a suit was instituted under the antitrust act at Portland, Oreg., against companies comprising the Bell system and others, charging them with having entered into a combination to monopolize the means of telephonic communication in and between the States of Oregon, Washington, and Idaho.

Some time after the institution of this suit the officers and directors of the Bell system indicated that they were desirous of bringing its organization and business throughout the country generally into harmony with the antitrust laws as construed by the Department of Justice, and to that end conferences were had between officers of the department and officers of the Bell system.

In compliance with the suggestions of the Attorney General, formulated in the course of these conferences, the Bell system committed itself to the following course of action, briefly stated:

First. It agreed to dispose of its entire holdings of stock of the Western Union Telegraph Co. in such way that the control and management of the latter will be entirely independent.

Second. It agreed not to make any further acquisitions, directly or indirectly, of competing telephone systems.

Third. It agreed to connect its long-distance wires with the exchanges of independent companies.

Of course, the interpretation of the antitrust act on which was based the action taken by the department in respect of the Bell system does not mean that where there are two telephone systems in a city or town there never can be a consolidation into a single system. It does mean that where competition has been established in long-distance telephony between points in different States it can not be destroyed by contract or consolidation. This interpretation leaves local communi-

ties generally free to have one telephone system, if they desire, subject to the condition that in the event of a consolidation the consolidated company will make connections with all long-distance interstate lines and thereby preserve competition in interstate communication.

It should also be kept in mind that the requirement that the American Telephone & Telegraph Co. relinquish its control of the Western Union Telegraph Co. does not mean that they can not continue to cooperate where their services are supplementary rather than competitive. In other words, the action of the department, while requiring these two companies to be under separate control and management, so that in so far as they perform like services the public may have the benefit of competition between them, also leaves them entirely free to cooperate for the benefit of the public in so far as their services are supplementary.

There was left to be disposed of the before-mentioned suit instituted at Portland, Oreg., against the companies comprising the Bell system for attempting to monopolize the means of telephonic communication in and between the States of Oregon, Washington, and Idaho.

After extended negotiations, the defendants consented to the entry of a decree in favor of the Government.

The attempt of the Bell system to monopolize all of the means of communication by wire has thus been effectually prevented.

NEW HAVEN CASE.

In May, 1908, Attorney General Bonaparte instituted a suit under the antitrust act attacking, in part, the monopoly of transportation facilities in New England held by the New York, New Haven & Hartford Railroad Co. Whilst that suit was seriously inadequate, in that it did not attack the New Haven's control of water transportation to and from New England, the defect could have been remedied by amending the bill of complaint. Instead of doing that, the Taft administration discontinued the suit altogether, and thereafter the New Haven Co. still further strengthened its hold upon the transportation facilities of New England.

Regarding the creation of this monopoly as a defiant violation of the antitrust act, Attorney General McReynolds began preparations to attack it immediately upon taking office. By that time, however, the New Haven Co. and the Boston & Maine Railroad, which it controls, had been reduced to the unfortunate state now known to all the country. In consequence, their securities, which were widely distributed amongst small investors, had shrunk in value enormously, and the commerce and industries of all New England were seriously affected and under severe strain.

In this condition of affairs, Attorney General McReynolds, whilst intent upon enforcing the law, was obviously under the duty to move toward that end along the course which promised the least possible further distress to the stricken investors and unsettled industries of New England. In accordance with that policy he granted the request of the new management of the New Haven Co. to enter into negotiations with a view to bringing about, without a protracted and necessarily unsettling contest, a dissolution of the unlawful monopoly, and in the meantime sought to avoid any action that might hinder in any way the accomplishment of that end so important to the people of New England. During the negotiations the criminal aspects of the case were kept constantly in mind and care was taken to do nothing which might interfere with proper prosecutions at the appropriate time.

As a result of the negotiations a plan of voluntary dissolution was agreed upon by which—

1. The agreement between the New Haven Co. and the New York Central for the joint operation of the Boston & Albany Railroad will be canceled.
2. The New Haven Co. will relinquish control of the Boston & Maine Railroad.
3. The New Haven Co. will dispose of its interests in trolley lines.
4. The New Haven Co. will dispose of its interests in ocean steamship lines between the ports of New England and New York, Philadelphia, Baltimore, and other Atlantic seaports.
5. Whether the New Haven Co. shall be permitted to retain control of its steamboat lines on Long Island Sound will be submitted to the Interstate Commerce Commission for determination pursuant to the provisions of the Panama Canal act.

The criminal aspects of the case will shortly be presented to the grand jury, but it must be borne in mind that the Federal Government can institute prosecutions in this case only in respect of transactions involving restraints of trade or attempts to monopolize. It has no power to institute prosecutions for the punishment of those responsible for the financial irregularities brought to light in the New Haven Co., since there is no existing law under which the Federal Government can prosecute the officers, directors, or other agents of a railroad company created by a State for improvident or dishonest management of the financial affairs of the company.

THE HARVESTER CASE.

The suit to dissolve the International Harvester Co. as a combination in restraint of trade and a monopoly has been prosecuted to a conclusion in the district court, which, on August 12, 1914, sustained the contention of the Government and ordered the combination dissolved. The court, adopting the principle steadfastly insisted upon by this administration, provided in its decree that the parts into which the combination was ordered to be dissolved should be separately owned and should not be left under the control of a single set of stockholders. On account of the importance of the issues involved in this case, Attorney General McReynolds himself went to St. Paul to take part, on behalf of the Government, in the final argument.

THE ANTHRACITE COAL CASES.

On September 2, 1913, suit was commenced under the antitrust act at Philadelphia against the Reading Co., its officers and directors and affiliated corporations. This combination is the backbone of the anthracite coal monopoly. It controls, according to its own estimate, 63 per cent of the entire deposits, and its supply will outlast by many years that of any other producer. In time, therefore, this combination, if not dissolved, will own or control every ton of commercially available anthracite coal known to exist. The case has proceeded expeditiously. The evidence has been taken, the arguments have been heard, and a decision by the United States district court at Philadelphia is awaited.

On March 18, 1914, suit was commenced under the antitrust act against the Lehigh Valley Railroad Co., its officers and directors and affiliated corporations, charging them with having monopolized the production, transportation, and sale of anthracite coal from mines located along the lines of the Lehigh Valley Railroad. Next to the Reading Co. the Lehigh Valley Co. is the most important factor in the anthracite trade. All the evidence has been taken and the case will be argued in the coming fall.

The Reading Co. and the Lehigh Valley Co. are also charged in these suits with transporting anthracite coal in which they have an interest in violation of the commodity clause, which prohibits railroads from transporting in interstate-commerce articles in which they have any interest direct or indirect.

The purpose of the commodity clause is to protect shippers from the unlawful discriminations and disadvantages inherent in the ownership by railroads of the property transported by them, and to prevent railroads from monopolizing by means of such discriminations the production and sale of articles transported over their lines.

On July 13, 1914, the Pennsylvania Railroad Co. was indicted in the western district of New York for violating the commodity clause in transporting anthracite coal nominally owned by the Susquehanna Coal Co. but in fact owned, as the Government contends, by the Pennsylvania Railroad Co.

There is also pending on appeal to the Supreme Court a case instituted in February, 1913, against the Delaware, Lackawanna & Western Railroad Co. for alleged violations of the commodity clause. This case was decided against the Government in the lower court.

SOUTHERN PACIFIC-CENTRAL PACIFIC MERGER CASE.

In the course of the proceedings to dissolve the combination between the Union Pacific Railroad Co. and the Southern Pacific Co. the question of the legality of the control of the Central Pacific Railway Co. by the Southern Pacific Co. arose, the Central Pacific and the Southern Pacific being competitors in the same way as the Southern Pacific and the Union Pacific. The Attorney General endeavored to have the relations between the Southern Pacific and the Central Pacific brought into harmony with law by the final decree in the Union Pacific-Southern Pacific case and thereby obviate further litigation. This effort was thwarted by the objections of the defendants, and on February 11, 1914, suit was instituted to compel the Southern Pacific to relinquish its control of the Central Pacific. The case is now pending.

METROPOLITAN TOBACCO CASE.

By dealing with it exclusively and upon preferential terms, the old Tobacco Trust enabled the Metropolitan Tobacco Co. to acquire complete control of the jobbing trade in tobacco products in the area between Trenton, N. J., on the south, and Stamford, Conn., on the north, embracing the entire metropolitan district. The purpose of the trust was to enable the Metropolitan Co. to drive all other jobbers out of business and thereby close the avenues of distribution against independent manufacturers of tobacco products.

After the business of the trust was dissolved, as a result of the suit instituted by the Government, into substantially four parts, controlled by the American Tobacco Co., the Lorillard Co., the Liggett & Myers Co., and the R. J. Reynolds Co., respectively, these companies continued to sell their products in the metropolitan district exclusively to the Metropolitan Tobacco Co., thereby perpetuating its control of the jobbing trade in that territory.

Complaints were made to the department in respect of this condition, and the companies were notified that the department regarded the condition as a violation of the antitrust laws. As yet no final action has been taken by the department. However, the action thus far taken has resulted in each of the four manufacturing companies agreeing to sell their products to all jobbers in the metropolitan district upon the same terms that they sell to the Metropolitan Co.

THREAD CASE.

On June 2, 1914, a decree was entered in the United States District Court of New Jersey dissolving a combination between J. & P. Coats (Ltd.), and affiliated corporations, and the American Thread Co. and affiliated corporations (the most important factors in the thread trade) and enjoining them from employing against independent manufacturers of thread certain unfair trade practices. There is every reason to believe that the result will be not only to restore competition between J. & P. Coats (Ltd.) and the American Thread Co., but also to permit independent manufacturers to compete freely.

AMERICAN CAN CO. CASE.

On November 19, 1913, suit was instituted in the United States district court at Baltimore against the American Can Co., a corporation capitalized at over $80,000,000, charging it with having monopolized the manufacture and sale of tin cans used largely for packing food products. The taking of testimony is in progress.

THE BUTTER AND EGG CASES.

On April 27, 1914, a decree was entered in the United States district court at Chicago enjoining the Elgin Board of Trade from continuing certain practices by which the prices of butter throughout a large area were arbitrarily fixed.

Within the last few weeks a similar proceeding against the Chicago Butter & Egg Board was decided in favor of the Government. In this case the prices of both butter and eggs were involved.

OATMEAL CASE.

On June 11, 1913, suit was instituted at Chicago, in the northern district of Illinois, against the Quaker Oats Co. and others, charging a combination to restrain and monopolize interstate commerce in oatmeal products and by-products. The taking of testimony on behalf of the Government has been concluded.

TOASTED CORN FLAKES CASE.

On December 26, 1912, suit was instituted against the Kellogg Toasted Corn Flake Co. and others, charging that the defendants were restraining and attempting to monopolize interstate commerce in Kellogg's Toasted Corn Flakes by fixing and enforcing resale prices for that product. The case has been argued before the district court, and a decision is awaited.

BICYCLE PARTS CASE.

On May 27, 1913, suit was instituted in the United States District Court for the Western District of New York against the New Departure Manufacturing Co. and others, charging them with having formed a combination to restrain and monopolize the manufacture and sale of bicycle and motor-cycle parts and coaster brakes. The defendants did not contest the case, and a decree was entered in accordance with the prayer of the petition. The defendants also pleaded guilty to indictments for the same offense and were fined $81,500.

CLOTHES WRINGER CASE.

On May 22, 1914, the American Wringer Co. and the Lovell Manufacturing Co., which are the principal manufacturers of clothes wringers, were indicted at Pittsburgh, in the western district of Pennsylvania, for entering into a combination to fix prices.

PLUMBING SUPPLIES CASE.

On June 4, 1914, an indictment was obtained in the southern district of Idaho against a combination charged with restraining trade in plumbing supplies. The case has been set for trial on December 8, 1914.

KODAK CASE.

On June 9, 1913, suit was instituted in the western district of New York against the Eastman Kodak Co., which is charged with having acquired a monopoly of the business of manufacturing, selling, and distributing photographic supplies. The trial of this case is now proceeding.

FISH CASE.

On July 20, 1914, an indictment was obtained in the western district of Washington against the Booth Fisheries Co. and others, charging them with maintaining a combination to fix the prices of fish in certain parts of the country.

JEWELERS' ASSOCIATION.

On November 18, 1913, a suit was instituted in the United States district court at New York City against the National Wholesale Jewelers' Association and others, charging them with conspiring to prevent manufacturers of jewelry from selling jewelry direct to retail dealers. On January 30, 1914, a decree was entered enjoining the defendants from further carrying out the conspiracy.

SOUTHERN WHOLESALE GROCERS' ASSOCIATION.

On July 29, 1913, fines aggregating $5,500 were imposed upon this association and several of its members for violating the decree entered October 17, 1911, enjoining the association and its members from interfering with the free flow of trade in groceries.

ALASKA TRANSPORTATION CASES.

There were two indictments—one charging a conspiracy to monopolize the wharf facilities at Skagway, the other a conspiracy to monopolize steamship transportation between Puget Sound and certain Alaskan ports. In February, 1914, fines aggregating $28,000 were imposed.

THE BITUMINOUS COAL CASE.

The petition in this case, which was filed in August, 1911, charged a combination to monopolize the production and transportation of bituminous coal in and from the Ohio fields and, to a certain extent, the West Virginia fields. On March 14, 1914, a decree was entered adjudging the combination unlawful and dissolving it generally in accord with the contentions of the Government.

THE STEEL CASE.

This is a suit to dissolve the United States Steel Corporation on the ground that it is a combination in restraint of trade. The prosecution of the suit has been conducted vigorously. The testimony has all been taken and the final argument has been set for October 20, 1914.

THE SUGAR CASE.

The suit instituted several years ago against the American Sugar Refining Co., charging it with being a combination in restraint of trade, is being vigorously prosecuted, and will shortly be ready for final hearing.

THE LUMBER CASE.

The suit against the associations of retail lumber dealers in the eastern part of the United States, charging them with having entered into a combination to prevent lumber manufacturers and wholesale dealers from selling directly to consumers, was argued before the Supreme Court at the October term, 1913, and was decided in favor of the Government.

SHOE MACHINERY CASE.

The trial of the suit against the United Shoe Machinery Co. and others, charged with restraining and monopolizing interstate and foreign trade in shoe machinery, was completed in June, 1914, and the decision of the trial court is awaited.

KEYSTONE WATCH CASE.

The trial of the case against the Keystone Watch Case Co. and others for restraining and monopolizing trade in filled watch cases and watches was completed in June, 1914, and the decision of the trial court is awaited.

STEAMSHIP POOL CASES.

In 1912 suits were instituted against the Prince Line (Ltd.) and others, charging a combination to restrain and monopolize ocean transportation between ports of the United States and ports of Brazil by means of pooling agreements, rebates, etc.; and against the American-Asiatic Steamship Co. and others, charging a combination to restrain and monopolize by like means ocean transportation between ports on the Atlantic coast of the United States and ports in the Philippine Islands, Japan, China, and the Far East.

The taking of testimony in these cases has been completed, and the final hearings in the lower court will take place in the fall.

MOTION PICTURE CASE.

The trial of the case against the Motion Picture Patents Co. and others, charged with imposing restraints on interstate and foreign trade in machines, appliances, etc., relating to the motion-picture art, has been completed in the lower court except for the final argument, which has been set for September 14, 1914.

REGULATION OF RAILROAD SECURITIES ISSUES.

The country is familiar with the wrecking, financially speaking, of such great railroad systems as the New York, New Haven & Hartford, the Rock Island, the Frisco, the Pittsburgh Wabash Terminal, and the Cincinnati, Hamilton & Dayton.

In consequence innocent investors have suffered disastrously and the prosperity of the country as a whole has been injured.

This condition of affairs was made possible because the officers and directors of interstate railroad corporations were not subject to adequate public control in the issuance of securities.

Not only did these abuses grow up while the Republican Party was in power, but that party took no step to remove the cause, namely, complete absence of any control by the Federal Government over the issuance of securities by interstate railroads. It remained for a Democratic Congress and a Democratic President to provide the remedy by the passage of an act giving the Interstate Commerce Commission power to regulate and control the issuance of stocks and bonds of interstate railroads. The act also makes it unlawful for any officer or director of any carrier to receive for his own benefit, directly or indirectly, any money or thing of value in respect of the negotiation, hypothecation, or sale by the carrier of any securities issued by the carrier, or to participate in the making or paying of any dividends of an operating carrier except from its profits or surplus. Any person violating this section of the law will be punished by fine or imprisonment, or both.

The cause of financial corruption in this important quarter being known, a law to insure healthy conditions in the future has been enacted.

Inflation and deception may seem to prosper for awhile, but they will not endure. They are inevitably followed by suffering, and eventually ruin. Their evil consequences are dependent upon their extent and their duration. To prevent them in the first place is to establish business as it should be established—so firmly and so permanently that it will withstand the severest tests.

WHITE-SLAVE TRAFFIC ACT.

The white-slave traffic act was placed upon the statute books June 25, 1910. Up to and including February 28, 1913, there had been 827 indictments, 468 convictions, 79 nol prossed, and 73 acquittals, a total of 620 cases disposed of, leaving pending at the beginning of this administration 177 cases.

From March 1, 1913, to July 31, 1914, there have been 571 indictments, 421 convictions, 54 nol prossed, and 60 acquittals, a total of 535 cases disposed of, leaving pending August 1, 1914, 213 cases.

It will be seen that the law was in effect 32 months, or 2 years and 8 months, before the beginning of the present administration, during which time 620 white-slave cases were finally disposed of, there being in that period 468 convictions.

Under the present administration, in 17 months, or 1 year and 5 months, 535 cases were disposed of, in which convictions were obtained in 421 cases.

In other words, after the enactment of the white-slave traffic law the Republicans were in charge of the administration for a period of one year and three months longer than has been the life of the present administration, but during that time the previous administration obtained only 47 more convictions than have been obtained under the present administration up to July 31, 1914.

It is a matter of court record that under the present administration there has been a constant increase in the effectiveness of the enforcement of the white-slave traffic law, and the records show that during the last few months of the last term of the Federal courts the number of indictments steadily increased until in each succeeding month all previous records were broken.

Mr. REED. Mr. President, here is the trouble with the enforcement of this act. I am not prepared to charge bad faith to past Attorneys General of the United States, but I am prepared to say that, in my humble judgment, the same zeal has not been back of the enforcement of this law many times that has been back of the enforcement of the laws aimed at the poor fellow who makes moonshine whisky or sells a box of cigars without having the correct number of stamps upon the box. As to any law that has been so enforced that monopoly has grown like a green bay tree, so that its evil roots have spread into every State and every community, I am prepared to say that you need some more enforcement and you need some independent action by independent men.

I have heard attorneys general of States sneered at here; but I say to you that the Attorney General of the United States can not personally examine all these questions; hence he must turn many of them over to subordinates; and, taking the attorneys general of the various States of the Union and comparing them with the subordinates over here in this office, they stand in a great many instances as giants compared with pigmies. Moreover, they have a direct responsibility to the people of their respective States; they know when the iron is entering the souls of the business men of their States, and they rise to the occasion.

I have heard the question asked, Has a State official ever asked to have a prosecution begun which was not begun? I do not know with reference to the Northern Securities case, whether or not a request was made, but I do know that 10 long years ago the attorney general of the State of Minnesota sought to bring such litigation, and I do know that the Supreme Court did not say it was improper for him to bring it; they simply said the law had not yet conferred the authority. We are seeking to confer that authority. If it had existed at that time, the Northern Securities case would have been won and ended years before it was ended under the Government prosecution which was thereafter brought.

Mr. President, there can no harm result from the enactment of this legislation as it is drawn. I do not know why we should have such tenderness about creating new means for controlling these institutions. You say it is an innovation; all progress is innovation; all change is innovation. The question is not whether this is new, but whether it is wise. In view of the past history of this class of litigation, however, it is evident that we need something new, it is evident that we need innovation.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Colorado [Mr. SHAFROTH] to the amendment of the Senator from Missouri [Mr. REED].

The amendment to the amendment was agreed to.

The VICE PRESIDENT. The question recurs on the amendment as amended.

Mr. JONES. Mr. President, only a word in connection with the remarks just submitted by the Senator from Missouri. I do not know, of course, what is contained in the document which he has sent to the Secretary's desk to have printed in the RECORD; but

with reference to the criticism which he has read from the private secretary to the Attorney General concerning the enforcement of the Sherman law, I think it might be well to place in the RECORD a few plain facts. I have here a list of the cases instituted by the United States under the antitrust law. This list is brought up to the date of just a few days ago—it was sent to me in answer to a letter of mine to the Attorney General—and it is supplemented with a typewritten list of cases that have been brought since the document was printed. It shows that during the four years of the preceding administration 89 cases were brought under the antitrust law. I have counted the cases which have been brought under all the administrations, and they amount to something over 160; so that during the last administration more cases were brought under the antitrust law than under all other administrations since that law was passed, and more than one-half of all the cases brought, including the present administration.

Under the present administration, which has been in office almost two years—its time is almost half gone—although there is a large number of apparently known combinations, as is evidenced by the list printed in the RECORD by the Senator from Kansas [Mr. THOMPSON] a few days ago and a list printed by some other Senator showing the large number of combinations which seem to be well known to exist—this administration has brought only 17 cases, and the last one was brought July 23, 1914; so that this is very close up to date and shows no great or startling activity on the part of the present administration, notwithstanding its loud professions. It has not by any means thus far kept pace with the preceding administration.

Mr. GALLINGER. Mr. President, taking this document which the Senator has presented, I think it will make the activities of the Department of Justice more to its credit than has been represented. The criticism that this secretary makes, I think, is in very bad taste; but the memorandum shows that under the present administration, in 17 months, or 1 year and 5 months—that is, under Mr. McReynolds's jurisdiction—535 cases were disposed of, in 421 of which convictions were obtained.

Mr. REED. What kind of cases?

Mr. GALLINGER. I do not know what kind.

Mr. REED. Not trust cases.

Mr. GALLINGER. They were apparently antitrust cases, I should judge.

Mr. REED. Oh, no; white-slave cases and every other kind of case that was tried.

Mr. GALLINGER. That is what this man is discussing. I do not know the nature of the cases.

Mr. NORRIS. I think that included cases of selling liquor to Indians and all such cases.

Mr. GALLINGER. It does not say so.

Mr. LEWIS. Mr. President——

Mr. OVERMAN. I will ask the Senator to let me see that document.

Mr. GALLINGER. Certainly. However, I have no disposition to discuss this matter a moment further. I have an impression that a good deal more work is being done than has been represented in certain quarters. I repeat that the criticism of the late administration of the Department of Justice by a clerk is so clearly in bad taste and absurd that it ought to be rebuked by this body; and, personally, I want to enter my dissent to it.

Mr. KENYON. Mr. President, I should like to ask the Senator from New Hampshire a question.

The VICE PRESIDENT. Does the Senator from New Hampshire yield to the Senator from Iowa?

Mr. GALLINGER. Certainly.

Mr. KENYON. This criticism purports to come from a private secretary of an Attorney General who has just been confirmed as an associate justice of the United States Supreme Court.

Mr. GALLINGER. Yes.

Mr. KENYON. And it is a criticism of the previous administration in the enforcement of the antitrust law.

Mr. GALLINGER. Yes.

Mr. KENYON. The Senator from New Hampshire is no doubt familiar with the fact that during practically all of that administration the present Attorney General, who has just been confirmed, was a member of the force for the enforcement of the Sherman Antitrust Act.

Mr. GALLINGER. Yes.

Mr. KENYON. So that this presumptuous criticism from a private secretary is really a criticism of the man for whom he is acting as secretary.

Mr. GALLINGER. Yes.

Mr. KENYON. That is all I wish to say.

Mr. GALLINGER. And I presume later on he will take the same liberty to criticize the man whom we have made Attorney General by our recent action.

Mr. REED. Mr. President, I think, in fairness, the Senator from Iowa ought to have added to his statement that when the present Associate Justice of the Supreme Court of the United States was Assistant Attorney General he protested most vigorously against the kind of dissolutions which were being permitted, and because of that protest, probably more than anything else, he was named as Attorney General.

Mr. NORRIS. Mr. President, I should like to ask the Senator from New Hampshire a question.

Mr. GALLINGER. I yield, with pleasure.

Mr. NORRIS. My attention was called to some other matter and I did not hear what the Senator from Missouri was reading. What is the document to which the Senator has referred?

Mr. GALLINGER. It is a letter from the secretary to the Attorney General, inclosing a memorandum which the secretary prepared, and in that memorandum is this criticism of his superior officer.

Mr. NORRIS. What is the memorandum? What is the object of it? Is it a letter from the private secretary of the Attorney General to the Attorney General?

Mr. GALLINGER. No; to the Senator from Missouri.

Mr. NORRIS. Oh. Has it been printed in the RECORD?

Mr. GALLINGER. The Senator has just asked that it shall be printed.

Mr. OVERMAN. Mr. President, I think this memorandum shows a pretty good record for the Attorney General under the circumstances, since he has been criticized here, and this administration is being attacked.

I notice in this paper that a suit against the telephone company has been prosecuted to a successful conclusion. I notice that the case against the Harvester Trust, in which the Attorney General took part, and which he prosecuted personally, has been brought to a successful conclusion. Decrees have been entered against the Harvester Trust and the Bell Telephone Trust, two of the biggest trusts in the United States. I notice that the Anthracite Coal cases have been tried, and a great many suits have been brought. Suit was commenced in 1913 against the Reading Co. under the antitrust act; also against the Lehigh Valley Railroad and against the Pennsylvania Railroad Co. The Metropolitan Tobacco Co. case has been settled. The great Spool Thread case has been settled and a case against the American Can Co. has been brought. Then there are the Butter and Egg cases, the Oatmeal case, the Toasted Corn Flakes case, the Bicycle Parts case, the Clothes Wringer case, the Plumbing Supplies case, the Kodak case, the Fish case, the Jewelers' Association case, the Southern Wholesale Grocers' Association case, the Alaskan Transportation cases, and the Bituminous Coal cases.

As to the Steel case, the memorandum says:

This is a suit to dissolve the United States Steel Corporation on the ground that it is a combination in restraint of trade. The prosecution of the suit has been conducted vigorously. The testimony has all been taken and the final argument has been set for October 20, 1914.

The Sugar case:

The suit instituted several years ago against the American Sugar Refining Co., charging it with being a combination in restraint of trade, is being vigorously prosecuted and will shortly be ready for final hearing.

The Lumber case:

The suit against the associations of retail lumber dealers in the eastern part of the United States, charging them with having entered into a combination to prevent lumber manufacturers and wholesale dealers from selling directly to consumers, was argued before the Supreme Court at the October term, 1913, and was decided in favor of the Government.

The Shoe Machinery case:

The trial of the suit against the United Shoe Machinery Co. and others, charged with restraining and monopolizing interstate and foreign trade in shoe machinery, was completed in June, 1914, and the decision of the trial court is awaited.

The Keystone Watch case:

The trial of the case against the Keystone Watch Case Co. and others, for restraining and monopolizing trade in filled watchcases and watches, was completed in June, 1914, and the decision of the trial court is awaited.

Then we have the Steamship Pool cases and the Motion Picture cases. So this document will bear reading and will show that this administration has been very energetic in the prosecution of the trusts. I do not think the criticism made here upon the administration is deserved.

Mr. JONES. Mr. President——

The VICE PRESIDENT. Does the Senator from North Carolina yield to the Senator from Washington?

Mr. OVERMAN. I do.

Mr. JONES. I desire to ask the Senator how many of the cases he has referred to were commenced under this administration. Were not most of them commenced under preceding administrations?

Mr. OVERMAN. I do not know the number. A good many of them were begun under the previous administration; but they have been prosecuted to successful conclusion under this administration. That was not done under the last administration. Here is the Bell Telephone case, which has been prosecuted to a successful conclusion, and the Pipe Line case and several others that I could name. So I think the Attorney General has been pretty energetic in this matter.

Mr. LEWIS. Mr. President——

SEVERAL SENATORS. Vote!

Mr. LEWIS. If the Senators are ready to vote, I shall not delay the vote.

The VICE PRESIDENT. The question is on agreeing to the amendment as amended.

Mr. REED. On that I ask for the yeas and nays.

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. The Chair will ask the Senator from Nebraska if he has addressed the Senate on this amendment?

Mr. NORRIS. I have not.

The VICE PRESIDENT. The Senator from Nebraska is recognized.

Mr. NORRIS. Mr. President, as I understand, the amendment was agreed to. I rose to offer an amendment.

The VICE PRESIDENT. No; the amendment of the Senator from Colorado to the amendment was agreed to.

Mr. NORRIS. That is what I understood. I rose for the purpose of offering another amendment.

I move to strike out of the amendment the last clause, reading as follows:

And the Attorney General of the United States shall have the right to control the prosecution.

I wish to say just a few words upon that amendment.

I regret that any attempt has been made here to get credit for or to condemn any administration on the enforcement of the Sherman Antitrust Act or any other antitrust act. I know we will not agree as to which administration is entitled to the most credit and which administration ought to receive the most condemnation in the enforcement or the lack of enforcement of these laws.

It seems to me that the document which the Senator from New Hampshire and the Senator from North Carolina have been discussing, perhaps offered here as a defense of the present administration, or the administration of the Attorney General who has just been promoted to the Supreme Court, ought to have been offered in executive session, when those who were opposed to his elevation were suggesting reasons why he had not carried on his office as he ought to have done.

I do not believe the question now before the Senate ought to be clouded by getting into a political, partisan discussion as to whether Mr. McReynolds has enforced the antitrust acts as he ought to have enforced them, or whether he has been sufficiently diligent, or otherwise. I do not agree myself that he has been, and I think I could demonstrate to my satisfaction at least that he has not been; but that has nothing to do with this question, and never would have been suggested had there not been an attempt made, apparently, to defend him when no charge was made.

Mr. CHILTON. Mr. President——

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

Mr. NORRIS. I yield for a question.

Mr. CHILTON. I desire to make a point of order.

Mr. NORRIS. I shall have to yield for that, if it is good.

Mr. CHILTON. It seems to me this amendment is clearly out of order. I do not want to do the Senator any wrong. I hope the Senator will understand that I do not want to cut him off.

The VICE PRESIDENT. The Chair can not hear the point of order.

Mr. CHILTON. I have not stated it yet.

The VICE PRESIDENT. The Chair did not know but that the Senator had, the way he was talking.

Mr. NORRIS. Mr. President, I hope the time the Senator is consuming on the point of order will not be taken out of my time.

Mr. CHILTON. My point of order is this: The Senator from Missouri offered an amendment to the bill. An amendment was offered to that amendment, which amendment to the amendment was agreed to. Upon that there was a vote of the Senate. Now, the Senator from Nebraska moves to strike out the amendment which has been agreed to, or part of it.

The VICE PRESIDENT. No; the Senator from West Virginia is in error. The amendment which was agreed to was to insert the words "and expense," as offered by the Senator from Colorado.

Mr. CHILTON. I understand. That was an amendment to the amendment. That was voted upon. Now, that amendment has been incorporated in the amendment. It has been accepted and adopted. Now, the Senator moves to strike out that which has been accepted by the Senator who offered the amendment.

The VICE PRESIDENT. The Senator from Nebraska is only moving to strike out part of the amendment as proposed by the Senator from Missouri, which the Chair construes to be an amendment to the amendment of the Senator from Missouri.

Mr. CHILTON. Then do I understand that the Senate has not voted to adopt the amendment offered by the Senator from Iowa?

The VICE PRESIDENT. It has not.

Mr. CHILTON. Very well.

Mr. NORRIS. Mr. President, it has been argued here that if we need more assistance in the Department of Justice we ought to employ more lawyers in the Department of Justice, and that this amendment in reality is simply to increase the number of attorneys in the Department of Justice. We must bear in mind, however, that if we should employ 10,000 more lawyers in the Department of Justice every one would be under the supervision of the Attorney General, and properly so. He is the head of that department. No prosecution would be or could be commenced without his consent. The entire activity of all the attorneys under him is subject to his control and to his order. It is no reflection on any Attorney General; and I should like to argue this question on the theory that the amendment itself is not offered as a reflection, and can be under no circumstances considered as a reflection, upon any Attorney General, past or present.

If the Attorney General of the United States is requested by the attorney general of a State to begin a certain prosecution, he will undoubtedly call upon the attorney general of the State for such evidence as he may have, consult with him in regard to the facts, the evidence he has in his possession to prove the case, and discuss the law of the case. I think it is reasonable to suppose that these men will act in harmony. It will not result in some one trying to find fault with the Attorney General. The action of the attorney general of the State in calling the matter to the attention of the Attorney General of the United States will be a favor, assuming that they all want to perform their duty, and I think we ought to discuss the matter on that assumption. If he is too busy, if he has not been able to prosecute with the force at hand, he will undoubtedly often say to the attorney general of the State, "Commence your prosecution," and he will assist him in it.

I presume, if this bill is passed, we will find instances, where cases are commenced by the attorney general of a State, where some of the assistants of the Attorney General of the United States will be with him in the case, assisting him in carrying it on. There may be a case where there will be a flat disagreement between the Attorney General of the United States and the attorney general of a State as to whether there is a violation of law. That does not mean any discredit either to the attorney general of the State or to the Attorney General of the United States. They may disagree. The attorney general of the State may think there is a plain violation of the law, and the Attorney General of the United States may think there is not. Under that state of facts and in the practical operation of this law that will be the only instance where there will be a dispute between the two officials.

Under that condition of things, is it not right for us to say that the attorney general of the State shall proceed and try it out on his theory? His State pays the expenses. He assumes the responsibility. The Government of the United States is not injured. It does not cost the Government of the United States a penny. It is not any reflection on the Attorney General of the United States that the State attorney general disagrees with him. If there is a disagreement, there ought to be some way to try it out. We ought not to be compelled to submit always to the judgment of one man, however honest or able he may be.

There will be in the practical operation of this law, in my judgment, if it is placed upon the statute books, no serious difficulty, no serious dispute, and no reflection on anybody. That being the case, after the Attorney General of the United States, for one reason or another, has declined to prosecute, or has said to the State attorney general: "Go ahead and prosecute under this law," and he does so, and the State goes to the ex-

pense, sometimes to a large expense—we have included expense now in the bill by the amendment—when the State goes to the expense, gets ready for trial, gets evidence, and is ready to proceed with the trial under the law that we have passed giving it authority to do so, it seems to me it is perfectly foolish for us to say, after all that is done, that the Attorney General of the United States shall have the power to come in and dismiss that suit. The amendment I have offered to the amendment strikes out that authority, and takes away from the Attorney General the right to dismiss a suit after he has declined to commence it, and after the other party has commenced it and has gotten it into court.

Mr. CUMMINS. Mr. President——

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

Mr. NORRIS. I yield for a question.

Mr. CUMMINS. I shall find it necessary to precede my question by a brief statement.

Mr. NORRIS. All right.

Mr. CUMMINS. The argument of the Senator from Nebraska is very persuasive, and I am not sure but that it is convincing; but there is one point that bothers me about it, and that I should like to suggest to him.

I suppose three-fourths of all the decrees that have been entered under the antitrust law have been consent decrees, often the result of an agreement in the office of the Attorney General of the United States. I have never liked that power. I think it has been misused, and necessarily so. I hesitate to see a similar power given to 49 attorneys general; that is, I have no hesitation in giving them the power to bring and try the lawsuits, for I assume that if the court really tries a case and decides it, it will be decided according to the law and according to justice, but I shrink a little from giving to the several attorneys general of the States the power to enter into negotiations with those who are alleged to have violated a law and finally agree with regard to a dissolution or a readjustment or a reorganization, and thus end the controversy. If I were sure that the case would be carried forward every time to a decision by the courts, I would have no hesitation about it; but I make this suggestion to the Senator from Nebraska, because the thought perplexes me a good deal, so far as that phase of it is concerned.

Mr. NORRIS. Mr. President, I think the anxiety of the Senator from Iowa is fully answered by the amendment. That language contained in the language of the Senator from Missouri will still be in the amendment if my motion to strike out these objectionable words is carried. In those cases, if they are commenced by the attorney general of a State, the Attorney General of the United States has the right to be in the case and to be represented in the trial of the case. The language specifically states that. So if, after the attorney general of a State commenced a case he undertook to settle it contrary to what the Attorney General of the United States thought it ought to be, the Attorney General of the United States either in person or through his representative could be in court if he desired and call the attention of the court to the matter and be properly heard to object to any settlement that might be taking place. I do not believe there would be any difficulty in the actual working out of the proposition.

Mr. President, I think this is no innovation, as the Senator from Rhode Island [Mr. COLT] has suggested. It is very much like quo warranto proceedings provided for in every State, where, for instance, the attorney general of the State is first given authority to try the right of a man to hold office, and if the attorney general does not take action any citizen of the State interested has a right to ask him to commence such an action, and if he declines the citizen commences the action in the name of the State. I presume every State in the Union has laws similar to that. When a citizen commences the suit the attorney general of that State has no authority to come in and dismiss it.

Mr. President, I think those words practically nullify the real good that will come out of this amendment. They make it nugatory. What State or what attorney general of a State would go to the expense and spend the time that would be necessary to get an antitrust case ready for trial, knowing that all the work of the attorney general might be overthrown by the simple dictum of the Attorney General in Washington? It seems to me there can be no reason founded upon justice and reasoning why this power to the Attorney General to dismiss a case that he himself has declined to commence should be given. As I said before, it seems to me that it takes away all the virtue of this amendment. There will be no difficulty in the enforcement of this law. There will be no reflection upon any class of officials, either of the States or of the Federal Government. It simply gives to the States the right to begin this action when the Federal Government has declined to begin. It does not mean that the Attorney General refuses for motives that were dishonorable or that were unfair or that were not right in any other way. It may be that he will decline simply for want of time. It may be that he will decline because he does not believe the attorney general of the State has a good case.

It would often occur that there would be a joining of the attorneys general of several States, and they ought to be given this right when they go to the expense and time and trouble of getting them ready for trial and commence to try them. They will never get them ready unless they are given that right. In my judgment if this language remains in the bill it will mean practically that the law will be a dead letter, because no attorney general would put his State to the expense and trouble of getting an important case of this kind ready for trial, knowing that he is at the mercy of some man who may dismiss the suit without giving any reason for it.

I ask for the yeas and nays on the amendment to the amendment.

Mr. CUMMINS. I ask that the amendment as it has been perfected up to this time may be stated, together with the amendment of the Senator from Nebraska.

The SECRETARY. The Senator from Nebraska moves to strike out from the end of the proposed amendment the following words:

And the Attorney General of the United States shall have the right to control the prosecution.

So that, if amended, the whole proposition will be to add a new section, as follows:

SEC. 25. That the attorney general of any State may, at the cost and expense of the State, bring suit in the name of the United States, in any district court of the United States having jurisdiction over the parties, to enforce any of the antitrust laws: *Provided*, That at least 90 days before commencing suit the attorney general of the State has requested the Attorney General of the United States to bring such suit and such request has not been complied with by the Attorney General of the United States; and said Attorney General of the United States shall have the right to appeal and participate in said suit with said attorney general of the State.

Mr. FALL. Mr. President, I have not said anything, I think, during the entire debate on any part of this bill or any amendment to the bill. If I could agree that any part of this proposed amendment was worthy of consideration, then I might agree with the conclusion of the Senator from Nebraska [Mr. NORRIS] as to his amendment to the amendment. I can not vote to perfect it, because to me it can not be perfected. The idea of empowering an attorney general of a State to enforce any of the provisions of the antitrust laws of the United States, whether you put the ultimate power in the hands of the Attorney General of the United States or not, to me is absolutely obnoxious.

Mr. GALLINGER rose.

Mr. FALL. I yield.

Mr. GALLINGER. I presume the keen ear of the Senator from New Mexico heard the last clause of the amendment, that the Attorney General of the United States may appear in conjunction with the attorney general of a State. He can help.

Mr. FALL. Yes, Mr. President; I will say to the Senator that the keen ear of the Senator from New Mexico did catch that permissory clause in the amendment.

Mr. President, I can not understand just exactly what we accomplish by this amendment. I do not propose to debate the proposition. I simply want to say for myself that I shall not vote for a part of it. I can not vote for any part of it, on principle.

The VICE PRESIDENT. The Senator from Nebraska [Mr. NORRIS] requests the yeas and nays on agreeing to his amendment to the amendment of the Senator from Missouri [Mr. REED]. Is the request seconded?

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

Mr. COLT (when his name was called). I have a general pair with the Senator from Delaware [Mr. SAULSBURY]. I transfer that pair to the junior Senator from Vermont [Mr. PAGE] and vote "nay."

Mr. CULBERSON (when his name was called). I transfer my general pair with the Senator from Delaware [Mr. DU PONT] to the Senator from Arizona [Mr. SMITH] and vote "nay."

Mr. GORE (when his name was called). I desire to announce my pair with the senior Senator from Wisconsin [Mr. STEPHENSON]. I withhold my vote.

Mr. HOLLIS (when his name was called). I announce my pair with the Senator from Maine [Mr. BURLEIGH] and withhold my vote.

Mr. TOWNSEND (when his name was called). I transfer the general pair that I have with the junior Senator from

Arkansas [Mr. ROBINSON] to the Senator from Illinois [Mr. SHERMAN] and vote "nay."

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

The roll call was concluded.

Mr. CLARK of Wyoming. Transferring my general pair with the senior Senator from Missouri [Mr. STONE] to the senior Senator from Connecticut [Mr. BRANDEGEE], I vote "nay."

Mr. LEA of Tennessee. I have a general pair with the Senator from South Dakota [Mr. CRAWFORD] and therefore withhold my vote.

Mr. FLETCHER. I have a general pair with the Senator from Wyoming [Mr. WARREN]. In his absence I withhold my vote.

Mr. THOMAS. I have a general pair with the senior Senator from New York [Mr. ROOT]. In his absence I withhold my vote. If I were at liberty to vote I would vote "nay."

Mr. HOLLIS. I desire to announce that the senior Senator from Maine [Mr. JOHNSON] is necessarily absent from the Senate and that he is paired with the junior Senator from North Dakota [Mr. GRONNA].

Mr. FLETCHER. I will transfer my pair to the senior Senator from Nevada [Mr. NEWLANDS] and vote "nay."

Mr. REED. I will state that my colleague [Mr. STONE] is necessarily absent from the Senate and that in his absence he is paired with the Senator from Wyoming [Mr. CLARK].

The result was announced—yeas 9, nays 49, as follows:

YEAS—9.

Borah	Jones	Lane	Norris
Brady	Kenyon	McLean	Poindexter
Clapp			

NAYS—49.

Ashurst	Gallinger	O'Gorman	Smith, Mich.
Bankhead	Hitchcock	Oliver	Swanson
Bryan	Hughes	Overman	Thompson
Burton	James	Perkins	Thornton
Camden	Kern	Pomerene	Townsend
Chamberlain	Lee, Md.	Ransdell	Vardaman
Chilton	Lewis	Reed	Walsh
Clark, Wyo.	Lippitt	Shafroth	Weeks
Colt	McCumber	Sheppard	White
Culberson	Martin, Va.	Shields	Williams
Dillingham	Martine, N. J.	Shively	
Fall	Myers	Simmons	
Fletcher	Nelson	Smith, Md.	

NOT VOTING—38.

Brandegee	Gronna	Pittman	Sterling
Bristow	Hollis	Robinson	Stone
Burleigh	Johnson	Root	Sutherland
Catron	La Follette	Saulsbury	Thomas
Clarke, Ark.	Lea, Tenn.	Sherman	Tillman
Crawford	Lodge	Smith, Ariz.	Warren
Cummins	Newlands	Smith, Ga.	West
du Pont	Owen	Smith, S. C.	Works
Goff	Page	Smoot	
Gore	Penrose	Stephenson	

So Mr. NORRIS's amendment to Mr. REED's amendment was rejected.

The VICE PRESIDENT. The question recurs on the original amendment.

Mr. REED. I ask that the amendment as it now stands be read, and upon the amendment I ask for the yeas and nays.

The yeas and nays were ordered.

The VICE PRESIDENT. The Secretary will restate the amendment.

The SECRETARY. Add a new section to the bill, as follows:

SEC. 25. That the attorney general of any State may, at the cost and expense of the State, bring suit in the name of the United States in any district court of the United States having jurisdiction over the parties to enforce any of the antitrust laws: *Provided*, That at least 90 days before commencing suit the attorney general of the State has requested the Attorney General of the United States to bring such suit, and such request has not been complied with by the Attorney General of the United States; and said Attorney General of the United States shall have the right to appear and participate in said suit with said attorney general of the State; and the Attorney General of the United States shall have the right to control the prosecution.

Mr. POINDEXTER. Mr. President, I only desire to say that I shall vote for this amendment, believing, however, that it amounts to very little more than a declaration of principle. I think that with the concluding clause in it, which the motion of the Senator from Nebraska [Mr. NORRIS] sought to strike out, it makes no substantial change in the present condition. It leaves any suit which may be started by the attorney general of any State in the control of the Attorney General of the United States. Knowing that, I doubt whether the attorney general of any State would start a suit unless it was with the consent of the Attorney General.

However, the general idea of widening the instrumentalities for the enforcement of the Sherman antitrust law, well expressed in the amendment, is a good one, and I shall vote for it on that account.

The VICE PRESIDENT. The yeas and nays have been demanded and properly seconded. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. COLT (when his name was called). I transfer my pair again to the junior Senator from Vermont [Mr. PAGE] and vote "nay."

Mr. CULBERSON (when his name was called). Again announcing my pair and its transfer, I vote "nay."

Mr. FLETCHER (when his name was called). I announce my pair and its transfer as before and vote "nay."

Mr. GORE (when his name was called). I desire again to announce my pair with the Senator from Wisconsin [Mr. STEPHENSON] and I withhold my vote.

Mr. HOLLIS (when his name was called). I announce my pair as before and withhold my vote.

Mr. LEA of Tennessee (when his name was called). I again announce my pair and withhold my vote.

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from New York [Mr. ROOT]. I am assured, however, that if the Senator were here his vote upon this amendment would be in accord with my own. I therefore feel at liberty to vote "nay."

Mr. TOWNSEND (when his name was called). Again announcing my pair and its transfer to the Senator from Illinois [Mr. SHERMAN], I vote "nay."

Mr. WILLIAMS (when his name was called). Making the same announcement as on the last roll call, I vote "nay."

The roll call was concluded.

Mr. CLARK of Wyoming. Again announcing my pair and its transfer, I vote "nay."

Mr. LEA of Tennessee. I transfer my pair with the Senator from South Dakota [Mr. CRAWFORD] to the junior Senator from Nevada [Mr. PITTMAN] and vote "nay."

The result was announced—yeas 21, nays 39, as follows:

YEAS—21.

Ashurst	Hitchcock	Martine, N. J.	Shields
Borah	Jones	Nelson	Thompson
Brady	Kenyon	Norris	Vardaman
Chamberlain	Lane	Poindexter	
Clapp	McCumber	Reed	
Cummins	McLean	Shafroth	

NAYS—39.

Bankhead	Fletcher	Myers	Smith, Mich.
Bryan	Gallinger	O'Gorman	Swanson
Burton	Hughes	Oliver	Thomas
Camden	James	Overman	Thornton
Chilton	Kern	Perkins	Townsend
Clark, Wyo.	Lea, Tenn.	Pomerene	Walsh
Colt	Lee, Md.	Ransdell	Weeks
Culberson	Lewis	Sheppard	White
Dillingham	Lippitt	Simmons	Williams
Fall	Martin, Va	Smith, Md.	

NOT VOTING—36.

Brandegee	Gronna	Pittman	Smoot
Bristow	Hollis	Robinson	Stephenson
Burleigh	Johnson	Root	Sterling
Catron	La Follette	Saulsbury	Stone
Clarke, Ark.	Lodge	Sherman	Sutherland
Crawford	Newlands	Shively	Tillman
du Pont	Owen	Smith, Ariz.	Warren
Goff	Page	Smith, Ga.	West
Gore	Penrose	Smith, S. C.	Works

So Mr. REED's amendment was rejected.

Mr. REED. I offer an amendment on page 41 of the printed amendments.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. Add a new section, as follows:

SEC. —. That no corporation, except a common carrier, the capital and surplus of which exceeds $100,000,000, shall be permitted to engage in interstate commerce.

Mr. REED. Mr. President, I can say all I want to say on this amendment in, I think, three minutes. This will end such institutions as the Steel Trust. I think it will only affect that one institution, but if there is another ouside of the common carriers in this country that has a capital of more than $100,000,000 it ought to be terminated. In some 12 States of the Union there is a limit upon the amount of capital which corporations may have or upon the capital which certain corporations may have. There is no excuse for the existence in this country of an institution larger than one which has a capital of $100,000,000. Whenever a corporation goes beyond that in its size it becomes in fact a monopoly.

Mr. OVERMAN. Has the National Government a right to limit the capital of a State corporation?

Mr. REED. I think it has the right to limit the capital of any institution that proposes to engage in interstate commerce and that does engage in interstate commerce. If we do not

possess that right, then half the legislation we are now enacting will fall of its own weight.

The PRESIDING OFFICER (Mr. LEA of Tennessee in the chair). The question is on the amendment of the Senator from Missouri.

Mr. REED. I call for the yeas and nays.

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

Mr. COLT (when his name was called). I transfer my pair to the junior Senator from Vermont [Mr. PAGE] and vote "nay."

Mr. CULBERSON (when his name was called). Again announcing my pair and its transfer, I vote "nay."

Mr. FLETCHER (when his name was called). Again announcing my pair and its transfer as before, I vote "nay."

Mr. GORE (when his name was called). I again announce my pair with the junior Senator from Wisconsin [Mr. STEPHENSON], and ask that this statement stand for the day.

Mr. HOLLIS (when his name was called). I announce my pair as before.

The PRESIDING OFFICER (when the name of Mr. LEA of Tennessee was called). The occupant of the chair again announces his pair and its transfer and votes "yea."

Mr. THOMAS (when his name was called). I again announce my pair and withhold my vote. If I were at liberty to vote, I should vote "yea."

Mr. TOWNSEND (when his name was called). Again announcing my pair and its transfer, I vote "nay."

Mr. REED (when Mr. VARDAMAN's name was called). The Senator from Mississippi [Mr. VARDAMAN] has been compelled to leave the Chamber on account of the condition of his health. In his absence he is paired with the Senator from South Dakota [Mr. STERLING].

Mr. WILLIAMS (when his name was called). Making the same announcement concerning my pair and its transfer which I made on the last roll call, I vote "yea."

The roll call was concluded.

Mr. CLARK of Wyoming. Again announcing my pair and its transfer, I vote "nay."

Mr. JAMES (after having voted in the affirmative). I inquire if the junior Senator from Massachusetts [Mr. WEEKS] has voted?

The PRESIDING OFFICER. The Chair is informed that he has not.

Mr. JAMES. I have a pair with that Senator, which I transfer to the junior Senator from Ohio [Mr. POMERENE], and will allow my vote to stand.

The result was announced—yeas 16, nays 36, as follows:

YEAS—16.

Ashurst	Kenyon	Lee, Md.	Sheppard
Hitchcock	Kern	Martine, N. J.	Shively
James	Lane	Norris	Thompson
Jones	Lea, Tenn.	Reed	Williams

NAYS—36.

Bankhead	Culberson	McLean	Shafroth
Brady	Cummins	Martin, Va.	Simmons
Bryan	Dillingham	Myers	Smith, Md.
Burton	Fall	O'Gorman	Smoot
Camden	Fletcher	Oliver	Swanson
Chamberlain	Gallinger	Overman	Thornton
Chilton	Hughes	Perkins	Townsend
Clark, Wyo.	Lippitt	Poindexter	Walsh
Colt	McCumber	Ransdell	White

NOT VOTING—44.

Borah	Gronna	Pittman	Stephenson
Brandegee	Hollis	Pomerene	Sterling
Bristow	Johnson	Robinson	Stone
Burleigh	La Follette	Root	Sutherland
Catron	Lewis	Saulsbury	Thomas
Clapp	Lodge	Sherman	Tillman
Clarke, Ark.	Nelson	Shields	Vardaman
Crawford	Newlands	Smith, Ariz.	Warren
du Pont	Owen	Smith, Ga.	Weeks
Goff	Page	Smith, Mich.	West
Gore	Penrose	Smith, S. C.	Works

So Mr. REED's amendment was rejected.

Mr. REED. Mr. President, I now offer the amendment printed at pages 43 and 44 of the printed amendments.

The PRESIDING OFFICER. The Secretary will state the amendment proposed by the Senator from Missouri.

The SECRETARY. It is proposed to add as a new section the following:

SEC. —. That whenever a corporation shall acquire or consolidate the ownership or control of the plants, franchises, or property of other corporations, copartnerships, or individuals, so that it shall be adjudged to be a monopoly or combination in restraint of trade, the court rendering such judgment shall decree its dissolution and shall to that end appoint receivers to wind up its affairs and shall cause all of its assets to be sold in such manner and to such persons as will, in the opinion of the court, restore competition as fully and completely as it was before said corporation or combination began to be formed. The court shall reserve in its decree jurisdiction over said assets so sold for a sufficient time to satisfy the court that full and free competition is restored and assured.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Missouri.

Mr. REED. Mr. President, I again read this statement coming from the Attorney General's office.

The fundamental weakness in the enforcement of the antitrust act in previous administrations was the failure to insist upon a real dissolution of monopolies and combinations which the courts had adjudged unlawful.

I do not read that in order to criticize any past administration and do not present it from any partisan motive. The great trouble in the enforcement of one of these laws is that after the violator has been finally brought to book he then begins to appeal in the names of the widows and orphans—the fictitious and invisible widows and orphans—who are alleged to own stock in the concern; he begins to appeal against the thought of disturbing business. Accordingly it has been true that the dissolution of trusts in the past has frequently resulted in merely producing a number of other trusts, and the stock of the corporation has actually risen in value upon the market.

Mr. President, I want to invite the serious attention of the Senate to this amendment. This provision only applies where there is a final judgment; it does not interfere with a possible settlement; but when there has been a final judgment, the decree provides for the appointment of a receiver and the actual, good-faith dissolution of the combination. That may seem revolutionary to some of you; but I call your attention to the fact that in 28 States of this Union they have a similar provision for the violation of their antitrust acts. It is a principle that has been recognized in all of the States that I have referred to. Therefore, I think it ought to be placed in this proposed law.

Besides, I think it ought to go into this law, so that hereafter when we shall prosecute a combination and shall gain the suit there shall be a real and not a pretended dissolution.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Missouri.

The amendment was agreed to.

Mr. REED. Mr. President, I offer the amendment printed on page 45 of the amendments.

The PRESIDING OFFICER. The amendment proposed by the Senator from Missouri will be stated.

The SECRETARY. It is proposed to add as a new section, after the one just agreed to, the following:

SEC. —. That whenever any corporation shall be convicted of a violation of any of the antitrust acts the court shall assess against said corporation a fine not less than 10 per cent of the full value of the assets of said corporation or consolidation and shall assess against it the costs of the suit. The fine and costs aforesaid shall be paid out of the interest of the officers, directors, and agents who have aided, advised, or consented to the illegal acts of such corporation or combination, if sufficient, and if not, the deficiency shall be paid out of the other assets of the corporation and the balance of the funds shall be disposed of by the court in accordance with the law applicable in such cases.

Mr. REED. Mr. President, I think this is an important amendment; I think it is a sound amendment. Of what use is it to fine a corporation $5,000 that has made $5,000,000 by the combination? Of what use is it to say to the corporations of this country, "We impose upon you the penalty of a fine," when you make the fine a mere bagatelle? A man can organize a $10,000,000 or a $100,000,000 monopoly; he can run it for 10 years; he can be brought finally to book; he may have his corporation convicted; he can in the meantime have made $10,000,000 or any other sum, greater or less; and the power of the court in levying a fine against that corporation is limited to a pitiable $5,000. That sort of penalty is no penalty; that sort of penalty has never stopped a trust in its organization for one minute; it has never arrested its progress for a second; but add a penalty of this kind and the gentlemen who sit on boards of directors or who sit back of boards of directors, and who figure that if there is a criminal responsibility attaching to any man connected with a trust they will be so far off they can not be reached and afterwards sent to jail—these gentlemen will at least see the prospect of heavy financial loss, and they will hesitate about proceeding in a course in violation of the law.

Mr. President, I offer the amendment without further argument.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Missouri. [Putting the question.] The noes seem to have it.

Mr. REED. Let us have a roll call.

Mr. MARTINE of New Jersey. Let us have the yeas and nays, Mr. President.

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

Mr. CLARK of Wyoming (when his name was called). Again announcing my pair and its transfer, I vote "nay."

Mr. COLT (when his name was called). Again announcing my pair and its transfer, I vote "nay."

Mr. CULBERSON (when his name was called). Again announcing my pair and its transfer, I vote "nay."

The PRESIDING OFFICER (when the name of Mr. LEA of Tennessee was called). The present occupant of the chair again announces his pair and its transfer and votes "yea."

Mr. THOMAS (when his name was called). I again announce my pair and withhold my vote.

Mr. TOWNSEND (when his name was called). Again announcing my pair and its transfer to the Senator from Illinois [Mr. SHERMAN], I vote "nay."

Mr. WILLIAMS (when his name was called). Making the same announcement as to my pair and its transfer as on the previous roll call, I vote "nay."

The roll call was concluded.

Mr. FLETCHER. I announce my pair and its transfer as before, and vote "nay."

Mr. REED. I announce the necessary absence on account of the condition of his health of the Senator from Mississippi [Mr. VARDAMAN]. In his absence he is paired with the Senator from South Dakota [Mr. STERLING]. I also announce the necessary absence of my colleague [Mr. STONE].

The result was announced—yeas 13, nays 36, as follows:

YEAS—13.

Borah	Jones	Norris	Thompson
Chamberlain	Lane	Poindexter	
Cummins	Lea, Tenn.	Reed	
James	Martine, N. J.	Shields	

NAYS—36.

Bankhead	Fletcher	O'Gorman	Simmons
Bryan	Gallinger	Oliver	Smith, Md.
Burton	Hughes	Overman	Smoot
Camden	Kern	Perkins	Swanson
Chilton	Lee, Md.	Pomerene	Thornton
Clark, Wyo.	McCumber	Ransdell	Townsend
Colt	McLean	Shafroth	Weeks
Culberson	Martin, Va.	Sheppard	White
Dillingham	Myers	Shively	Williams

NOT VOTING—47.

Ashurst	Gore	Owen	Stephenson
Brady	Gronna	Page	Sterling
Brandegee	Hitchcock	Penrose	Stone
Bristow	Hollis	Pittman	Sutherland
Burleigh	Johnson	Robinson	Thomas
Catron	Kenyon	Root	Tillman
Clapp	La Follette	Saulsbury	Vardaman
Clarke, Ark.	Lewis	Sherman	Walsh
Crawford	Lippitt	Smith, Ariz.	Warren
du Pont	Lodge	Smith, Ga.	West
Fall	Nelson	Smith, Mich.	Works
Goff	Newlands	Smith, S. C.	

So Mr. REED's amendment was rejected.

Mr. REED. Mr. President, a few moments ago, in discussing the amendment which I offered limiting the capital of corporations engaged in interstate commerce other than common carriers, I stated that I thought the amendment would apply only, perhaps, to the Steel Trust and one or two others. I have a list, which has been handed to me by the Senator from Kansas [Mr. THOMPSON], of the corporations which will be affected by this amendment. I do not claim that the list is necessarily complete, but inasmuch as it is an interesting list, I ask to have it printed in the RECORD as a part of my remarks.

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

The matter referred to is as follows:

Amalgamated Copper Co	$198,000,000
American Smelting & Refining Co	100,000,000
American (Bell) Telephone Co	391,000,000
Brooklyn Rapid Transit Co	170,000,000
Central Leather Co. (70 per cent of tanneries of United States)	112,000,000
Chile Copper Co	111,000,000
Consolidated Gas Co. of New York	150,000,000
Consolidated Lake Superior Co	117,000,000
Consolidated Tobacco Co	502,000,000
Great Northern Iron Ore Co	150,000,000
International Harvester Co	140,000,000
International Merchant Marine Co	179,000,000
Metropolitan Securities Co	224,000,000
Philadelphia Co. of Pittsburgh	100,000,000
United States Leather Co	130,000,000
United States Steel Co	1,490,000,000
Western Union Telegraph Co	121,000,000

Mr. REED. Mr. President, I desire to say to the Senate that I have taken much of its time and imposed greatly upon its patience, but I am through offering amendments to this bill.

The PRESIDING OFFICER. The bill is before the Senate as in Committee of the Whole and open to amendment.

Mr. NORRIS. I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. It is proposed to add at the end of section 14 the following:

And where, in such suit, necessary and proper defendants reside in different districts, the plaintiff may file his action in either district, and thereupon the court may make an order for service upon nonresident defendants, and service may be made upon them as in the cases provided for in section 57 of the Judicial Code.

Mr. NORRIS. Mr. President, I should like to direct the attention of the members of the committee to the amendment. It seems to me that there can be no possible objection to the amendment. It involves a matter of considerable consequence, which I think ought to receive attention.

Mr. CHILTON. Will the Senator allow the Secretary again to state the amendment?

Mr. NORRIS. Certainly.

The PRESIDING OFFICER. The Secretary will again state the amendment.

The Secretary again stated the amendment.

Mr. CHILTON. I wish to ask the Senator if the same matter is not covered by section 10 of the bill, and also by section 13?

Mr. NORRIS. I do not see how section 10 would cover it. I desire to say to the Senator that this amendment is intended to correct an evil in connection with section 14 under which any person, firm, corporation, or association is given the right to sue in certain cases. It is intended to remedy a defect that would exist without this amendment or a similar one, where defendants reside in several different districts and service can not be had upon them.

Mr. CHILTON. I believe that is covered now by the bill, although, so far as I am concerned, the amendment is perfectly satisfactory.

Mr. NORRIS. I will say to the Senator that I offered the amendment because of a suggestion made to me concerning a case which has actually arisen.

Mr. CULBERSON. Mr. President——

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

Mr. NORRIS. I yield.

Mr. CULBERSON. I will state to the Senator from Nebraska that, so far as I am concerned, and so far as the members of the committee with whom I have had an opportunity to consult are concerned, we are willing to accept the amendment.

Mr. NORRIS. With that understanding, I am ready for a vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nebraska.

The amendment was agreed to.

Mr. GALLINGER. Mr. President, I offer the amendment which will be found on page 15 of the compilation of amendments. I ask that the amendment be read.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. As a substitute for section 7 it is proposed to insert the following:

SEC. 7. That nothing contained in the antitrust laws of the United States shall be construed to forbid the creation, existence, and lawful conduct of labor or other organizations, instituted for the purpose of mutual help, and not having capital stock or being conducted for profit, or to forbid or restrain individual members of any such organization from lawfully carrying out the legitimate objects and purposes thereof; nor shall such organizations, when lawfully conducted, be held or construed to be illegal combinations or conspiracies in restraint of trade under the antitrust laws.

Mr. GALLINGER. Mr. President, a few words will enable me to make the suggestion I have to make as to this amendment. I take it that no Member of this body for a moment would give assent to the proposition that labor organizations should be restrained from organizing or conducting their business for lawful purposes as laid down in this amendment and in the text of the bill. Certainly, I have been astounded to hear it even suggested that any judge of any court at any time has decided that a labor organization was in violation of the antitrust laws or in restraint of trade. The first provision in this proposed amendment is:

That nothing contained in the antitrust laws of the United States shall be construed to forbid the creation—

That is, the organization—

existence, and lawful conduct of labor or other organizations, instituted for the purpose of mutual help, and not having capital stock or being conducted for profit.

The second proposition is:

Or to forbid or restrain individual members of any such organization from lawfully carrying out the legitimate objects and purposes thereof.

The third proposition is:

Nor shall such organizations, when lawfully conducted, be held or construed to be illegal combinations or conspiracies in restraint of trade under the antitrust laws.

So, Mr. President, this amendment provides that not only labor organizations but other organizations having the laudable purpose in view of mutual help, and not having capital stock, can be formed and can be conducted under the law; that they shall not be restrained from the legitimate objects and purposes of their organization if they are being lawfully conducted; and that they shall not be held or construed to be illegal combinations or conspiracies in restraint of trade under the antitrust laws, provided they are lawfully conducted.

It seems to me, Mr. President, that that is all that any labor organization could ask for, and that it absolutely covers every legitimate demand that could be made upon Congress so far as legislation is concerned.

Mr. NORRIS. Mr. President——

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

Mr. GALLINGER. I yield to the Senator.

Mr. NORRIS. Mr. President, I wish to ask the Senator in just what particular the proposed substitute differs from what is already in the bill? I think probably we have adopted some amendments to section 7 that do not show. I am not sure that we have.

Mr. GALLINGER. I will ask that section 7 be read with the amendments, if any, that have been agreed to.

The PRESIDING OFFICER. The Secretary will read section 7 of the bill.

Mr. CHILTON. As amended.

The PRESIDING OFFICER. As amended.

The Secretary read as follows:

SEC. 7. That nothing contained in the antitrust laws shall be construed to forbid the existence and operation of labor, agricultural, or horticultural organizations instituted for the purpose of mutual help, and not having capital stock or conducted for profit, or to forbid or restrain individual members of such organizations from lawfully carrying out the legitimate objects thereof; nor shall such organizations, or the members thereof, be held or construed to be illegal combinations or conspiracies in restraint of trade under the antitrust laws.

Mr. GALLINGER. I will say to the Senator——

Mr. NORRIS. That is not all.

Mr. CULBERSON. Those are not all the amendments that were agreed to. An amendment was also agreed to providing that violations of any law of the United States should not be held or construed to be illegal combinations or conspiracies in restraint of trade.

The PRESIDING OFFICER. The Secretary advises the Chair that that is not on the section as amended.

Mr. OVERMAN. That is another section.

Mr. NORRIS. The Secretary was interrupted.

The PRESIDING OFFICER. The Secretary announces that he has finished reading the section as amended.

Mr. CULBERSON. Upon reflection, I think the Secretary is right. These words were inserted in section 18.

Mr. OVERMAN. To be sure; that is right.

The PRESIDING OFFICER. The Senator from New Hampshire has the floor.

Mr. GALLINGER. The difference between the amendment, as I read it, and the one that has just been reported is that it extends the privilege of organization to any persons who desire to organize for the purpose of mutual help, the organization not having capital stock or being conducted for profit; and it does not limit it to labor, agricultural, and horticultural organizations. As an illustration, I know of no reason why the men who contend for an open shop should not have the same privilege in regard to organizing and conducting their business legally that the members of a labor union have.

Mr. NORRIS. They would have under either amendment.

Mr. GALLINGER. I should say not, as this simply names three classes of people who may organize.

Mr. NORRIS. I will ask the Senator whether that kind of an organization would not be a labor organization?

Mr. GALLINGER. I should hardly think so.

Mr. NORRIS. What kind of organization would it be, if not a labor organization?

Mr. GALLINGER. Well, we will admit that. We will say that the open-shop laborers could organize; but there is another class of people who were named in the original bill, and afterwards stricken out—the consumers. I know of no reason why the consumers of this country should not organize to keep down inordinate profits on the part of those who are selling the necessaries of life.

Mr. NORRIS. Mr. President——

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

Mr. GALLINGER. I do.

Mr. NORRIS. I agree with the Senator. I voted against striking out those words. I think they ought to have remained in the bill.

Mr. GALLINGER. I think they ought to have remained in the bill, and I could enumerate half a dozen classes of people who might organize with equal propriety with farmers or horticulturists. It is inconceivable to me that those two classes of people should be singled out and should be granted this privilege and a great many other classes of people who might be named should be denied the privilege. I can not understand it; so my amendment says "other organizations instituted for the purpose of mutual help, and not having capital stock or being conducted for profit."

Mr. NELSON. Mr. President——

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

Mr. GALLINGER. I yield to the Senator.

Mr. NELSON. If the Senator will allow me, it is an anomaly of section 7 that they have included farmers or agricultural societies.

Mr. GALLINGER. Yes.

Mr. NELSON. My home is in one of the great agricultural States of this Union, and I have not had a letter or a request from a single farmer in the State of Minnesota who wants this legislation.

Mr. GALLINGER. I think the Senator is right.

Mr. NELSON. It has been sandwiched in there to give a little color of reasonableness to the other branch of the case; but there is not a single farmer in the State of Minnesota—and I am proud of it—who wants any right different from that of any other American citizen.

Mr. CUMMINS. Mr. President——

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

Mr. GALLINGER. I do.

Mr. CUMMINS. I remind the Senator from Minnesota that these are not farmers' organizations; these are agricultural organizations; and there is a very great difference between an organization of farmers and an agricultural organization, or, at least, there may be a very great difference.

Mr. NORRIS. They are all included in the substitute offered by the Senator from New Hampshire.

Mr. HOLLIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to his colleague?

Mr. GALLINGER. I do, with pleasure.

Mr. HOLLIS. I should like to ask my colleague a question. Under section 7 as it stands in the bill the members of organizations are exempted from being held to be combinations or conspiracies in restraint of trade under the antitrust law.

Mr. GALLINGER. Yes.

Mr. HOLLIS. I observe that my colleague omits the members from this paragraph, so that members of labor organizations, not acting as the organization but acting independently of it, might be held to be establishing a conspiracy in restraint of trade, and therefore might be prosecuted under the antitrust laws. I ask my colleague if he means his amendment to have that effect?

Mr. GALLINGER. I gave consideration to that matter, and yet if I am wrong about it I have no objection to including it. When the section says that such organizations, when lawfully conducted, or the members thereof—that is, the individual members—shall not be held or construed to be illegal combinations, I can not for the life of me understand how the individual members could be an illegal combination, and for that reason I dropped it out.

Mr. HOLLIS. I think I ought to inform my colleague that such an amendment would be very distasteful to the labor organizations of New England, and that, in my judgment, if that is left out, members of labor organizations acting outside of the official votes of the organization might be held to be conspirators in restraint of trade. I so construe it.

Mr. GALLINGER. Mr. President, I shall be glad to give a little more of my time to my colleague to explain exactly how that would operate. Just what are these individual members going to do?

Mr. HOLLIS. Is that question addressed to me?

Mr. GALLINGER. Yes.

Mr. HOLLIS. The members acting outside of the organization might say that they would exercise peaceful persuasion to prevent men from going to work. If they did that, two or more of them, and it resulted in restraint of trade, as it probably would, they might be held to be a combination in restraint of trade. That is one illustration. Many others might be given.

They would be acting lawfully if they acted individually, but would be in conflict with the antitrust laws if they acted together.

Mr. GALLINGER. Mr. President, I do not quite see the force of that; but however that may be, I will ask that those words may be included in my amendment.

The PRESIDING OFFICER. Without objection, it will be so ordered.

Mr. GALLINGER. I refer to the words that are in the original text. Let them be placed in the amendment. I do not think there is much force to it, but possibly there is. I will say frankly that I have no disposition at all to embarrass these associations or the members of the organizations in doing anything that is legitimate or that is lawful—not the least in the world.

I will ask that the amendment may be stated.

The PRESIDING OFFICER. The Secretary will state the substitute as modified.

The SECRETARY. After the words "conducted," in line 9, it is proposed to insert "or the members thereof," so as to read:

SEC. 7. That nothing contained in the antitrust laws of the United States shall be construed to forbid the creation, existence, and lawful conduct of labor or other organizations, instituted for the purpose of mutual help, and not having capital stock or being conducted for profit, or to forbid or restrain individual members of any such organization from lawfully carrying out the legitimate objects and purposes thereof; nor shall such organizations, when lawfully conducted, or the members thereof, be held or construed to be illegal combinations or conspiracies in restraint of trade under the antitrust laws.

Mr. GALLINGER. Now, Mr. President, I am ready for a vote. I have no disposition to prolong the controversy. I will ask for the yeas and nays on the amendment.

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

Mr. CULBERSON (when his name was called). Again announcing my pair and its transfer, I vote "nay."

Mr. FLETCHER (when his name was called). I announce my pair and its transfer as before, and vote "nay."

Mr. HOLLIS (when his name was called). My pair with the junior Senator from Maine [Mr. BURLEIGH] does not extend to labor-union matters. I vote "nay."

The PRESIDING OFFICER (when the name of Mr. LEA of Tennessee was called). The present occupant of the chair announces his pair and its transfer, and votes "nay."

Mr. THOMAS (when his name was called). I again announce my pair and withhold my vote.

Mr. TOWNSEND (when his name was called). I have a pair with the junior Senator from Arkansas [Mr. ROBINSON], and therefore withhold my vote.

Mr. WILLIAMS (when his name was called). I make the same announcement as before, and vote "nay."

The roll call was concluded.

Mr. THOMAS. I transfer my pair with the senior Senator from New York [Mr. ROOT] to the junior Senator from Tennessee [Mr. SHIELDS] and will vote. I vote "nay."

The result was announced—yeas 17, nays 35, as follows:

YEAS—17.

Brady	Lippitt	Norris	Smoot
Burton	McCumber	Oliver	Weeks
Clark, Wyo.	McLean	Perkins	
Dillingham	Martine, N. J.	Pomerene	
Gallinger	Nelson	Smith, Mich.	

NAYS—35.

Bankhead	Hollis	Martin, Va.	Simmons
Bryan	Hughes	Myers	Swanson
Camden	James	O'Gorman	Thomas
Chamberlain	Jones	Overman	Thompson
Chilton	Kenyon	Poindexter	Thornton
Culberson	Kern	Ransdell	Walsh
Cummins	Lane	Shafroth	White
Fletcher	Lea, Tenn.	Sheppard	Williams
Hitchcock	Lee, Md.	Shively	

NOT VOTING—44.

Ashurst	Fall	Penrose	Smith, S. C.
Borah	Goff	Pittman	Stephenson
Brandegee	Gore	Reed	Sterling
Bristow	Gronna	Robinson	Stone
Burleigh	Johnson	Root	Sutherland
Catron	La Follette	Saulsbury	Tillman
Clapp	Lewis	Sherman	Townsend
Clarke, Ark.	Lodge	Shields	Vardaman
Colt	Newlands	Smith, Ariz.	Warren
Crawford	Owen	Smith, Ga.	West
du Pont	Page	Smith, Md.	Works

So Mr. GALLINGER's amendment was rejected.

Mr. WHITE. Mr. President, I wish to offer an amendment, or rather to call up an amendment I have already offered to section 9. It is on page 12 of the old print and is in section 9. It is on page 12 of the new print and is in section 10 of the new print. My amendment is to strike out the word "general," before the word "agent," on the seventh line of section 9, on page 12, of the old print.

The PRESIDING OFFICER. The Chair will state to the Senator from Alabama that that amendment having been already agreed to, the amendment will have to be reconsidered before the Senator's amendment can be offered.

Mr. WHITE. Section 9 has been agreed to? I do not think so.

The PRESIDING OFFICER. The Senator from Alabama is trying to amend an amendment that has been agreed to. If the Senator voted in favor of the amendment, he will have to move to reconsider the vote.

Mr. CULBERSON. What is the amendment of the Senator from Alabama?

Mr. WHITE. It is to strike out the word "general." The Senator will find it in the old print on page 12, line 7, before the word "agent."

The PRESIDING OFFICER. The Secretary will state the amendment for the information of the Senate.

The SECRETARY. On page 12, line 7, before the word "agent," it is proposed to strike out the word "general," so that it will read "or agent of."

Mr. CULBERSON. That amendment, as stated by the Chair, has already been adopted.

The PRESIDING OFFICER. Does the Senator from Alabama move to reconsider the vote whereby the amendment was agreed to?

Mr. WHITE. Yes, sir; I move to reconsider it for the purpose of offering my amendment.

Mr. CULBERSON. Can not the Senator offer it in the Senate?

The PRESIDING OFFICER. He can.

Mr. WHITE. I will say to the Senator that I should like to do it now. I have some other engagements. I have waited all day.

Mr. CULBERSON. Very well. In view of the statement of the Senator, the committee will accept the proposed amendment.

The PRESIDING OFFICER. Without objection, the vote by which the amendment was agreed to will be reconsidered. The Secretary will state the amendment offered by the Senator from Alabama to the amendment of the committee.

The SECRETARY. On page 12, line 7, before the word "agent," it is proposed to strike out the word "general."

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Alabama to the amendment of the committee.

Mr. WHITE. It has been accepted.

Mr. WALSH and Mr. POMERENE addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Alabama yield, and to whom?

Mr. WHITE. I just wish to say that the amendment has been accepted by the committee.

Mr. GALLINGER. But it has to be accepted by the Senate.

The PRESIDING OFFICER. Without objection, the amendment to the amendment is agreed to; and the amendment as amended is agreed to.

Mr. POMERENE. Mr. President, I offer an amendment to section 10. It is found on page 35 of the amendments.

The PRESIDING OFFICER. The Secretary will state the amendment proposed by the Senator from Ohio.

The SECRETARY. On page 13, line 2, after the word "bid," it is proposed to insert:

Provided, however, That in case of emergency said purchases may be made without complying with the said requirements.

Mr. POMERENE obtained the floor.

Mr. GALLINGER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from New Hampshire?

Mr. POMERENE. I do.

Mr. GALLINGER. Who is to determine the emergency?

Mr. POMERENE. I take it that would be a question to be determined from the facts in the particular case.

Mr. GALLINGER. And who is to determine it?

Mr. POMERENE. It would be a question to be determined by the court if it should be raised. I am not sure that I would object to having it determined by the Interstate Commerce Commission, but I wish to call the attention of the Senate to the legislative situation.

Under this section if a corporation sells to a common carrier $50,000 worth of material or supplies the common carrier is obliged under any and all circumstances to advertise for bids if there are executive officers common to the vendor and the common carrier.

Now, everyone knows that every company is often confronted with emergencies which require it to act immediately. For instance, a year ago last March we were visited in Ohio and

Indiana by that awful flood which brought devastation to entire communities. Railroad property was destroyed overnight that was worth hundreds of thous. nds of dollars, not to say millions of dollars. The railway companies were having difficulty in accommodating their transportation. They were obliged, on the spur of the moment, to order large amounts of supplies, in order to protect their property from being carried away by the great advancing waters. Now, let us see what would be the situation.

If you are to advertise, or, to use the language of the bill, give "public notice" for bids, if you are to send to the Interstate Commerce Commission, in the middle of the night it may be, in order to get permission to buy supplies, what is going to be the effect upon this property? It might be that the railway company would be willing to spend twice or thrice the actual value of the supplies in order to protect their property from further injury. Are we to say that under these circumstances they must advertise or give public notice for bids and accept the lowest bid before they can enter into any contract to protect their property? I feel that we are going pretty far to make a regulation of this kind.

It may be said that under the provisions of this section the Interstate Commerce Commission could take care of that matter by adopting regulations looking to the kind of advertising and the length of time railroads would be required to advertise, but if they ought to have this right from the Interstate Commerce Commission it ought to be recognized directly by the Congress in the enactment of the law. I submit that the common prudence which would suggest a line of action to an individual property holder, to an individual business man, must be exercised by railway companies and common carriers under the circumstances I have indicated.

Mr. GALLINGER. Mr. President, I raised the question simply because it struck me as being a proposition that could not well be made operative. I did not see who was to determine the emergency. We have heard so much about "emergency legislation" that I did not like to have it introduced in every bill we passed.

The proposition itself does not appeal to me. Still it is in the amendment, and I suppose we are going to agree to it; that we are going to compel these corporations to advertise and receive bids for $50,000 worth of supplies. They have gotten along pretty well in the past, I think, in that respect. I do not know what abuses there have been; but if it is to remain in the bill, and the Senator can make his proposition workable, I certainly have no objection to it. If the Senator thinks the mere insertion of the words he has suggested will answer the purpose, I appreciate the point the Senator makes—that there may be a great many emergencies so far as the purchase of supplies for a railroad corporation are concerned. It might not be a flood only; it might be a great accident, or it might be various things. So I do not object to the proposition at all, if the Senator from Ohio himself is satisfied with it.

Mr. POMERENE. Mr. President, if the Senator had been in Ohio during the flood, or shortly afterwards, he would have realized more than I can tell the necessity of some provision of this kind. I am assuming that the amendment which has been adopted by the Committee of the Whole is going to remain in the bill; and, if it does remain in the bill, then there ought to be some recognition of these emergencies which we know do arise.

Mr. GALLINGER. The emergency to which the Senator alludes—and we all know something about it—was met by the fact that we had not then legislation of this kind.

Mr. POMERENE. No; we did not have it at that time.

Mr. GALLINGER. They proceeded to purchase their supplies, and I apprehend they did it without any scandal or without any detriment to anybody; but, if we must regulate everything on earth, I suppose it is just as well to regulate the purchasing of supplies by railroad corporations as anything else.

Mr. POMERENE. The thought which the Senator suggested—that we ought to indicate somebody who was to determine the emergency—received my consideration. I recognize the fact that this word "emergency" has a well-recognized meaning. It is not likely to be set aside. A corporation which would seek to evade the law and say that the ordinary condition of affairs constituted an emergency would be subject to the control of the courts.

Mr. CHILTON. Mr. President——

The PRESIDING OFFICER (Mr. HITCHCOCK in the chair). Does the Senator from Ohio yield to the Senator from West Virginia?

Mr. POMERENE. I do.

Mr. CHILTON. In my judgment the Senator from Ohio does not do the amendment full justice. This amendment does not require all railroads to advertise when they purchase supplies or for any other kind of transaction, whether it be banking or contracting or otherwise. It only requires those to give notice who have acquired the terrible habit of dealing with themselves. That is, it only requires those directors who are also directors of the railroad and at the same time directors of the company from which the railroad may be purchasing supplies to get rid of that abuse. It is for that purpose that this amendment was adopted. If the railroad chooses to deal with the world and not with people who are really running the railroad, it does not require any advertisement at all. I use the word "advertisement." I drifted into it because the Senator himself used the word "advertisement." There is nothing like advertisement in the amendment. It simply provides——

Mr. POMERENE. Public notice.

Mr. CHILTON. It simply requires notice to be given under a rule or otherwise as may be prescribed by the Interstate Commerce Commission.

Even if the railroad, suggested by the Senator, should be one that wanted to buy its supplies in an emergency from a company which had a director common to the railroad it would not take any week or 10 days or 3 days or 2 days to meet the situation. All it would have to do would be to telegraph to the Interstate Commerce Commission and it could in five hours provide a way by which it could give notice. So it could be done in a day. It could be done strictly under a rule prescribed or a regulation prescribed by the Interstate Commerce Commission within a day.

I submit, sir, that you do not have any kind of an emergency when a railroad will want to buy more than $50,000 from a corporation which has common directors with the railroad inside of 24 hours or 12 hours.

Mr. POMERENE. Mr. President, the proposed amendment which was adopted by the committee says that this shall be a public notice. It is not a question of buying $50,000 in a case of emergency. According to this bill, if the companies have had common dealings amounting to $50,000 in a year, they are required to give it.

My good friend refers to the fact that they can get in touch with the Interstate Commerce Commission in a day—in five hours, it may be. During the flood in the State of Ohio I was less than 100 miles from my home, and I was 48 hours in getting into telephonic or telegraphic communication with my home. Are they to stop and not buy supplies under any circumstances until they get in touch with somebody here in Washington? Is it the purpose of this amendment to cripple these common carriers in this way, and therefore to interfere with the transportation system of the country? Let us correct the evil, but let us not tie the hands of common carriers so that they can not take care of their own property in a proper way.

Mr. CHILTON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from West Virginia?

Mr. POMERENE. I do.

Mr. CHILTON. What was the railroad to which the Senator referred that had the misfortune in Ohio? Take the Baltimore & Ohio——

Mr. POMERENE. The Baltimore & Ohio, the numerous branches of the Pennsylvania system, the Wabash system, the Wheeling & Lake Erie. All of them were affected in that way; that is, all those in the central and southern part of Ohio.

Mr. CHILTON. If the Senator will permit me, every one of them has an office in Washington, an office in New York, another in Cincinnati, one in Baltimore, and in Philadelphia and Chicago. In 10 minutes they can get in touch with the Interstate Commerce Commission. There is no railroad business which amounts to anything in the United States that, through its agencies, can not get to the Interstate Commerce Commission. They do get to it, and they have relations with it. They have agents and can get to it through them. This does not say that the depot agent or the conductor on the train must do this, but the general officer or the local officer can attend to it. It is simply intended not to try to break up, but to break up, the abuse of railroad corporations dealing with other corporations in a private way, with which other corporations there is a common directorate or a common management.

You can buy all you please if you do not intend to buy from yourselves. The railroad company can buy everything it wants to buy without giving any notice, without consulting with the Interstate Commerce Commission, unless it chooses to deal with some corporation in the management of which the railroad may be interested. In that case there must be given some kind of notice prescribed by the Interstate Commerce Commission. It may be that it may be a day, it may be a week, it may be a month; but it requires that there shall be some notice, so as to

give the public an opportunity to know when that kind of a case occurs.

Mr. POMERENE. I recognize the evil which was in the mind of the committee, and I am willing to go any length that is necessary to correct that evil, but I am not willing to produce another evil which must be recognized as an evil because it is certain to come. We are certain to have it.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Ohio [Mr. POMERENE]. [Putting the question.] The noes seem to have it.

Mr. POMERENE. I ask for the yeas and nays.

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

Mr. GALLINGER. Let the amendment be stated.

Mr. CHILTON. Mr. President, a parliamentary inquiry. The amendment to section 9 has been adopted as in Committee of the Whole.

Mr. GALLINGER. It was reconsidered, however.

The PRESIDING OFFICER. The vote by which the amendment was agreed to has been reconsidered.

Mr. CULBERSON. It was reconsidered for the purpose of considering an amendment proposed by the Senator from Alabama [Mr. WHITE], and then the section as amended was agreed to. That is my recollection.

Mr. GALLINGER. I did not hear that.

The PRESIDING OFFICER. The Chair thinks the Senator from Texas is correct. It was reconsidered and then agreed to as amended.

Mr. POMERENE. It was my understanding that the amendment was reconsidered, and I assumed that it was open to further amendment.

Mr. CULBERSON. Would the Senator be willing to have his amendment considered when the bill reaches the Senate? It is now in Committee of the Whole.

Mr. POMERENE. The matter is up now, and I prefer to have it decided. I move to reconsider the vote by which the amendment was agreed to.

Mr. JAMES. There is nothing in order except to call the yeas and nays. The first name on the roll was called, and debate is out of order.

The PRESIDING OFFICER. There was no response. The question is, Will the Senate reconsider the vote by which the amendment was adopted?

The motion to reconsider was agreed to.

The PRESIDING OFFICER. The amendment is now before the Senate, and the yeas and nays have been ordered upon the amendment of the Senator from Ohio [Mr. POMERENE]. A request has been made for the reading of the amendment of the Senator from Ohio.

The SECRETARY. On page 13, line 2, after the word "did," insert:

Provided, however, That in case of emergency said purchases may be made without complying with the said requirement.

The PRESIDING OFFICER. The Secretary will call the roll on agreeing to the amendment.

The Secretary proceeded to call the roll.

Mr. COLT (when his name was called). I make the usual announcement and vote "yea."

Mr. CULBERSON (when his name was called). Again announcing my pair and its transfer, I vote "nay."

Mr. FLETCHER (when his name was called). I announce my pair and transfer as before and vote "nay."

Mr. HOLLIS (when his name was called). I announce my pair and withhold my vote.

Mr. LEA of Tennessee (when his name was called). I again announce my pair and its transfer and vote "nay."

Mr. THOMAS (when his name was called). I again announce my pair and withhold my vote.

Mr. TOWNSEND (when his name was called). I again announce my pair and its transfer to the Senator from Illinois [Mr. SHERMAN]. I vote "yea."

Mr. WILLIAMS (when his name was called). With the same announcement as before, I vote "nay."

The roll call was concluded.

Mr. CLARK of Wyoming. I again announce the transfer of my pair with the Senator from Missouri [Mr. STONE] to the senior Senator from Connecticut [Mr. BRANDEGEE], and I vote "yea."

The result was announced—yeas 21, nays 34, as follows:

YEAS—21

Burton	Kenyon	Nelson	Smoot
Chamberlain	Lewis	Norris	Townsend
Clark, Wyo.	Lippitt	Oliver	Weeks
Colt	McCumber	Perkins	
Gallinger	McLean	Pomerene	
Jones	Martine, N. J.	Smith, Mich.	

NAYS—34

Ashurst	Hitchcock	O'Gorman	Swanson
Bankhead	Hughes	Poindexter	Thompson
Bryan	James	Ransdell	Thornton
Camden	Kern	Reed	Vardaman
Chilton	Lane	Shafroth	Walsh
Clapp	Lea, Tenn.	Sheppard	White
Culberson	Lee, Md.	Shields	Williams
Cummins	Martin, Va.	Shively	
Fletcher	Myers	Simmons	

NOT VOTING—41.

Borah	Goff	Penrose	Sterling
Brady	Gore	Pittman	Stone
Brandegee	Gronna	Robinson	Sutherland
Bristow	Hollis	Root	Thomas
Burleigh	Johnson	Saulsbury	Tillman
Catron	La Follette	Sherman	Warren
Clarke, Ark.	Lodge	Smith, Ariz.	West
Crawford	Newlands	Smith, Ga.	Works
Dillingham	Overman	Smith, Md.	
du Pont	Owen	Smith, S. C.	
Fall	Page	Stephenson	

So Mr. POMERENE's amendment was rejected.

The PRESIDING OFFICER. If there be no further amendments to the amendment, the question is on agreeing to the amendment.

Mr. CHILTON. I wish to call the attention of the Senate, and I do so because I am guilty myself to some inaccuracies in grammar in the section, and I wish to correct them now. They are purely repetitions. I took it up with the chairman of the committee and other members. It makes no difference in the meaning whatever.

On page 12 of the original bill, page 13 of the last print of the act after——

Mr. O'GORMAN. What section?

Mr. CHILTON. Section 10 as the bill is now in the second print. It is section 9a in the original print.

Mr. CLARK of Wyoming. On what page of the original bill?

Mr. CHILTON. It is on page 12 of the old bill and line 9. In the new bill it is on page 13, line 2. After the word "association" I move to strike out the four words "or with such person," so that it will read:

With which latter corporation, firm, partnership, or association such common carrier shall—

And so forth.

The amendment to the amendment was agreed to.

Mr. CHILTON. In the next line I move to strike out the words "purchases of supplies or articles of commerce or."

The amendment to the amendment was agreed to.

Mr. CHILTON. In the next two lines I move to strike out the words "with any such corporation, firm, partnership, or association."

The section means exactly the same without these words as with them. I ask that the amendment be adopted.

The amendment to the amendment was agreed to.

Mr. CHILTON. I ask for the adoption of the amendment as amended.

The amendment as amended was agreed to.

Mr. POMERENE. I desire to call the attention of the Senate to an amendment on page 33 of the printed amendments. I have modified the amendment, as I will indicate later on in my statement, but it means the same thing in effect. Section 18 provides that—

No restraining order or injunction shall be granted by any court of the United States, or a judge or the judges thereof—

And then, omitting several lines—

unless necessary to prevent irreparable injury to property, or to a property right, of the party making the application.

It will be observed that if this becomes a law property or property rights, if threatened with irreparable injury, would be given the protection of the injunctive writ, and that is the only case in which an injunction could be granted in labor disputes.

Mr. CLARK of Wyoming. What is the page?

Mr. POMERENE. Pages 26 and 27 of the bill.

In other words, if the person himself was suffering a physical injury or if the men employed in his factory were suffering or about to suffer a physical injury, neither he nor his men, under the provision of section 18, could be protected against violence or threatened violence; but if the property was threatened, if the property was injured, if a property right was threatened or injured, that could be protected by injunction. In other words, we are placing the sanctity of property and of property rights above persons or personal rights.

It seems to me that the Judiciary Committee had this in mind, because in section 15, on page 24, there was an amendment reported by the committee to the Senate. I read:

No temporary restraining order shall be granted without notice to the opposite party unless it shall clearly appear from specific facts

shown by affidavit or by the verified bill that immediate and irreparable injury, loss, or damage will result to the applicant.

The Senate committee struck out the words "property or a property right of," and they must have been of the opinion that there were other rights than property rights or the rights of property which ought to be protected. We now have section 15 so phrased that a temporary restraining order may be granted where it would result in irreparable injury, loss, or damage to the applicant. In order to have the two sections consistent it seems to me that either the amendment should be adopted which I proposed the other day, which was to amend the text, so as to make it read: "Unless necessary to prevent irreparable injury to person, personal rights, property, or property rights"; or the Senate should strike out the words "property or a property right of," in section 18, so that the text would read: "Unless necessary to prevent irreparable injury to the party making the application."

It does seem to me that the committee could not have intentionally left these two sections in the form they now are. I can not conceive that the Congress of the United States are going to pass a law which would protect an old barn by injunction but would not protect men who might be employed in it.

Mr. CLARK of Wyoming. Mr. President——

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Wyoming?

Mr. POMERENE. I do.

Mr. CLARK of Wyoming. Does the Senator believe that the proper function of a writ of injunction is to prohibit a crime against a person?

Mr. POMERENE. Ordinarily not, unless the conditions are such that injuries are imminent. I recognize the fact that injuries are likely to occur. No one can anticipate just exactly when they are going to occur, but we do know that they will occur. I can not understand why we should say that property is more sacred than person. It is a crime to injure property just as it is a crime to injure a person. It is different, of course, in degree. It is different in its consequences, but the consequences resulting from injury to person or to personal rights are greater than those injuries which will occur to property or to property rights.

Mr. CLARK of Wyoming. And yet, Mr. President, as I have understood heretofore, the function of the writ of injunction has not been to protect a person from crime perhaps about to be committed against the person. I, of course, recognize the fact that we have in criminal procedure a binding over to keep the peace; but I recall no instance where the restraining order of the court has been used to prevent a larceny or to prevent an assault or crime against the person.

Mr. POMERENE. In a case where there are large crowds and there are threatened disturbances, whether it will result in an injury to property or to person in a proper case, of course an injunction should, in my judgment, be granted; but I do not think that the Senator would say that there was any well-considered case where there was threatened injury to either property or to person in which the court would protect the property and not protect the person.

It is with that thought in mind that I have felt that the phraseology of section 18 should be changed so as to conform with the phraseology of section 15 and not put us in the attitude of saying that the Congress had a higher regard for the property right than for the personal right.

Mr. WALSH. Before the Senator takes his seat, I suppose the Senator recognizes that the court will not issue a restraining order under existing rules, except where irreparable injury is threatened.

Mr. POMERENE. Undoubtedly.

Mr. WALSH. Did the Senator ever hear the expression "irreparable injury" applied to a person?

Mr. POMERENE. It is, of course, applied ordinarily to property, but I have never known a case where there was irreparable injury threatened or done to property that it would be protected and the persons themselves not protected if they were in imminent danger from the same illegal act.

Mr. WALSH. Is the Senator able to refer us to any case in which the expression "irreparable injury" ever was held to apply to an injury to a person, and will he explain to us what kind of injury to a person would be denominated in the law as irreparable injury to the person?

Mr. POMERENE. I am just advised by the Senator from Missouri [Mr. REED] that in the case of issuing blacklist it was stopped by injunction, and rightly so. I can not conceive of a case where there is violence to the person—you may call it irreparable or not—that that violence does not mean more to the injured party than the injury to his property.

Mr. NELSON. Will the Senator from Ohio yield to me?

Mr. POMERENE. I yield to the Senator.

Mr. NELSON. The distinction that is made here between section 15 and section 18, in the one case eliminating the words and in the other retaining them, is to meet an argument of Mr. Gompers. Mr. Gompers maintains, and he argued very strenuously before the Judiciary Committee, that the right to do business and the right to labor are not property, and therefore are not entitled to protection by injunction. That is Mr. Gompers's theory, and this was put into the bill to meet that argument.

It is my opinion that the courts will hold that the right to carry on business, the right to run a factory, is property, and if it is interfered with it is an invasion of property rights. But that is not Mr. Gompers's theory, and it was put in here as a sop to encourage and make the labor organizations believe that they are getting something in this section that is not provided for in the other section.

Mr. POMERENE. Mr. President, I think the Senator's view as to what the court would say with reference to the right to carry on business is correct. I have heard the argument advanced that the criminal law is sufficient protection to men and to communities where violence exists. I can not subscribe to that theory. For instance, when a great crowd has gathered and there is intense excitement, and when in the opinion of every fair-minded person who is a witness to the circumstance violence is likely to occur, if it afterwards does occur and some one is shot down, it is a poor consolation to either the man who is shot down or to the friends of that man to say, "You will have an adequate remedy at law by way of an action for damages or by way of sending the accused, if you know who he is, to the penitentiary." It will be a poor balm to the wounds of men or the friends of those injured.

In my judgment—and I say this having in mind a proper case where the circumstances justify it—the use of the writ of injunction to protect the peace, to prevent violence, is a more adequate remedy in the interest of the laboring man himself than to permit violence to go unchecked.

Mr. NELSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Minnesota?

Mr. POMERENE. I do.

Mr. NELSON. The theory is that a poor man's right to labor is not entitled to protection; but if he happens to have property of any kind, that property right is entitled to protection.

Mr. POMERENE. Undoubtedly.

Mr. NELSON. That the right to do business or the right to carry on labor is not entitled to the protection of the court by injunction is the theory on which this provision is proceeding?

Mr. POMERENE. And if there be a poor man who has no property, and so forth, he can not, under this section, invoke the right of injunction.

Mr. WALSH. Mr. President, I wish to inquire of the Senator from Ohio, when he talks about that, will he have the kindness to state to us under what kind of circumstances a man who has not any property at all can go into a court of equity and secure an injunction?

Mr. POMERENE. Well, Mr. President, if there is a plant in a certain locality and unfortunately there is a strike the employers and employees not being able to get together, for one reason or another there may be a threatened disturbance of some kind which may result in injury to property; it may result in injury to the person, one or both—I do not know of any case where the courts have distinguished and said "we will protect the property, but we will not protect the person." I never heard that idea advanced until in connection with this legislation.

Mr. O'GORMAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from New York?

Mr. POMERENE. I do.

Mr. O'GORMAN. The Senator from Montana [Mr. WALSH] inquired a few moments ago if the Senator from Ohio believed that a court of equity would restrain the commission of a crime, and the Senator from Ohio said that he believed it would not.

Mr. POMERENE. Ordinarily that is true as a general proposition.

Mr. O'GORMAN. Well, I think the statement may be made with every confidence that for 300 years in Great Britain and in the United States no court of equity has ever issued its injunctive process to restrain the commission of a crime, the theory being that the criminal law in itself, with its penalties, is adequate to restrain as well as to punish those committing crime. In all these centuries the only ground upon which a

court of equity has ever extended the extraordinary remedy of injunction has been to protect property from a danger that threatened it. In the ordinary strike cases the injunction is granted upon that ground alone, although incidentally reference may be made to prohibiting combinations which may have the effect of destroying or injuring property.

I am led to make this observation only because the Senator from Ohio a moment ago, if I understood him correctly, said he had never heard this distinction made until Congress began to consider this legislation. I simply rose to say that in my judgment—and I think it will be the judgment of the Senator himself on reflection—it has been the law for 300 years.

Mr. POMERENE. Why, Mr. President, there can be no question about the proposition that ordinarily a court will not restrain a criminal act; but the rule is different where there is a threatened multiplicity of acts, where the injury is constant, varied, and general in its character in connection with strikes.

Mr. O'GORMAN. But only, if the Senator will pardon me, where such acts are calculated to destroy property.

Mr. POMERENE. Oh, well, that may be the basic idea of it; but at the same time the Senator from New York will not maintain, where the injuries to property and persons are concurrent in the same disturbance, that a court will not protect both. That is what I am seeking to have here. I can not conceive that the Congress of the United States is going to say in so many words this desk here may be protected, but I, who stand over this desk, can not be protected.

Mr. O'GORMAN. Mr. President, with the permission of the Senator, I desire to make a statement.

Mr. POMERENE. I yield.

Mr. O'GORMAN. I desire to state as to the language incorporated in section 15, which states, in substance, that a restraining order may be granted when immediate and irreparable damage will result to the applicant, that in line 19 the words which were stricken out, "property or a property right of," were stricken out to have the language of the proposed statute conform to the specific language adopted by the Supreme Court of the United States in its existing equity rules. I will read from those existing equity rules, which are declaratory of the law as applied in the different States of this country. This is rule 73 of the Supreme Court, and I ask Senators to note in connection with it the language adopted in section 15.

The VICE PRESIDENT. The time of the Senator from Ohio has expired.

Mr. O'GORMAN. Mr. President——

The VICE PRESIDENT. According to the ruling of the Chair, the Senator from Ohio having yielded to the Senator from New York, the Senator from New York may proceed for 15 minutes.

Mr. O'GORMAN. Mr. President, I shall not take that much time. I shall be content to call the attention of the Senate to the provision of rule 73 of the equity rules of the Supreme Court, which reads:

> No preliminary injunction shall be granted without notice to the opposite party. Nor shall any temporary restraining order be granted without notice to the opposite party, unless it shall clearly appear from specific facts, shown by affidavit or by the verified bill, that immediate and irreparable loss or damage will result—

Not to property, because it is unnecessary to state that, but—

> to the applicant

The loss to the applicant must be a property loss, which is the idea embraced in the bill as now before the Senate.

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

Mr. O'GORMAN. I will, with pleasure.

Mr. NELSON. It is correct, as the Senator from New York has stated, that section 15 of the pending bill follows equity rule 73, lately adopted by the Supreme Court; but let me ask the Senator a question. In section 15 we have omitted, in conformity to the equity rule, the words "property or a property right of." Why do you include them in section 18, and thereby make a distinction? Why do you seek to have a different rule in one case from the rule in the other?

Mr. O'GORMAN. My own individual opinion is that there is no substantial reason for the difference in the phraseology; that the construction of the court will be the same.

Mr. NELSON. In legal effect, then, the meaning of the two is the same?

Mr. O'GORMAN. In my judgment; yes.

Mr. NELSON. Then are you not holding out a false promise by retaining that language in the provision relating to injunctions in labor disputes?

Mr. O'GORMAN. Individually I am not a party to holding out any false hopes.

Mr. NELSON. I did not mean the Senator personally.

Mr. O'GORMAN. I am stating my view of the provisions, and in conclusion I wish to state that these two provisions of the act in question do not materially or substantially interfere with existing law on the subject.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Ohio [Mr. POMERENE].

Mr. POMERENE. Mr. President, in order that it may be correctly stated, I will say that the amendment as I now offer it is to strike out, on page 27, in lines 2 and 3, the words "property, or to a property right, of," so that the text will read:

> To prevent irreparable injury to the party making the application—

And so forth.

Mr. CHILTON. That would be page 26, line 22, of the old bill. I will state, so that the Senator's amendment may be correctly understood at the desk.

Mr. POMERENE. I ask for the yeas and nays on the amendment.

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

Mr. CULBERSON (when his name was called). Again announcing my pair and its transfer, I vote "nay."

Mr. THOMAS (when his name was called). I again announce my pair and withhold my vote.

Mr. TOWNSEND (when his name was called). Again announcing my pair and its transfer, I vote "yea."

Mr. WILLIAMS (when his name was called). Again announcing my pair with the senior Senator from Pennsylvania [Mr. PENROSE] and its transfer to the junior Senator from South Carolina [Mr. SMITH], I vote "nay."

The roll call was concluded.

Mr. LEA of Tennessee. Again announcing my pair and its transfer, I vote "nay."

Mr. FLETCHER. I transfer my pair with the Senator from Wyoming [Mr. WARREN] to the Senator from Illinois [Mr. LEWIS] and vote "nay."

Mr. SIMMONS. I desire to inquire whether the Senator from Minnesota [Mr. CLAPP] has voted.

The VICE PRESIDENT. The Chair is informed that he has not.

Mr. SIMMONS. I have a pair with that Senator, and therefore withhold my vote. If at liberty to vote, I should vote "nay."

Mr. REED. I desire to announce that my colleague [Mr. STONE] is necessarily absent from the Senate. In his absence he is paired with the Senator from Wyoming [Mr. CLARK].

The result was announced—yeas 13, nays 43, as follows:

YEAS—13.

Burton	Martine, N. J.	Pomerene	Weeks
Gallinger	Nelson	Smith, Mich.	
Lippitt	Oliver	Smoot	
McLean	Perkins	Townsend	

NAYS—43.

Ashurst	Fletcher	Martin, Va.	Shields
Bankhead	Hitchcock	Myers	Shively
Brady	Hughes	Newlands	Smith, Md.
Bryan	James	Norris	Swanson
Camden	Jones	O'Gorman	Thompson
Chamberlain	Kenyon	Overman	Thornton
Chilton	Kern	Poindexter	Vardaman
Clark, Wyo.	Lane	Ransdell	Walsh
Culberson	Lea, Tenn.	Reed	White
Cummins	Lee, Md.	Shafroth	Williams
Fall	McCumber	Sheppard	

NOT VOTING—40.

Borah	du Pont	Page	Smith, S. C.
Brandegee	Goff	Penrose	Stephenson
Bristow	Gore	Pittman	Sterling
Burleigh	Gronna	Robinson	Stone
Catron	Hollis	Root	Sutherland
Clapp	Johnson	Saulsbury	Thomas
Clarke, Ark.	La Follette	Sherman	Tillman
Colt	Lewis	Simmons	Warren
Crawford	Lodge	Smith, Ariz.	West
Dillingham	Owen	Smith, Ga.	Works

So Mr. POMERENE's amendment was rejected.

Mr. CUMMINS. I offer the amendment which I send to the desk.

The VICE PRESIDENT. The Secretary will state the amendment.

The SECRETARY. It is proposed to strike out from and including line 21, on page 15, to and including line 2, on page 17, and insert in lieu thereof the following:

> It shall be unlawful for any person to be, at the same time, a member of the board of directors, or other managing board, or an officer of two or more corporations, either of which is engaged in commerce, and which corporations are carrying on business of the same kind or competitive in character: *Provided*, That this paragraph shall not apply to banks, banking institutions, or common carriers.

Mr. CHILTON. Is that amendment included in the printed amendments?

Mr. CUMMINS. It is. I think the reference by page and lines to the portion proposed to be stricken out is to the origi-

nal bill as reported by the committee. It begins on line 21, page 15, and strikes out the remainder of the paragraph down to and including line 2 on page 17. It relates to that portion of the bill which is intended to prohibit a community of directors between competing corporations. It is probably the last effort that I shall make to give some effectiveness to this measure in so far as holding companies and interlocking directorates are concerned.

The bill provides:

That from and after two years from the date of the approval of this act no person at the same time shall be a director in any two or more corporations any one of which has capital, surplus, and undivided profits aggregating more than $1,000,000—

Thus in the first lines of the provision all corporations whose capital and surplus do not amount to $1,000,000 are excluded from its operation. I need not say that a very great part of the evil of common directorships will be found in corporations that have a capital of less than $1,000,000. I proceed—

engaged in whole or in part in commerce, other than common carriers subject to the act to regulate commerce, approved February 4, 1887.

I have followed the committee bill with respect to the exclusion of common carriers; I make no change in the measure in that regard. I believe that common carriers must be dealt with in another bill and in a way that is not applicable to the ordinary corporation, and therefore I approve, so far as I am individually concerned, the action of the committee and the action of the House in excluding common carriers from this particular provision, although I do not want it to be understood that I believe that there should be a community of directors between competing common carriers; there should not be; but the legislation to forbid that community can not intelligently and efficiently be interwoven with legislation that regulates the ordinary corporation.

I have read now up to the point of describing the corporations that are included in the act. Now mark:

If such corporations are or shall have been theretofore, by virtue of their business and location of operation, competitors, so that the elimination of competition by agreement between them would constitute a violation of any of the provisions of any of the antitrust laws.

That is to say—and I have just read the real test—if an agreement between them totally annihilating competition would not constitute a violation of the antitrust law, then the section does not apply. In order to cure the evil of interlocking directorates we must first find corporations that have a capital of a million dollars or more, and then the Government must prove that if there were an agreement between them eliminating all competition it would be a violation of the antitrust law, and not until then could the practice—which we all recognize as a vicious one, as one which insidiously destroys the reasonable rivalry and independence that ought to exist in business be prohibited—not until then do we bring a corporation within the purview of this act.

Mr. REED. Mr. President——

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Missouri?

Mr. CUMMINS. I do.

Mr. REED. Why does the Senator add the clause?—

Provided further, That no order or finding of the court or commission in the enforcement of this section shall have any force or effect, nor be admissible as evidence, in any suit, civil or criminal, brought under the act of July 2, 1890, entitled "An act to protect trade and commerce against unlawful restraints and monopolies."

Mr. CUMMINS. I do not add it; I have stricken that out. I have offered the amendment without that provision, although I think it ought to be included; but there is obviously so large a proportion of the Senators who do not think so that I did not care to encumber this amendment with that provision, and therefore it is not in the amendment.

I assert—and I do so with a good deal of confidence—that it would be a great deal better not to attempt to prohibit interlocking directorates at all than to do it in this half-hearted and feeble way. It will stand in the road of adequate legislation for years to come; it will be accepted as a full performance of our duty in regulating such matters; and if I had my way about it I would a great deal rather not have any provision in the law at all than to have it as now proposed.

I turn now to the amendment which I have offered. The amendment provides that there shall not be a community of directors if the corporations are doing the same kind of business; that is all; and it applies to all corporations engaged in commerce among the States except the two classes I have already enumerated.

Mr. HITCHCOCK. Mr. President——

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

Mr. CUMMINS. I do.

Mr. HITCHCOCK. I want to ask the Senator whether his amendment would not destroy or impair a great deal of legitimate expansion in business, such as we have had in the West? To take, for instance, a case which the Senator will recognize, St. Joseph, Mo., was originally and still is the center of a great wholesale trade in dry goods and groceries. Much of that trade was expanded into near-by States by the establishment of dry goods and grocery houses in other cities of the Missouri Valley. In many cases the same directors who acted in St. Joseph houses have acted in the newer houses established, and in many cases those houses are in competition with each other, and a legitimate natural expansion of trade in that country has resulted. Yet it seems to me that would be prohibited under the amendment which the Senator has offered.

Mr. CUMMINS. Mr. President, I think there are some instances of that kind which would be prohibited. This country has fallen into a certain habit of doing business. It must not be assumed that the business of the country can not be done if that habit is abandoned. I do not at all agree that there would not have been the same development in the business of the Missouri Valley if the prohibition had always existed against a community of directors. The business perhaps would have been done, however, by different persons. There would not have been the close intimacy between the wholesale grocery stores of St. Joseph and of Omaha, or possibly of Kansas City, that there is now; but the development, I think, would have outrun the development we now see. If it is true that corporations which are competing with each other ought to be independent, if each ought to carry on its business for the benefit of its own stockholders, then there ought not to be community of managing officers and directors.

Mr. HITCHCOCK and Mr. OVERMAN addressed the Chair.

The VICE PRESIDENT. Does the Senator from Iowa yield, and if so, to whom?

Mr. CUMMINS. I yield first to the Senator from Nebraska, who first rose.

Mr. HITCHCOCK. I was going to continue what I suggested a moment ago. If that had been prohibited a number of years ago, instead of the expansion of trade which I have just described, the trade would have been more centralized than it is now, and concerns probably would have been larger than they are now, because this development in the newer regions would not have occurred. The reason it has been advantageous in the past has been that a man of experience, for instance, in the grocery business, going into a new community and becoming a director there, has been able to gather around him other men of capital who were willing to embark with him because of his knowledge of the business; and it has been a distinct advantage in the development of western enterprise, I am sure.

Mr. CUMMINS. I do not think so. The Senator from Nebraska has now described the natural course of monopoly. He has described the precise way in which monopoly is often created. I do not deny that there are some instances in which monopoly or monopolistic power may be exercised to the advantage of the people; but it will be exercised to their disadvantage in so large a proportion of instances that it is the policy of the law to forbid it. I think it is a wise policy, although now and then it will curb and restrain a perfectly legitimate enterprise.

I now yield to the Senator from North Carolina.

Mr. HITCHCOCK. Just a moment. I think the Senator can hardly say that in any of the cases I have referred to any monopoly has resulted. On the other hand, the gradual course has been a sharp competition and a divorcement between these concerns and men who have originally come into a community in that way and become identified with it; and the result has been very advantageous, as I have stated, to the development of the West.

Mr. CUMMINS. I differ from the Senator from Nebraska, because we have experienced the same thing in our State.

Mr. HITCHCOCK. I doubt whether the Senator can refer to an instance in which the effect of that process has been to establish monopoly. On the other hand, it has been to develop competition of a very healthy sort.

Mr. CUMMINS. I did not say that monopoly had been established in the wholesale business at St. Joseph or in the Missouri Valley. I said that the Senator from Nebraska had described the natural, historical method for creating monopoly, and he has. While I know that there are very many estimable people engaged in business of this sort—and I attach no moral guilt at all to them—I believe the course is unwise, and that if we are to forbid interlocking directors at all we ought to do it throughout.

I now yield to the Senator from North Carolina.

Mr. OVERMAN. I want to give the Senator a case I know of in my own State. In a little village near where I live, a little village of 100 population, the farmers erected a cotton mill with $50,000 capital. They struggled along and paid no dividends, and saw bankruptcy coming; and they appealed to a successful cotton-mill man in the State and asked him to come down and take hold of that mill and be a director and manager of it. He did so, and the cotton mill is now a great success, and the farmers are receiving dividends. Would the Senator cut that out?

Mr. CUMMINS. I would. In that particular instance it may do no harm, but that is just the way the United States Steel Corporation was organized.

Mr. OVERMAN. There is no trust or monopoly there.

Mr. CUMMINS. The Senator has described the very way in which the United States Steel Corporation was organized. Here were a great variety of plants scattered all over the United States, which, it was alleged, were managed inefficiently, and they wanted a great genius and a man of experience to conduct their affairs so that profits could be made out of their operation. So they came to these men who had proven themselves masters of such situations, and they combined through a system of intercorporate stock holdings and interrelated directorships and put the business in the hands of men who had in that way demonstrated their power.

Mr. OVERMAN. If I wanted to get up a manufacturing establishment in my State, I could not sell the stock at all, probably; but if I should tell the people there that a certain man in my State who had been very successful in his business would come in and take some stock and be a director, I could sell the stock at any time. That is the way my State has been built up. Four or five men in the State have met with great success; and people in different parts of the State, knowing of their success, have organized these little corporations all through the State, and have induced these men to come down and be directors in them, and they have gone on and have been successful.

Mr. LIPPITT. Mr. President——

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Rhode Island?

Mr. CUMMINS. I yield.

Mr. LIPPITT. I should like to ask the Senator from North Carolina, with the Senator's permission, if the process he describes is not of itself creating competition—the very thing the Senator from Iowa wants to keep alive?

Mr. OVERMAN. That is exactly what it is doing and what it has done.

Mr. LIPPITT. In confirmation of what the Senator says, I can say that it is the same process which has built up New England. It is the same process which to-day is keeping alive the moderate-sized corporations in New England.

Mr. OVERMAN. It has built up a hundred cotton mills in my State, and they are all competing.

Mr. LIPPITT. It is one of the great safeguards, in my opinion, to limit monopoly. The very process and action that the Senator from Iowa is trying to bring about, instead of doing as he thinks it will do—prevent monopoly and increase competition—is inevitably urging the whole course of business into monopolies and is decreasing and will inevitably decrease competition.

Mr. CUMMINS. I do not agree, of course, with the Senator from Rhode Island. I know that is his view. If it is true, however, then all the business of this country might as well be in the hands of one board of directors.

I had a discussion at one time with a very eminent financier and constructor, and he told me—he is now dead—that it was his ambition to see all the transportation facilities of the United States united in one board of directors and under the hand of one manager. He argued just exactly as the Senator from North Carolina and the Senator from Rhode Island have argued, and tried to prove that the people would be immensely benefited and would secure the advantage of the greatest possible efficiency in business.

Mr. LIPPITT. Mr. President——

The VICE PRESIDENT. Does the Senator from Iowa further yield to the Senator from Rhode Island?

Mr. CUMMINS. I can not yield, because my time is limited. Otherwise, I should be glad to do so.

Mr. LIPPITT. Excuse me.

Mr. CUMMINS. I know there are a great many instances in which there are interlocking directors where no one is injured. I am quite willing to admit that there are a great many instances of positive good arising from community of directors. We are legislating for a Nation, however, and if we believe that as a whole, in the great majority of instances, business will be better conducted and the individual better protected if corporations are independent of each other—independent in the management of their business—then we ought to adopt this legislation, even at the expense of the occasional instance in which a benevolent despot has not brought injury upon the people about him.

Why, of course a man may exercise autocratic and absolute power wisely. He may render the people over whom he rules the greatest possible service. His government may be a better government than a government of the people. He may enact better laws, and he may enforce them more efficiently and justly than we may make and enforce in a democracy or in a republic. We have discovered, however, that power of that kind is likely to be abused and that in the great majority of instances it is safer to trust the people themselves rather than a single ruler. Therefore we adhere to democracy and adhere to the republic.

Just so in this respect. Here and there there may be a case in which the monarchy of business is vastly better, but, taking it as a whole, the republic, the democracy, is as sound in business as it is in politics.

I ask for the yeas and nays upon the amendment.

Mr. WALSH. Mr. President, before we pass on this amendment I have a word to say. I really think we can best test the advisability of an amendment of this character by reference to concrete cases. I desire to put a couple of such cases to the Senator from Iowa, and I shall be very glad, if I am permitted to do so under the rules of the Senate, to give him as much of my time as he cares to use in which to reply.

Some years ago quite a number of enterprising gentlemen in my State organized a corporation, went across the line into the State of Wyoming, carried on some extensive prospecting there, and discovered oil. They spent something like $40,000 in their explorations. Afterwards, having discovered the oil, they built a refinery, and they are now engaged in mining the oil, refining the product, and selling it in various places in that locality. Now prospects for the discovery of oil are showing up in my own State. Those same gentlemen, encouraged by the success they have had in the neighboring State of Wyoming, are contemplating, we will say, the organization of a similar corporation to carry on similar explorations in my State. Would the Senator like to deny to those people the opportunity to organize another corporation and become the directors of the oil company in Montana?

Mr. CUMMINS rose.

Mr. WALSH. Let me put another question to the Senator. Quite a good many years ago a gentleman of some considerable enterprise organized a sheep company, took over some farm property, got some sheep, and made something of a success of the business. He was quite familiar with it. He went into another community, bought up another piece of property, and interested other people to put some money in it upon the condition that he would become a director in the corporation, and another, and so on, until now the companies in which he is a director—possibly 8 or 10 of them—produce perhaps one-tenth, possibly one-fifth, of the wool produced in the State of Montana. Out of a total of, say, 30,000,000 pounds, they produce perhaps 5,000,000 pounds. Would the Senator like to pass a law that would prohibit business enterprises of that character?

Mr. CUMMINS. Mr. President, the Senator from Montana has already excepted these institutions in the bill for which he stands by fixing a limit of a million dollars upon the corporation which falls within the law, and the smaller ones are not included. If the bill is fair for a corporation of a million dollars and more, it is fair for the corporation of less than a million dollars. I answer him directly, however, in this way:

I think it is wrong for the promoters of the oil wells and oil refineries in Wyoming to go across into Montana and organize another corporation and pretend to compete with each other, with common directors. If the company which was organized in Wyoming desires to go into Montana and sink wells and erect refineries, and in that way enlarge its business, so that the world knows that it is the same company and is not competing at all, but is a unit in the business, there is no objection whatsoever.

Mr. WALSH. But I put to the Senator the case of the majority of the stockholders of the Wyoming company not desiring to engage in the other enterprise, not desiring to take the chances; but the minority go out and induce other people to put in money with them and organize another corporation, and they have common directors.

Mr. CUMMINS. Precisely. The latter they should not have. There is no prohibition here against common stockholders; but a directorate, to be faithful to its stockholders, must not have in view another interest in the management of some other corporation doing a like business and with which competition is being carried on. It is not in human nature to be faithful to both whenever their interests diverge.

Mr. COLT. Mr. President, I should like to ask the Senator from Iowa a question.

Before doing so, let me say that I look at this question from a somewhat different standpoint from what the Senator does. I look at it from the standpoint of society itself and not from a theoretical standpoint or from what I personally may think is desirable.

Now, I should like to ask the Senator whether he believes that the broad proposition contained in this amendment, which consists in prohibiting the same person from being a director in two competing corporations, is supported by the public opinion of the country? I mean, if there were a referendum on this proposition, if it were submitted to the business men of the country, does he think that they would approve of it, especially in view of the prevailing usages and practices and of the fact, which he admits, that there is no moral turpitude involved in these acts? In other words, does he think that his amendment is in accord with the public opinion, the moral sense, and the sound judgment of the American people?

Mr. CUMMINS. Mr. President, I hope I have not obtruded any personal view at all. I think I speak—I hope I speak—from the standpoint of the public welfare, the social and industrial good. I believe that a great proportion of the people of this country insist upon retaining as long as we can the competitive force in our industry and commerce. I believe they think one of the things to be done in order to preserve the competitive force as a regulator of our affairs is independence in management, is freedom from control as between corporations; that where corporations are engaged in the same business and are competing with each other for the favor of their customers they ought to be controlled independently, so that the management of each may do the best it can do for the stockholders whom the management represents.

Therefore I answer that while I may be mistaken, I think the overwhelming sentiment of the American people is against community of directors in competing corporations. There are, of course, exceptions to that statement. There are two classes who are opposed to it: First, the class who believe competition ought to disappear and the Government should be substituted in its stead as a regulator of industry. That is one class. Another class is composed of those people who believe competition has disappeared and can not be resuscitated; that it has gone as one of the lost arts or virtues, if I may so speak of commerce; that there is nothing to take its place except cooperation; and they are willing to cooperate to any degree that the law will permit.

The VICE PRESIDENT. The Chair must make another ruling. Under the unanimous-consent agreement it certainly is not possible for one Senator to yield his time to another Senator. The unanimous-consent agreement either is to be kept or is not to be kept.

Mr. OVERMAN. Mr. President, I want to say, in answer to this amendment, that the history of the development of the manufacturing industries of the South is most remarkable. Perhaps the Senator from New Jersey [Mr. MARTINE] remembers that when his father lived in my State there was not one cotton mill there. I remember that 40 years ago there was one cotton mill, known as the E. M. Holt cotton mill, making what was known as the old Alamance plaids. It was very successful. In a community some 10 miles away the citizens concluded they would erect a cotton mill of a similar character, and they induced Mr. Holt to take stock in that mill and become a director. He became a director of that mill, and it became a great success. Then another mill was established, and he became a director in that, until he was a director in five great mills. Now he is dead and gone, but his children are there, and these mills have all been successful.

In another section of the State there was another skillful man, a man of great ability, a man who has done more to develop the industries of our State than any other man. He established a mill, and other communities asked him to come, because of his success, and take charge of this mill and that mill, and he did so, and they have been successful. I have known, time and again, instances where a cotton mill or a woolen mill would go into the hands of incompetent men and almost into bankruptcy, and they would ask one of these leading men in the State to go and take charge of the mill, and they have done so, and have brought it from bankruptcy to being a great success.

Now, why do we want to break that down and destroy it? That is so not only in North Carolina, but it is so in Georgia; it is so in South Carolina, and throughout the South the development has gone on by this means. I do not see why we want to strike that down and stop these men from developing our southern country. It is so not only in the South, but it is so in Iowa, and it is so everywhere they have industries.

Mr. MARTINE of New Jersey. Mr. President, the Senator from North Carolina has been generous enough to make reference to my early knowledge of the cotton industry in North Carolina. I will say, yes; I have some little knowledge of it, but I do not believe it has been necessarily the privilege of these men combining that has made that result.

Why, great heavens! I remember when it took us two hours and a half to go from my home in New Jersey to New York. It now takes us 45 minutes. Competition did not bring that about. It was the natural evolution of the time; it was the growth of the age and the general enterprise of our people.

At the time referred to by the Senator from North Carolina the United States had a population of fifty-five or sixty million people. To-day we have 85,000,000 people. This did not come about from the privilege of combination. It was the natural, great evolution of the times. The world moves, and I say it would have moved faster and infinitely better had it not been for the privilege of these men combining in a nefarious way for their own profit.

My friend here remarked yesterday that there was a wonderful development of the towns in North Carolina; that these men from Grand Rapids, I think, came there with their overflowing cash, and invested. Why, great Lord! do not delude or flatter yourselves that they came there because they loved you. They did not come there for any such purpose.

Mr. SMITH of Michigan. I think they did.

Mr. MARTINE of New Jersey. They did not come there for their health. They went there because they had a good, fat goose to pluck; and they plucked you, and they continue to pluck you.

Mr. OVERMAN. They have not plucked anything.

Mr. MARTINE of New Jersey. It is regrettable that the enterprising people of North Carolina did not find it within their hearts and minds to develop that industry themselves. You speak about gas plants. Why, great heavens! a community is a thousand years behind the times that does not own its own gas plant and its own electric-light plant, and the profits should come to yourselves. You would have been even better off then than you are to-day.

I am in favor of the Cummins proposition. I hear you talk with regard to what great results have come. In my town in Plainfield, N. J.—a most beautiful and thrifty country, enterprising to a degree—I know a certain lumber yard. I go there to buy lumber. I have bought very considerable amounts of lumber in my life. The price, for some reason, is jacked up. Three miles below me to the east is another town. I say, "I will go there." The price is jacked up. Then I think I will go to the west. The price is up there, too. I wonder why for a stretch of 25 miles in a populous community these things are all up on a line and a par. I learn that Mr. Smith, of Plainfield, became a large owner in the lumber yard at Fanwood, and I find that in Fanwood the people are interested in the lumber yard at Cranford, and those on the west have done the same thing. I claim that it is the evil of the times.

Let us take the argument of my friend the Senator from Montana and those on the other side of the Chamber who are maintaining this side of the question. It seems to me that if you are correct now, great heavens! you must have been incorrect or else ungenerous, untrue, and unfair when you were contending against so-called monopoly. What in the name of heaven becomes of our plea for abolishing monopoly? It has been as empty as a shell if to-day you are advocating the same policy to bring about the same results.

I believe that this amendment will in a way at least aid in restoring competition. I shall vote for it. I hope my colleagues will do so. I believe the evil of a great bank combination that stifled competition in the great metropolis of this country—New York—and the insurance companies as well, all combined to the general detriment and against the well-being of every man, woman, and child in this fair land.

I say that this is not a partisan measure, but it is an American measure, urged on, I believe, from the one motive of advancing the general welfare and restoring competition among fair men in this fair country.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Iowa [Mr. CUMMINS].

Mr. CUMMINS. On that I ask for the yeas and nays.

Mr. LIPPITT. Mr. President, I had not intended to discuss this particular feature of the bill at all, and I do not propose to discuss it at any length at the present time. I do want to say, however, that until I came to this body, four years ago, I was entirely engaged in business operations. During that time, for 25 years at least, I think there has not been a single year that

I was not a director of three or four different corporations on which, under the provisions of this bill, I would have been prevented from serving.

Since the question of interlocking directorates has been brought up I have carefully gone over in my mind to see if I could remember any meeting of any of those boards of directors when any question came up that would be in any way such as this bill seeks to prevent, and I can not remember any such time.

The ordinary purpose of a board of directors is not, as the Senator from Iowa apparently has in mind, casting votes or taking measures for the purpose of accomplishing monopoly. The last thing that the directors or the stockholders of an ordinary business corporation have in their minds is to entirely eliminate competition by anything that they can do or to establish a monopoly. Therefore to undertake to make laws applying to every corporate business in this country, from the sole aspect of what they might do and without regard to what they actually are doing, seems to me very ill advised. It seems to me ill advised in this case, because it will be, in my opinion, a very great blow at the efficiency of the small corporation.

We have in this country times when we have apparently a sort of unanimous agreement of the people to discuss certain forms and aspects of questions. Just at this minute we are talking a great deal about competition and restraining competition. Two or three years ago we were talking a great deal about efficiency. We had reports from the tariff commission in which they dwelt a great deal upon efficiency. We had a Member of the other House who has been appointed a member of the present Cabinet who was very fond of discussing efficiency. For the time being efficiency seems to have gone out of people's minds, but I want to say that, in my opinion, formed after a quarter of a century's experience with the matters and things which I am discussing, the greatest source of efficiency for the modest and moderate-sized corporations in this country is that very interlocking of directorates which the Senator from Iowa seeks to prevent.

It is a source of efficiency, because a man can not be as good a director who serves only one corporation as when he has the training and experience that comes from association with three or four boards and three or four collections of different minds engaged in the same class of business and has the benefit of a circulation of knowledge from one group of men to another—a circulation of the technical knowledge of their business and of the conditions of trade. The Senator from North Carolina has spoken of cotton manufacturing in his State. The questions that come up before such business meetings are questions of whether it is a-wise time to buy cotton, whether it is a wise thing to adopt this kind of a technical equipment or that, and similar questions. The men who meet and study those questions at one board of directors and meet the views of the men who compose it carry the wisdom thus acquired to other boards that they are members of, and the knowledge of all those technical questions thus becomes disseminated and a better judgment is formed upon them.

The Senator from Iowa spoke of the danger of having a man on two boards of directors, because he can not properly serve the stockholders of those two companies. Let us see what that involves, if it is true. It involves, in the first place, that the stockholders who selected the director are not intelligent enough to know whether they are electing a good man or not. It is implied in the assumption of the Senator from Iowa that that man will be able to involve the entire board in some vote and the corporation itself in some actions that would be injurious to them. If he is going to do anything of that kind, it involves either some incompetency or some treachery on the part of every other member there is on the board. It not only involves insincerity and dishonesty on the part of the director himself, but it involves a collusion on the part of every other member on that board.

Further than that, the Senator from Iowa, as a reason for his amendment, says that it is for the purpose of retaining competition. It seems to me that the way to retain competition is to keep alive in some way the smaller corporations, the moderate-sized corporations. Gentlemen will remember that on the bill to establish a trade commission I proposed an amendment which I thought would go a long way toward keeping alive the moderate-sized corporation.

I thoroughly agree with the Senator from Iowa or any other Member of this body who believes it is desirable to keep such corporations alive, but I think this proposition of refusing to those corporations the best ability that they can obtain on their board of directors, for the purpose of promoting their efficiency, is an additional strong step toward compelling the dissolution of small corporations and the gradual absorption of their business by the larger corporations.

It seems to me like a very simple proposition. A board of directors or other men on the United States Steel Corporation control in round numbers one-half the entire steel business of this country. It is not necessary for them to be directors in two or three or four corporations to control the enormous amount of business they do control. They accomplish that result by being directors of one single corporation. On the other hand, take the 200 corporations that are engaged in the steel industry outside of the United States Steel Corporation, if that is the number, and I believe it is somewhere in the neighborhood. If every one of those 200 corporations has to obtain separate and distinct individuals for their boards it naturally follows that they can not all have the same ability and skill that will be concentrated in the board of the great company that they have to compete with. It takes away from them a large part of the knowledge and ability they should obtain to assist them in the very competition that we want to keep alive.

The only reason which I see that is given for prohibiting this efficiency is the fact that they may endeavor to restrain trade or that they will be dishonest toward the stockholders whom they represent.

I know there is no use for me to discuss this proposition at length. I only want to say that as the result of my experience, and my experience has been considerable, I never have come in contact with an occasion when such questions were being discussed at the meetings of the boards of directors that I have sat with. It is not the small corporations who are bothering themselves with these questions to any extent, but they do need all the efficiency they can get, and this amendment will decrease it.

Mr. SMITH of Michigan. Mr. President, I do not know whether the prospect of the adoption of this amendment is good or not. The force with which the Senator from Iowa [Mr. CUMMINS] urges it and the unlooked for support of the Senator from New Jersey [Mr. MARTINE] admonish me that there is a possibility of its being adopted. I think if it is adopted it will operate to do two things which are not desirable. One is to discourage investments in private enterprise, and the other is to put a premium upon dummy directors. I think both these results would be unfortunate.

I recall in my State numerous industries where there are interlocking directorates. Our furniture business has interlocking directorates, and yet it is perfectly legitimate. Our beet-sugar business has interlocking directorates. It takes $600,000 to establish a sugar factory. We have 12 or 14 of them in the State of Michigan. The men who put their money into those enterprises did it because they had faith in the Government and faith in the business and faith in their own business management.

Is it possible that you are now going to withdraw the right from these men to manage their own affairs and at a time when their industry is in peril? What are you doing to encourage investment in labor-employing enterprises? Can you expect men of means to engage in industrial pursuits, investing money saved in life's activities, and give them no direct voice in the management and control of their affairs? I think not. Capital should be encouraged to enter such fields and thus develop the latent resources of our land.

Efficiency in the management of any industry is a cardinal necessity if it is to be profitable. You have already toned down our customhouses at the border with one hand and now seek to imperil investments with the other.

I think that this is a sweeping, a far-reaching, and an undesirable amendment, and it ought not to be adopted. What would the domestic sugar business do under present conditions without efficiency and economy in management?

Mr. MARTINE of New Jersey. I can not see how this interferes with efficiency.

Mr. SMITH of Michigan. I will tell the Senator how it interferes. It interferes to this extent, that a half dozen men who put three or four or five million dollars into domestic industry, perhaps located in different parts of the State and organized into separate units, but controlled practically by the same money source, are not permitted to manage their own affairs. I think it would strike a deadly blow at efficiency and greatly increase the overhead charges.

The amendment of the Senator from Iowa is predicated upon the theory that men are going to invest money in private enterprise merely for the sake of entering the commercial race and competing with somebody. There never was a more erroneous idea. People invest money in private enterprise because they expect a fair return on their investment, and if by cooperation

with one another in the management of its various branches they are able to reduce the overhead charges and minimize the cost of production, they can compete with their rivals and employ labor, and their industry will thrive and prosper.

To-day the sugar industry of my State is menaced. It is in the hands of a very few men, mostly men who made their money out of other enterprises, saved it, and invested in this new industry. The highest skill is required to make it a success; and you now propose to take the management out of the investors' hands and turn it over to strangers.

You have torn down the customhouses partially; at least you have torn the roof off. You have opened the back door and the front door for unlimited competition, and you are allowing an institution incorporated under foreign law and operating in a neighboring island to have access to your markets unrestrained, with the highest skill, the most complete management in charge of their affairs, and, as though drunk with power, you are now seeking to forge fetters for your own countrymen while at the same moment you are putting a premium upon the skill and the efficiency of foreign labor and foreign production and aggregated capital.

Mr. MARTINE of New Jersey. In the light of the present price of sugar, it being jacked up to 7 cents a pound, does not the Senator think it has been a most beneficent act upon the part of the Democratic Congress to the people? What would the price be if you had the opportunity to carry out your original idea of protection? Sugar instead of being 7 cents would probably be 9 cents, and to-day the great public consumer would have been paying tribute to these five satellites that are rich to gluttony in your State of Michigan.

Mr. SMITH of Michigan. Mr. President, if the theories of my honored friend from New Jersey had been in practice these domestic factories would never have been established and there would have been no competition in that useful article of necessity. In such an event, the price of sugar to-day would be a foreign price, and you would be absolutely impotent to control it.

Mr. MARTINE of New Jersey. That is theoretical.

Mr. SMITH of Michigan. Mr. President, right at our border are the most highly efficient sugar producers in the world. They have a productive capacity of more than twice the ability of our people to consume. You are going to allow them to form every plantation in the island of Cuba into a single corporation doing business as freely with the American people as though they resided upon our coast or upon the Great Lakes. Having done this, do you tell me that now it is the function of the American Congress to forge new fetters for American industry and to discourage the investment of capital which employs American labor at good returns? No, Mr. President; that will not benefit our country or get the results you seek to obtain.

I would not discourage capital. We have already pressed it too far, and even idleness may become preferable to tyranny. Some day capital may refuse to employ labor under these conditions, and no law that an American Congress can pass can force capital into enterprises against its will.

The thing to do that will make our country most prosperous, give the largest employment to labor, diversify the productions of our blessed country, is to allow men of means who are willing to thus employ it to get into remunerative industry. I know of no industry to-day, in the State of Michigan at least, whose returns the people have any special right to criticize. I know, of course, there are some large industries which, because of superior efficiency, are making large returns upon the capital and genius which originally promoted their incorporation, but gradually those who are making the money are becoming tired of it and are passing it back to labor in profit-sharing enterprises; and I am glad that this is one of the principles of modern-day industrialism.

Mr. MARTINE of New Jersey. In that I share with you all the delights and glories.

Mr. SMITH of Michigan. My friend from New Jersey is both generous and humane, but if I were to share everything that the warm-hearted Senator from New Jersey were to offer me, I am afraid I would not now be engaged in addressing the Senate. But, be that as it may, industrial enterprise needs encouragement; it does not call for strait-jackets and fetters. This is a poor time to throw javelins at our industrial captains, who are, for the most part, now engaged in a life and death struggle for industrial supremacy.

I can see great harm and danger to result from the adoption of the amendment of the Senator from Iowa, although I know that his purpose is wholesome and patriotic. But this is not a time to put new fetters upon the development of domestic industry. This is a poor time to carry out refined theories of government in conflict with the everyday experience of mankind.

Mr. REED. Mr. President, the argument made by the Senator from Rhode Island [Mr. LIPPITT] that there could be no efficiency unless you had interlocking directorates amounts to nothing more than this, that in order to have efficiency you must have combination between different corporations; in other words, there must be that restraint of trade and of competition which lies at the very bottom of every monopoly and trust ever created. The argument goes that far and no farther; it begins there and it ends there. It is the argument that has been on the lips of every trust magnate and every trust promoter from the day that a trust was first conceived in the brain of man.

The argument of my beloved friend, the Senator from Michigan [Mr. SMITH] about sugar and about the customhouses amounts to nothing more than this: He tells us we have torn down the customhouses, and that we are now about to tear down the business back of them. We have opened the doors of the customhouses, and we are now trying, not to tear down the business back of them, but to stop the criminal practices that grow up back of the closed door of the customhouse. We are endeavoring to destroy the monopolies which were created by a system that was dictated primarily by monopoly and that was kept upon the statute books of the United States as a fraud and false pretense put upon the American people.

Mr. President, the Senator from Michigan spoke about coordinate cooperation of corporations. Coordinate cooperation of corporations means coordinate combination of corporations, and coordinate combination of corporations means monopoly in restraint of trade and a violation of the criminal section of the Sherman Act. All you need to do is to couch these arguments in their proper terms, and call things by their right names, and you ascertain at once that they are arguments against every law that can be proposed for the protection of the people against the exactions of monopoly. If these arguments be sound, then we ought to wipe out every antitrust law we have upon the statute books. The captains of industry—who might more properly be called by the name Mr. Roosevelt coined, these malefactors of commerce—of course, run everything in a very efficient way for themselves, but unfortunately they do not run them in an efficient way for the rest of the people.

I deny that there is only one board of directors capable of managing business affairs in this country; I deny that you must have interlocking directorates and tie corporations together by a common ownership in order that we shall have efficiency in our manufactures. I assert that that kind of policy destroys the genius of the American people; closes the door of opportunity in the face of ambition; and if it be pursued and acted upon would concentrate the wealth of this country in a few hands, lock up all its energies in the vaults of a few gentlemen, and reduce the American people to a condition that will not be so proud and will not be so encouraging as that condition has been in the years that are past.

Now, I call the attention of Democrats who are about to vote upon this proposition to the last Democratic platform, which provides:

> We favor the declaration by law of the conditions upon which corporations shall be permitted to engage in interstate trade, including, among others, the prevention of holding companies, of interlocking directors, of stock watering, of discrimination in price, and the control by any one corporation of so large a proportion of any industry as to make it a menace to competitive conditions.

We have pledged ourselves to bring about "competitive conditions," and we have specified as one of the means of doing so the prohibition of interlocking directorates. We are about to be permitted to vote upon that kind of proposition. I do not know whether or not a Democratic platform is binding, but, so far as I am concerned, until it is repealed by another grand council of my party, it will be binding upon me. I shall support the amendment by my vote.

Mr. SMITH of Michigan. Mr. President, I ask the Senator from Missouri to make a slight correction in his statement. Of course, I know the error was unintentional, but I said nothing about cooperation and coordination of corporations. As I recollect, I was speaking of the cooperation of capital.

Mr. REED. I understood the Senator from Michigan—and of course the RECORD will show—to be speaking of the necessity of permitting common directorates for corporations; and he spoke of the cooperative coordination, as I understood him, between those corporations. The RECORD will show, and if I am mistaken I now apologize.

Mr. SMITH of Michigan. The RECORD will also show that about 20 years ago the distinguished Senator from Nevada [Mr. NEWLANDS] filed a caveat to that expression, and it belongs to him. I turn it back to him.

Mr. CHILTON. Mr. President, let us not forget, in discussing this matter—and I hope the Senator from Missouri [Mr. REED]

will not forget it—that the proposition is to substitute one way of dealing with the question of interlocking directorates for another way. It is not right to assume that, because we shall vote against the amendment, we are opposed to the regulation of interlocking directorates—quite the contrary is the fact. I think it is easy to show that the House provision, which was concurred in by the Judiciary Committee of the Senate, is much the more effective way of dealing with this subject, and it is certainly the only way, in my judgment, that we can reach it within the powers of this body.

Let us not forget another thing. We talk about regulating directors. What are directors? They are just what the laws of the State which creates the corporation and the stockholders of the corporation choose to make them. We stand here and talk about directors as if a director were a man whose duties and whose obligations were all fixed by law, when, as a matter of fact, practically any corporation in the United States can, under the laws of the States, fix exactly what a director may do and what he may not do. The trouble I have in approaching this subject is the deeper one, that if you cut the wings of directors you may force many corporations to govern themselves by themselves and entirely eliminate directors, or so curb their powers as to make them useless.

Mr. President, the stockholders, and not the directors, own a corporation. The stockholders say what the directors may do and what they may not do. It is within the power, I would say, under the laws of the different States, of at least four-fifths of the corporations of the United States to govern themselves entirely without a board of directors—that is, for all practical purposes. Under the laws of several of the States whose laws I have examined, the powers of the directors are fixed, not by law but by the by-laws of the corporation—that is, the by-laws of the stockholders—and if we go to an unreasonable extent we may force a condition under which the stockholders instead of the directors will have to run the corporation.

In other words, after all has been said, we must admit that we are dealing with the form and not entirely with the substance. That is a condition that we ought to think about.

The next proposition is, to my mind, fundamental in considering this question. We can deal only with interstate commerce. The provision agreed to by the House and reported by the Judiciary Committee to the Senate goes to the full extent, in our judgment, to which we can go or ought to go in dealing with this particular phase or branch of the trust-regulation question. Why do we say that? We realize that interstate commerce, in so far as it is controlled by corporations, is in the hands of State corporations. Take the instance submitted by the Senator from Montana, the case of a corporation in Wyoming desiring to go over into Montana and being unable to do so because the laws of Montana provide that you can not do that business by a foreign corporation in that State. That is not an extreme case. The laws of Pennsylvania provide that no company may mine coal in that State unless it be a corporation of the State of Pennsylvania. A West Virginia corporation can not mine coal nor carry on the coal-mining business in the State of Pennsylvania at all, but such business must be conducted by a corporation of the State of Pennsylvania. I speak of the coal business and the oil business because I happen to be more familiar with those industries; but anyone can see that the same principle would apply to any other industry under the same conditions and circumstances.

Now, what is the situation? Take a man in the coal business. When he develops that business to the point where he has a market and where he can sell his coal, he has his organization. The next thing that he wants to do is to get all the coal for his market which the market demands. His market may demand Pittsburgh coal; it may demand New River, Kanawha, Thacker, or Pocahontas coal; it may demand the great Black Warrior coal, which I mention out of deference to my friend from Alabama [Mr. BANKHEAD]. No matter what coal may be demanded by the market, the wide-awake, enterprising coal merchant will want to get the coal.

Suppose he is conducting a coal business in the State of Maryland and operating in the great Georges Creek field, and finds after he has built up a market that some of his customers want Pennsylvania coal, and he wants to mine that kind of coal. His Maryland corporation can not do so in the State of Pennsylvania. He organizes a corporation in the State of Pennsylvania, and he produces sufficient coal in the State of Pennsylvania to supply his market. That is the way in which the coal business grows and develops, and we should keep that in mind when dealing with all these matters.

That which experience teaches is necessary to legitimate success and which enables the enterprising man to expand his business should not be made unlawful per se, but only when it is made or becomes the handmaiden of monopoly or the restraint of trade.

Mr. President, I am not worried about the efforts to find big business. I have stated my position here on the greater question. Everybody in this country knows where the trust is; everybody knows who is running the trusts; everybody knows how the trust was developed; every man of sufficient intelligence to occupy a seat in this body knows in his heart that he can go and lay his hands on the trust, the home of the trust, the organizer of the trusts, and the backer of the great trusts which we are trying to reach; but when you enact a law that will wipe them out, you will also wipe out the thousands and tens of thousands and hundreds of thousands of little men who are struggling along trying to cope with the big organizations, trying to build up business in the various States. It is time to consider carefully and balance results. My illustration is true of coal; it is true of oil; it is true of lumber; it is true of limestone, of the sheep business, the orchard business, the cotton business, and everything else which constitute the industrial activities of the people.

Mr. President, I want to conform to the principles enunciated in the Democratic platform. I am committed to do that, and I will go just as far as I can under the Constitution to meet the obligation which we made to the people, but in reporting this bill here, we have gone as far as I think we can safely go under the powers granted to us by the Constitution, and as far as I think it is safe to go, from what I know of my own experience to be the actual condition of the little man struggling to do business in this country. That man I will not intentionally hurt if I can help it. He is not a trust, and not the beginning of a trust; he is the struggling business man, the man who has created business in this country. That man I will protect if I can; for that man I appeal.

There is a wide field within our powers and clearly in harmony with our platform promises, for curbing the known combinations of wealth which are stifling competition. Let us not experiment with the small business man.

Mr. President, that man will be hurt; he will be stricken if the Senate shall turn down the provision of the House bill and adopt the amendment of the Senator from Iowa. Therefore I hope the amendment will not be adopted.

Mr. O'GORMAN. Mr. President, I do not intend to discuss this question, but I desire to state the reasons which will explain my vote. I believe the incorporation of this amendment would be very unfortunate. While not so designed, its effect must be, in my judgment, to extend the influence and the power of the great corporations of the country at the expense of the thousands and tens of thousands of men engaged in small enterprises.

The mistake which I think is made in recommending this amendment consists in this: We know the abuse which we are trying to correct; we have already supplied several remedies; there is no advantage in multiplying remedies for an acknowledged abuse. In the recent banking and currency law we enacted provisions which were designed to afford relief. In the judgment of many, the Sherman Act, as a result of 20 years of construction and interpretation, is to-day a sufficient remedy for all these abuses. Yet we have gone beyond that in this bill; we have supplemented the Sherman Antitrust Act; we have taken every reasonable step that is necessary to destroy monopoly; and, having done all that a suggestion is now made which is wholly unnecessary and which can offer but a modicum of benefit while inflicting injury and imposing needless restraints upon American enterprise. It is for this reason that I shall vote against the amendment.

The VICE PRESIDENT. The question is on the amendment of the Senator from Iowa, on which he asks for the yeas and nays.

Mr. JONES. Mr. President, I am going to use the time, or some of it, which I have on the bill, and if I need any more I will use some of the time I have on the amendment.

We have been kept here all summer and into the fall, long after we should have been home, in order to do certain things. We are going to do something, but we are not going to do what was laid out for us to do. I concede that the Senator from Missouri [Mr. REED] has made a gallant fight; but, with all his allies, he has not been able to make a single dent in the intrenchments of the committee. We have paid but very little respect to the Democratic platform and have had very little regard for it during the session; neither have we paid very much attention to the recommendations of the President with reference to the legislation known as the trust legislation.

On January 20 last the President addressed a joint session of the Congress on the subject of trusts and monopolies, suggest-

ing and recommending certain legislation. While recognizing the difficulties in dealing with this matter, he was most optimistic as to an easy and speedy solution. He thought that "a clear and all but unanimous agreement in anticipation of our action" had already come about, although what "our action" would be no one really knew. To him "it is now plain what the opinion is to which we must give effect in this matter," and in a burst of optimism, unabated by past experience in legislative celerity, closed his address in this splendid fashion:

> We are now about to write the additional articles of our constitution of peace—the peace that is honor and freedom and prosperity.

This is beautiful, soothing, inspiring. Not one of those articles to be so soon and so easily written has, however, been written. That which was so clear and easy in the chamber of theoretical composition has become more doubtful and difficult to work out in the legislative forum.

The proposition which the President placed first in importance was the prevention of interlockings of the personnel of the directorates of great corporations—banks and railroads, industrial, commercial, and public-service bodies. This has been very imperfectly, uncertainly, and inadequately provided for in the pending bill.

As second in importance he considered the conferring upon the Interstate Commerce Commission the power to superintend and regulate the financial operations of the railroads and the issuance of stocks, bonds, securities, and so forth. This has not been done, and it is now currently and confidently asserted that under the pressure of the railroads and upon the plea of war necessities this legislation will be put over until the next session and this article of the constitution of peace will remain unwritten in any form.

The President said that uncertainty hampers business, that nothing daunts and discourages it like the necessity to take chances, to run the risk of falling under the condemnation of the law before it can make sure what the law is, and he urged that we should forbid, by statute, item by item, in such terms as will eliminate uncertainty in the law and its penalty, those practices, processes, and methods of monopoly and restraints of trade which experience has disclosed to be hurtful. These were wise words, wise suggestions. They have not been followed. On the contrary, existing laws have been rendered more ambiguous, and laws more uncertain in meaning and operation are proposed and their passage imminent. The business world is confronted with the creation of a legislative-administrative-judicial body to pass upon the validity of their acts, such validity to be determined at its own sweet will. We have passed through this body an act providing for a Federal trade commission, and it is now in conference. We have given it power to declare without limitation what trade practices are lawful and what are unlawful. What can be more uncertain than this? If it is agreed to and becomes the law, business will be hampered, business will be daunted, and business will be discouraged as never before, and the wise words of the President will be brought to naught, and this Constitution of peace and freedom will be a Constitution of turmoil, litigation, prosecutions, and bondage. If the President believes now as he believed when he wrote that message, he will advise the conferees to take from the commission this unlimited and indefinite power. A word from him will do it. I voted for the trade commission bill, as a whole, with much misgiving and largely that it might go to conference, in the hope that something good might come out of it. I am more and more convinced that it would be most unwise to enact it into law in its present form. Not only will it bring forth a veritable army of Government agents, sleuths, inspectors, and inquisitors, entailing upon the people millions of expense, but it will multiply manyfold the uncertainties that hamper and daunt business. The only business that will be encouraged and increased will be that of the lawyer. He will be in great demand, and the people and the courts will suffer. This is surely not what the President had in mind, this is not what the people had a right to expect. This is not the kind of commission the President said "the opinion of the country would instantly approve of"; this is not the kind of commission the "business men desire." He suggested a commission that would aid in carrying out the courts' decrees, not make decrees—a commission that would be an instrument of information and publicity, a clearing house for facts, not a lawmaking, law-enforcing judicial body, as this commission is.

The President also suggested that combinations in the industrial world injure not only the public, but individuals also, and that if the Government secures judgment against such combinations, individuals claiming to be injured should be able to found their suits for redress upon the facts and judgments found and entered in suits brought by the Government. He considered this "another matter in which imperative considerations of justice and fair play suggest thoughtful remedial action." We have in the pending bill in a sort of half-hearted way attempted to meet this suggestion. We have written a very weak and imperfect article in the constitution of peace by providing that judgments in Government suits shall be only prima facie evidence of the facts, thus leaving to the individual a burden which but few can bear and which but few will undertake to bear. Most individuals will suffer the wrongs of combinations rather than assume the additional burdens of attempting to defend against them.

Mr. President, these "additional articles of our constitution of peace" are being poorly, imperfectly, ambiguously, and dangerously written. Why? Not only because they are most difficult to write, but because we began to write them when we should have been going home; because the time that should have been given to their writing was taken up in the uncalled-for and unjustifiable repeal of the Panama exemption provision, in the interest of and at the behest of the transcontinental railroad lines, and to secure the good will of foreign powers, who had no cause of complaint against us; because we have written them grudgingly, grumblingly, and unwillingly, like truant schoolboys held to a task after school hours; because we began to write them when we were weary, worn, and fagged physically and mentally by continuous service, with long hours, for more than 14 months; because we have written them under the pressure of sessions of the Senate from 11 in the morning until 6 in the evening, with a multitude of other duties to perform in the meantime, because we have had no time for study and preparation, without neglecting our other duties or the sessions of the Senate; and because only a small proportion of the Senators have been present and assisted in the writing and consideration of these measures.

The consideration of these bills, in view of their importance and the vast and varied interests which they affect, has been a farce, almost a crime. When the Panama repeal was consummated we should have passed the appropriation bills and gone home or else stayed here and done our work. We did neither. Congress remained in session; Senators went away. Appropriation bills that should have been passed before July were not passed until August, and the whole business of the Government was disorganized and disarranged. Committees could not get quorums. Reports were delayed. Delays were had in the hope that the Executive would let us get away without passing these measures. When these hopes were blasted the few that were here tried to get to work. Revolutionary and wholly unjustifiable methods were pursued, not to perfect the bills, but to hasten a vote upon them. While the Constitution declares that less than a quorum can not do business, that provision has been avoided by holding that the most important function of the Senate is not business. The only way to arrive at a right conclusion regarding these or any other measures is through discussion, debate, and an interchange of views, and especially through information given by those who are especially familiar with the subjects involved by special thought, study, and investigation. In order, however, that we might after a fashion proceed and reach a vote without the presence of a constitutional Senate, it has been held, at the instance of the majority, that debate, legitimate, bona fide discussion, is not business, and therefore a quorum could not be required except when a vote was to be taken, unless in the meantime a petition had been presented or a leave of absence asked or something of that kind. According to modern ideas the Senate was not transacting business when Webster was delivering his immortal reply to Hayne, but the presentation of a petition from Podunk asking for the improvement of Whistler Creek is not only an act of statesmanship but a great business transaction that will justify the calling of the roll to see if a quorum is present to witness the performance of such a profound event. There has been no justification for following such an untenable and revolutionary course. No filibuster against any of these bills has been attempted or intended. No illegitimate debate has been indulged in. No partisanship has been injected into their consideration by the minority. They are not partisan measures and should not be made such. They should have the best thought, the benefit of the best experience, and the best suggestions of the ablest and most experienced Members of this body. The discussion by such Senators and such an interchange of views is the most important business that can engage the attention of the Senate. The recording of the vote after that interchange of views is business of the least importance, and is often done without the casting of a single vote.

Mr. President, what the people who have looked down upon us from the galleries of the Senate during the last few weeks must have thought of our deliberations I shall not pretend to say. I am afraid they have not taken to the folks at home a

very good report. How could they? They know pretty well the situation. The folks at home do not. They may have read in the RECORD from time to time the suggestions of the Senator from Missouri that during the discussion most of the seats are empty, or they may have read the pertinent statements of the Senator from New Hampshire with reference to the difficulties in securing a quorum from time to time, and yet this does not give a correct idea of the situation. I feel it proper to place in the RECORD some facts that will show the actual conditions under which this trust legislation has been considered and let the people judge whether such conditions are likely to bring forth those articles of the constitution of peace that are likely to be beneficial to the people and the country.

When it was held that discussion was not business, and that a quorum could not be called for when nothing but discussion had intervened, it occurred to me that it might be interesting to note from time to time the number of Senators on the floor. A roll call does not show the actual situation. A Senator comes in and answers to his name and goes out, so that, although the call may show 49 Senators present, as a matter of fact there may be but few actually giving attention to the matter in hand. I have noted the Senators on the floor every half hour, as nearly as I could with the interruptions that have occurred. The attendance shown is typical of the attendance during the consideration of these measures.

Of course, as everybody knows, we have a membership of 96, and 49 constitute a quorum.

Mr. LEWIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Illinois?

Mr. JONES. I am very sorry, but I have so little time that it will be impossible for me to yield to the Senator.

Mr. LEWIS. I simply desire to call the Senator's attention to the fact that——

The VICE PRESIDENT. The Senator refuses to be interrupted.

Mr. JONES. On Tuesday, about five weeks ago, at 3 o'clock there were 18 Senators present; at 3.30, 20; at 4 o'clock, 19; at 4.30, 30; at 5 o'clock, 26; at 5.30, 28.

On Wednesday, when we met at 11 o'clock, no doubt a quorum was called, as has been the custom. At 12 o'clock there were 36 Senators present; at 12.30 there were 29; at 1.30, 16; at 2 o'clock, 22; at 2.30, 19; at 3 o'clock, 29; at 3.30, 26; at 4 o'clock, 33; at 4.30, 27; at 5 o'clock, 25.

On Thursday of the same week at 12 o'clock there were 26 Senators present; at 12.30, 27; at 1 o'clock, 24; at 2 o'clock, 15; at 2.30, 23; at 3 o'clock, 39; at 3.30, 31; at 4 o'clock, 32; at 4.30, 32; at 5.30, 31.

On Friday of the same week at 1.30 o'clock there were 21 Senators present; at 2 o'clock, 26; at 2.30, 21; at 3.10, 31; at 3.40, 22; at 4.10, 29; at 4.55, 28.

On Saturday at 12.35 there were 28 Senators present; at 1 o'clock, 40; at 1.30, 28; at 2.30, 20; at 3 o'clock, 32; at 3.30, 26; at 4 o'clock, 32; at 4.30, 32; at 5.05, 24; at 5.30, 28.

On Tuesday following at 12.30 there were 21 Senators present; at 1 o'clock, 18; at 1.30, 16; at 2.45, 18; at 3.30, 22; at 3.45, 20; at 4 o'clock, 22; at 4.30, 28; at 5 o'clock, 29; at 5.40, 28.

On Tuesday, August 18, after the Senate had revoked the rule under which committees might meet while the Senate was in session, at 12.30 there were 25 Senators present; at 1.10, 20; at 2 o'clock, 18; at 2.30, 21; at 3.30, 19; at 4 o'clock, 27; at 4.30, 32; at 5 o'clock, 33.

On Friday, August 21, at 2.15 there were 18 Senators present; at 2.30, 19. At 4 o'clock a quorum was called, and at 4.05 a quorum was completed; that is, 49 Senators had answered to their names. At 4.07, or 2 minutes afterwards, 22 Senators were present on the floor; at 4.30, 20; at 5.05, 23; at 5.30, 29.

On Monday, August 24, a quorum was secured at 11.45 o'clock. At 12.15, 36 Senators were present. Another roll call occurred in the meantime. At 12.45 there were 19 Senators present; at 1 o'clock, 16; at 1.15, 16.

Mr. President, I have here some other data of the same character, but I shall not take the time of the Senate to give it. It shows the same condition.

On August 25 we had a criticism made on the floor of the Senate with reference to the lack of attendance here. At 1 o'clock we had 14 Senators present; at 1.27 we had a roll call completed and 50 Senators answered; at 1.30, or three minutes afterwards, there were 19 Senators on the floor; at 2 o'clock there were 9 Senators on the floor; at 2.30 we had a roll call and 49 Senators answered to their names; at 2.32, or two minutes afterward, there were 23 Senators on the floor; at 3.30, 19; at 4 o'clock, 20; and at 4.30, 18.

Mr. President, this simply shows the conditions under which we have been framing this legislation. It simply shows the conditions under which the most important legislation Congress has had under consideration for many, many years has been considered in this body. I do not blame Senators, in a sense, for being away. Congress has been in continuous session from the 15th of April, 1913, and when we began to consider this legislation, as I have said, Members were worn out. Many of them were probably almost forced to go away. It was not right and not fair and not just, as has been suggested by the Senator from New Hampshire [Mr. GALLINGER] that Senators should be kept here, should be forced to stay here under such conditions, to consider these measures, as we have been forced to do.

Mr. President, if I vote for this measure it will not be because I approve of it or am in favor of its passage as a whole, but simply that it may be sent to conference, in the hope that from the conference will come a measure of some merit. There are some few things in this bill that I favor that do not furnish any great affirmative relief, but they will have a good effect and should be passed. The provisions in this bill contained in section 7 and from section 15 on, in my judgment, are merely legislative declarations of existing law and the rules of the Supreme Court of the United States. I am glad to have them enacted into law so as to insure fair treatment to labor by all judges in these matters, but while we treat labor fairly and justly so should we treat business, capital, and industry equitably and justly.

Most of the provisions of this measure——

Mr. CHILTON. Mr. President, I rise to a point of order.

The VICE PRESIDENT. The Senator from West Virginia will state his point of order.

Mr. CHILTON. I should like to know how long the Senator from Washington has been speaking. We are operating under a unanimous-consent agreement, and in justice to other Senators I do not think the rule should be extended in the case of one Senator and not in that of others.

The VICE PRESIDENT. The Senator from Washington gave notice that he was going to consume his entire time, that having 15 minutes on the bill itself and 15 minutes on this amendment he would occupy the entire time upon it.

Mr. JONES. I would have been through by this time. I have only a few more words to say.

Mr. CHILTON. I do not want to take the Senator off his feet, but, Mr. President, we are acting under a unanimous-consent agreement and——

Mr. JONES. I do not think the Senator could do that under the unanimous-consent agreement.

Mr. CHILTON. Oh, yes, I could. The Senator has not any right to speak for more than 15 minutes.

Mr. JONES. I am going to conclude very soon.

Mr. CHILTON. The Senator has not any right to "bunch his hits" in that way.

Mr. JONES. Most of the provisions of this measure, as they relate to business and industry, as well as those of the trade commission bill, are uncertain, indefinite, and ambiguous in terms and possible effect. We do not know what they mean. They will hamper business, becloud its pathway, encourage litigation, stifle enterprise, multiply Government officials, and augment expenses. The suggestions of the President were wise. We would have done well to follow them. We have not done so. These bills do not conform to his recommendations. Instead of writing the articles of a constitution of peace we are writing the articles of a constitution of litigation, irritation, stagnation, and adversity.

The VICE PRESIDENT. The question is on the amendment of the Senator from Iowa [Mr. CUMMINS], on which he has requested the yeas and nays.

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

Mr. CLARK of Wyoming (when his name was called). Announcing the transfer of my pair as heretofore, I vote "nay."

Mr. COLT (when his name was called). I announce my pair and its transfer and vote. I vote "nay."

Mr. CULBERSON (when his name was called). Again announcing my pair and its transfer, I vote "nay."

Mr. FLETCHER (when his name was called). I announce my pair and its transfer to the Senator from Nevada [Mr. NEWLANDS]. I vote "nay."

Mr. GORE (when his name was called). I desire to announce my pair with the junior Senator from Wisconsin [Mr. STEPHENSON]. I will withhold my vote, but I desire to be counted as "present."

Mr. HOLLIS (when his name was called). I announce my pair as before and withhold my vote.

Mr. LEA of Tennessee (when his name was called). I announce my pair and withhold my vote.

Mr. THOMAS (when his name was called). I again announce my pair and withhold my vote. If I were at liberty to vote, I would vote "yea."

Mr. TOWNSEND (when his name was called). I again announce my pair with the junior Senator from Arkansas [Mr. ROBINSON] and transfer it to the Senator from Illinois [Mr. SHERMAN] and vote "nay."

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

The roll call was concluded.

Mr. LEA of Tennessee. I transfer my pair with the Senator from South Dakota [Mr. CRAWFORD] to the junior Senator from Ohio [Mr. POMERENE] and vote "nay."

The result was announced—yeas 15, nays 44, as follows:

YEAS—15.

Ashurst	Cummins	Lane	Reed
Brady	James	Martine, N. J.	Shafroth
Chamberlain	Jones	Norris	Vardaman
Clapp	Kenyon	Poindexter	

NAYS—44.

Bankhead	Gallinger	Nelson	Smith, Md.
Bryan	Hitchcock	O'Gorman	Smith, Mich.
Burton	Hughes	Oliver	Smoot
Camden	Kern	Overman	Swanson
Chilton	Lea, Tenn.	Perkins	Thompson
Clark, Wyo.	Lee, Md.	Pittman	Thornton
Colt	Lippitt	Ransdell	Townsend
Culberson	McCumber	Sheppard	Walsh
Dillingham	McLean	Shields	Weeks
Fall	Martin, Va.	Shively	White
Fletcher	Myers	Simmons	Williams

NOT VOTING—37.

Borah	Gronna	Pomerene	Stone
Brandegee	Hollis	Robinson	Sutherland
Bristow	Johnson	Root	Thomas
Burleigh	La Follette	Saulsbury	Tillman
Catron	Lewis	Sherman	Warren
Clarke, Ark.	Lodge	Smith, Ariz.	West
Crawford	Newlands	Smith, Ga.	Works
du Pont	Owen	Smith, S. C.	
Goff	Page	Stephenson	
Gore	Penrose	Sterling	

So Mr. CUMMINS's amendment was rejected.

Mr. CUMMINS. I offer the following as a new section to the bill.

The SECRETARY. It is proposed to add to the bill a new section, as follows:

SEC. —. No corporation shall engage or continue in commerce if the amount of capital employed is so great as to destroy or prevent substantially competitive conditions in the general field of industry to which the business carried on belongs.

The Federal trade commission shall have the power, and it shall be its duty, to determine whether any corporation is violating the law in employing such an amount of capital that the mere extent of capital destroys or prevents substantially competitive conditions, and it shall prescribe rules for the inquiry or examination authorized in this section, which shall include notice and hearing. In making such inquiry and in reaching a conclusion thereunder the commission shall be guided and controlled by the rules established in the law. When any such inquiry is completed the commission shall determine whether there has been or is a violation of the law in the respect, and in the respect only, hereinbefore set forth, and it shall enter its determination in a record kept for that purpose.

If the determination is that there has been or is a violation as aforesaid, then, unless the violation ceases within a period to be fixed by the commission, the commission may either submit all its information, with its determination thereon, to the Department of Justice for such action as that department may lawfully take, or it may institute in the name of the United States such suit or suits in equity as are now authorized by the United States in the said act of 1890, or which are authorized by this act to be brought in the name of the United States; and in any suit or suits so instituted by the commission in the name of the United States the jurisdiction of the courts and the rights and remedies shall be the same as though the suit or suits had been instituted in the name of the United States by or under the direction of the Department of Justice.

Mr. CUMMINS. Mr. President, I voted against the amendment proposed by the Senator from Missouri [Mr. REED] which prohibited any corporation from employing more than $100,000,000 in its business. I voted against it not because I am of the opinion that mere bigness may not be an offense or ought not to be an offense, but because an arbitrary allotment of capital covering the whole field of commerce and industry must necessarily be, as I thought, ineffective.

I believe that the corporations in this country ought to be limited in the amount of capital that they can respectively employ. I believe that there must be an inquiry before judgment is rendered with regard to the amount of capital that can thus be employed without suppressing or impairing competition. In one kind of business there might be a very large capital employed and competition still exist. For instance, take the steel business. In round numbers there are, I think, about $3,000,000,000 of capital employed in that business. One company in the business uses about one-half of the capital, and the competition between that company and the smaller corporations is not equal competition. It would be better for this country, a great deal better, if we had 10 corporations each employing $300,000,000, so that they could battle for the business upon somewhat even terms than to have one corporation with a billion and a half and the other billion and a half divided among a hundred or more corporations.

Therefore I would have the trade commission examine in each instance the amount of capital which can be used, so that the capital in and of itself will not destroy or prevent substantially competitive conditions. I have no doubt that in the end we will reach that method of regulation. I know of various kinds of business in which no one corporation should be permitted to employ more than $100,000, and so on over the whole field.

I do not intend to enlarge upon this. I simply predict that in the end if we preserve that equality which is necessary in order to retain and maintain competition in the United States some function of the Government will be employed to limit the capital that may be used in a particular business.

I have offered the amendment, Mr. President, not with the least hope that it will be adopted. It is perfectly manifest that amendments which alter the bill substantially will not be approved by a majority of the Senate. I offered it because it is a part of a bill that I have had pending before the Senate for more than a year and a half, and it embodies my views with respect to the regulation which should obtain in this respect.

I do not intend to ask for a roll call upon it unless a viva voce vote discloses that it has some friends in the Senate.

Mr. WALSH. I should like to inquire of the Senator from Iowa if this amendment was presented to the committee.

Mr. CUMMINS. It was not.

Mr. WALSH. I did not recall its consideration there.

Mr. CUMMINS. I am not sure that the Senator was there in the early meetings of the committee; but, if he was, he will remember that I disclosed to the committee my opinions with regard to the subject. However, I did not offer the amendment in the committee.

Mr. WALSH. I wish to ask the Senator, also, whether the amendment has been printed heretofore.

Mr. CUMMINS. It has been printed for a year and a half.

Mr. WALSH. Not as an amendment to this bill?

Mr. CUMMINS. No; as an independent bill. The only change that I have made in it is that I have now given the Federal trade commission the name which the bill recently passed gave it.

Mr. CULBERSON. Mr. President, I ask the Senator from Iowa if this amendment was presented to the Interstate Commerce Committee with reference to the trade commission bill when that bill was under consideration?

Mr. CUMMINS. It was.

Mr. CULBERSON. Does the Senator object to stating what action was taken by the committee?

Mr. CUMMINS. There never was any action upon it. I presented it along with my other amendments with regard to interlocking directorates and holding companies. There never was a vote upon it in the Interstate Commerce Committee, but the Senator from Nevada [Mr. NEWLANDS] will, I am sure, remember that I have frequently discussed it before the Interstate Commerce Committee.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Iowa [Mr. CUMMINS].

The amendment was rejected.

Mr. GALLINGER. There are two or three amendments, Mr. President, that I will not discuss, contenting myself by offering them. In section 7, page 7, line 12, I move to strike out "agricultural, or horticultural" and insert the words "or other," so that the bill will provide for "labor or other organizations, instituted for the purpose of mutual help."

The SECRETARY. On page 7, line 12, strike out the words "agricultural, or horticultural" and insert the words "or other," so that if amended it will read:

SEC. 7. That nothing contained in the antitrust laws shall be construed to forbid the existence and operation of labor or other organizations—

And so forth.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from New Hampshire.

The amendment was rejected.

Mr. GALLINGER. I will not ask for a recorded vote. On the same page—page 7—in line 16, the word "lawfully" occurs. The text reads:

Or to forbid or restrain individual members of such organizations from lawfully carrying out the legitimate objects thereof.

The word "lawfully" is a committee amendment which was agreed to; but in line 19 that word is omitted, so that at present it reads:

Such organizations, or the members thereof, be held or construed to be illegal combinations—

And so forth. I move to amend by inserting at the beginning of line 19 "when lawfully conducted," so that it shall read:

Nor shall such organizations, or the members thereof, when lawfully conducted, be held or construed—

And so forth, making it harmonize with the other part of the section.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from New Hampshire.

The amendment was rejected.

Mr. GALLINGER. Turning to page 27 of the bill, section 18, in line 15, I find the words "and lawful," the text reading—

or from withholding their patronage from any party to such dispute, or from recommending, advising, or persuading others by peaceful—

And the committee inserted "and lawful"—

means so to do.

On lines 5, 6, and 7 I find this language—

or from ceasing to perform any work or labor, or from recommending, advising, or persuading others by peaceful means so to do.

I move to insert, after the word "peaceful," the words "and lawful," so as to make it harmonize with the words the committee inserted in line 15.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from New Hampshire.

The amendment was rejected.

Mr. GALLINGER. I move further to amend, in an effort to harmonize the bill with the amendment that the committee inserted—I suggest that I am not having very good success, but nevertheless I shall make one more effort. In line 11 the words are:

or from peacefully persuading any person to work or to abstain from working.

As I have suggested, in line 15 the words "and lawful" are inserted. I move to insert, after the word "peacefully," in line 11, the words "and lawfully," so as to make it conform substantially to the amendment which the committee reported and which has been agreed to.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from New Hampshire.

The amendment was rejected.

Mr. GALLINGER. Mr. President, it surprises me more than I can express that the Senate should deliberately insert the word "lawful" in one line of the bill relating to one particular act, and that as to other matters that are directly connected with it, and have the same bearing upon the legislation, the Senate should refuse to insert the words in those lines to which I have called attention; but evidently that is the decision that has been reached, and it is useless for me to waste a moment of time in arguing that it ought to be otherwise. I submit as gracefully as I know how to the vote which has been taken, with the feeling that when this bill has been enacted into law, as I suppose it will be, in the particulars to which I have called the attention of the Senate it will be a very imperfect and very unjust measure.

Mr. POINDEXTER. Mr. President, I submit the amendment which I send to the desk.

The VICE PRESIDENT. The amendment proposed by the Senator from Washington will be stated.

The SECRETARY. In section 8 it is proposed to insert as a new paragraph the following:

From and after September 1, 1915, no common carrier engaged in commerce shall own, hold, or acquire the whole or any part of the shares of capital stock of another corporation engaged in the business of manufacturing, mining, producing, or dealing in any article or commodity of commerce.

Mr. POINDEXTER. Mr. President, the purpose of this amendment is to overcome the miscarriage of the Hepburn Act of 1906 as to the production and ownership by common carriers of the commodities of transportation.

Mr. CULBERSON. May I inquire of the Senator from Washington if the amendment he has just submitted covers lumber? I did not distinctly hear it read.

Mr. POINDEXTER. It makes no exception of lumber.

Mr. GALLINGER. I will ask the Senator if the amendment is printed? I do not find it.

Mr. POINDEXTER. It has not yet been printed. It is in typewriting.

Mr. GALLINGER. Then, I will ask that it be again stated, because I expected I should find it in the printed compilation of amendments.

The VICE PRESIDENT. The Secretary will read the amendment proposed by the Senator from Washington.

The Secretary again read the amendment proposed by Mr. POINDEXTER.

Mr. POINDEXTER. Mr. President, the subject matter covered by this amendment has been so thoroughly discussed and has been before the public to such an extent that it should be unnecessary to discuss it further.

Mr. CHILTON. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from West Virginia?

Mr. POINDEXTER. I do.

Mr. CHILTON. I want to ask the Senator from Washington, Is not the amendment which he proposes in substance the commodities clause of the Hepburn law? Is not that the law now?

Mr. POINDEXTER. No; that is not the law now.

Mr. CHILTON. Has the Senator examined it, so that he may speak accurately?

Mr. POINDEXTER. There is a commodity clause in the law to which the Senator from West Virginia refers. This amendment would be in effect an amendment to that clause which has come to be called the commodity clause of the Hepburn Act, which was designed to accomplish exactly what this amendment will accomplish. Undoubtedly it was intended by the Hepburn Act to accomplish what it stated in plain terms, that a common carrier should not transport commodities which it owned or which it had mined or produced or manufactured, the purpose being to prevent the oppression which a common carrier had in its power, by controlling the necessary transportation for a commodity, to visit upon all of its competitors. That has not only been one of the chief agencies of monopoly, but it has been one of the most repulsive forms of oppression of independent miners, producers, manufacturers, and merchants in this country.

Mr. WILLIAMS. Mr. President, I want to ask the Senator from Washington a question. Does he not think it would be better if he would insert after the words "article or commodity of commerce" the words "to be carried by it"? I understand what he is striking at. Here is a railroad that owns a controlling interest in a coal mine right along its line, and it carries the coal; here is another railroad that owns a controlling interest in a sawmill, and it carries the lumber; but certainly the Senator will have no objection to a railroad in Pennsylvania owning stock in a lumber mill in the State of Washington or owning stock in an independent mine down in Alabama. If he wants to strike at the evil, it seems to me he ought to limit his amendment so as to strike at it and at nothing else.

Mr. POINDEXTER. Mr. President, the suggestion of the Senator from Mississippi is deserving of attention; but if the Senator will consider carefully the proposition, I think he will agree with me, in the first place, that it is not necessary to make such an exception as that. There is no need on the part of railroad companies in Pennsylvania to own coal mines in Alabama; there is not any possible injury which will result to the common carriers in depriving them of any such power as that. On the other hand, unless the rule is made absolute, the difficulty of enforcing it will be so great as to render it almost nugatory. It would be very difficult to determine whether or not the product of a particular coal mine or a particular manufacturing concern of any kind would be transported at one time or another by a particular railroad. In the very instance which the Senator from Mississippi cites, knowing as we do the interrelation of all of the great railroads of the country, if the Pennsylvania Railroad Co. in the State of Pennsylvania is interested in a coal mine in the State of Alabama, it is obvious to everybody that while the Pennsylvania Railroad may not have a railroad line in Alabama it would have such influence with the railroad lines in Alabama that it could get favors and preferences and privileges, which would destroy its competitors if it were really engaged there in the business of mining coal.

Mr. WHITE and Mr. TOWNSEND addressed the Chair.

The VICE PRESIDENT. Does the Senator from Washington yield, and to whom?

Mr. POINDEXTER. I yield first to the Senator from Alabama [Mr. WHITE], and then I shall yield to the Senator from Michigan [Mr. TOWNSEND].

Mr. WHITE. Mr. President, I will suggest to the Senator from Washington that the ownership by a railroad company in Pennsylvania of coal mines in Alabama might lead to the nondevelopment or want of operation of the Alabama mines, in order that the railroad company in Pennsylvania might use its own road to haul Pennsylvania coal, and thereby shut out its competitor in Alabama.

Mr. POINDEXTER. That might very well be one of the evils of allowing a railroad to engage in mining and manufacturing or some business not connected with the business of a

common carrier; in fact, there was very recently before the subcommittee of the Committee on Post Offices and Post Roads a case of the kind which is now spoken of by the Senator from Alabama, in which it was charged that the Pennsylvania Railroad Co., with its affiliated systems, such as the Norfolk & Western, and with its control over the Baltimore & Ohio Railroad Co., was actually retarding and suppressing the development of coal mines in the southern Appalachian region, whose product would have gone to tidewater over the Southern Railroad. There was an actual case which bears out the suggestion of the Senator from Alabama.

Now, Mr. President, I yield to the Senator from Michigan.

Mr. TOWNSEND. Mr. President, I am very much in sympathy with the purpose which the Senator has in view. It is one that has been discussed in Congress heretofore, and therefore is fairly well understood; but, if I understand the amendment correctly, it proposes that the existing holdings of such properties as the amendment seeks to prohibit must be disposed of by September 1 of next year. I am in doubt as to whether that disposal could be accomplished in so short a time. If this law is to be enforced as it ought to be enforced, it seems to me that it would require at least two years to dispose of the property without material loss. Has the Senator investigated that question so that he is confident that a year would be sufficient to accomplish the purpose he has in mind?

Mr. POINDEXTER. I have based the amendment upon the provision of the original Hepburn Act passed in 1906, which allowed the railroads until May 1, 1908, to dispose of their holdings. I presume that that matter was considered at that time. I have not made any analysis of the present situation, but I do not regard it as essential to this proposition.

Mr. TOWNSEND. My memory of that law is that there was some difficulty in enforcing it, because of the very objection which I am now mentioning. It was urged in the cases brought that it was impossible to comply with the provisions of the law without material loss.

I think there ought to be sufficient time in connection with a change of policy of this kind, so that the provision could be put into force without disturbing business very greatly, and I am sure that if the time limit could be extended until September 1, 1916, we could secure possibly some results that we might not secure if the time is limited to one year.

Mr. POINDEXTER. I am perfectly willing to accept the suggestion of the Senator from Michigan, and I therefore ask leave to modify the amendment by striking out "1915" and inserting "1916."

Mr. OVERMAN. Mr. President, I have before me the commodities clause of the Hepburn Act, which is as follows:

> From and after May 1, 1908, it shall be unlawful for any railroad company to transport from any State, Territory, or the District of Columbia, to any other State, Territory, or the District of Columbia, or to any foreign country, any article or commodity, other than timber and the manufactured products thereof, manufactured, mined, or produced by it, or under its authority, or which it may own in whole or in part, or in which it may have any interest, direct or indirect, except such articles or commodities as may be necessary and intended for its use in the conduct of its business as a common carrier.

In effect, is not the situation which the Senator from Washington seeks to cover already covered by the Hepburn law? The amendment of the Senator provides that the railroad companies shall not "own," while the commodities clause says they shall not "transport."

Mr. POINDEXTER. Exactly; it is simply——

Mr. OVERMAN. I think that the matter is fully covered by the commodities clause. If the railroads can not transport an article, there is no reason for them owning it; and if they do own it, they will gradually rid themselves of its ownership. The commodities clause of the existing law provides that the railroads shall not transport any commodity "in which it may have any interest, direct or indirect."

Mr. POINDEXTER. Mr. President, that would be very true; there would be no occasion for this amendment if the Hepburn Act had been construed by the courts to cover the ownership of stock in subsidiary corporations, which, in turn, control the commodity. The Supreme Court in 1908 held that the ownership by a common carrier of the stock in a manufacturing, mining, or producing company which produced the article transported by the common carrier was not a violation of the act, and the amendment I have offered is designed for the purpose of meeting the situation created by that decision. The law still stands as decided in that case, although the Supreme Court has in subsequent decisions to some extent modified the position which it took in that case, and has apparently come back in some degree to the evident intent of Congress when it passed the Hepburn Act. It has held in subsequent cases that if the common carrier dominated the producing corporation and so controlled it that the producing corporation had no will of its own, that would be a violation of the Hepburn Act.

Mr. SMOOT. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Utah?

Mr. POINDEXTER. I yield to the Senator from Utah.

Mr. SMOOT. The commodities clause just read by the Senator from North Carolina allows the railroad companies to own coal mines, we will say, and to transport for their own use the coal produced by those mines. As I understand the Senator's amendment, however, it goes further than that and provides that a railroad company shall not even own a coal mine for the purpose of mining coal for use on its own line—in other words, every railroad which may own a coal mine or timberland must purchase from others coal or timber for its own particular use. Am I correct in my understanding of the meaning of the amendment of the Senator and was that his intention?

Mr. POINDEXTER. That was not my intention, and I do not think it has that effect, although I would not regard that as a great defect in it if it did have that effect. The amendment refers to mining, manufacturing, and producing companies; it would not in any way prohibit a railroad company from owning coal mines to supply itself with coal. It does not relate to the direct ownership of the property in the first place; it only deals with the ownership of stock in a subordinate corporation.

Mr. OLIVER. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Pennsylvania?

Mr. POINDEXTER. I yield to the Senator from Pennsylvania.

Mr. OLIVER. Mr. President, my impression differs from that of the Senator from Washington, and I suggest that the amendment be again stated, because I rather think that as offered it would prevent a railroad company from owning a coal mine on the line of its own road and using the coal for its own use. I ask that the amendment be again stated.

The VICE PRESIDENT. The Secretary will state the amendment again.

The SECRETARY. It is proposed to insert a new paragraph in section 8 to read:

> That from and after September 1, 1916, no common carrier engaged in commerce shall own, hold, or acquire the whole or any part of the shares of capital stock of another corporation engaged in the business of manufacturing, mining, producing, or dealing in any article or commodity of commerce.

Mr. SMOOT. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Utah?

Mr. POINDEXTER. I yield.

Mr. SMOOT. That amendment would virtually prevent a railroad company from owning a coal mine and producing coal from that mine for its own use or transporting the coal over its own lines for that purpose. I hardly think the Senator intends to go that far. I know, so far as my own State is concerned, that the railroads there which own coal mines and mine the coal for their own particular use would be compelled, if the amendment were adopted, to go hundreds of miles to purchase from other companies coal in order to operate their own lines.

Mr. POINDEXTER. Is the Senator directing his objection to the ownership by the railroads of the stock of another corporation? That is the only thing that this amendment deals with.

Mr. SMOOT. Mr. President, I only speak so far as my own State is concerned. A number of railroads have been organized in the State of Utah, and their incorporation papers have authorized them to build, operate, and maintain a railroad, but under the original act of incorporation they are not themselves allowed to mine coal; so that the only way by which they can mine it is through subsidiary companies, and of course they control, in fact they own virtually, all of the stock of the subsidiary coal companies.

Under the Senator's amendment that would be absolutely impossible; or, in other words, they would have to sell the coal interests by the 1st of June, 1915 or 1916, as the case may be. That would work a hardship, not upon the great lines, perhaps, but upon a line that was in one State or had some business in one State and owned its coal, perhaps, over the line in another State. I am fearful that it would work a great hardship on many of the smaller corporations of this country.

Mr. POINDEXTER. Mr. President, in order to meet the Senator's objection—it is not an objection in my mind, however, because I believe the evils of the corporate ownership of subordinate corporations far more than overbalance any benefits that may accrue from it—I will ask to incorporate in the

amendment the very words of the Hepburn Act. I propose, at the close of the amendment, to add these words:

Except such articles or commodities as may be necessary and intended for the use of such common carrier in the conduct of its business.

Mr. SMOOT. It would be perfectly satisfactory to me if that amendment were there; but I believe if it is so amended it is virtually the law as it stands to-day.

Mr. WALSH. Mr. President——

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

Mr. POINDEXTER. I yield to the Senator.

Mr. WALSH. I suggest to the Senator from Washington that the language offered by him is quite incongruous with that which precedes it. What the Senator wants I have endeavored to express in the following amendment. The Senator's amendment provides that no common carrier or corporation shall hold stock in any other corporation.

Mr. POINDEXTER. Not exactly that; but what is the Senator's suggestion?

Mr. WALSH. I suggest that there be added—

other than corporations engaged exclusively in the production of commodities necessary and intended for the use of such common carrier in the conduct of its business as such—

Using the language of the Hepburn act.

Mr. POINDEXTER. I accept the amendment proposed by the Senator from Montana.

The VICE PRESIDENT. The time of the Senator from Washington has expired. The question is on agreeing to the amendment, which will be stated by the Secretary.

The SECRETARY. In section 8 it is proposed to insert:

From and after September 1, 1916, no common carrier engaged in commerce shall own, hold, or acquire the whole or any part of the shares of capital stock of another corporation engaged in the business of manufacturing, mining, producing, or dealing in any article or commodity of commerce, other than corporations engaged exclusively in the production of commodities necessary and intended for the use of such common carrier in the conduct of its business as such.

The VICE PRESIDENT. The question is on agreeing to the amendment.

Mr. POINDEXTER. On that I ask for the yeas and nays.

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

Mr. CLARK of Wyoming (when his name was called). Repeating the announcement of my pair and its transfer, I vote "nay."

Mr. CULBERSON (when his name was called). Again announcing my pair and its transfer, I vote "nay."

Mr. FLETCHER (when his name was called). I transfer my pair with the Senator from Wyoming [Mr. WARREN] to the Senator from New Jersey [Mr. HUGHES] and will vote. I vote "nay."

Mr. LEWIS (when Mr. GORE's name was called). I desire to announce the absence of the junior Senator from Oklahoma [Mr. GORE], and to say that if present he would have voted "yea."

Mr. HOLLIS (when his name was called). I announce my pair as before, and withhold my vote.

Mr. LEA of Tennessee (when his name was called). I again announce my pair and withhold my vote.

Mr. THOMAS (when his name was called). I again announce my pair and withhold my vote. If I were at liberty to vote, I would vote "yea."

Mr. TOWNSEND (when his name was called). I again announce my pair and its transfer and vote "yea."

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

The roll call was concluded.

Mr. JAMES. I inquire whether the junior Senator from Massachusetts [Mr. WEEKS] has voted?

The VICE PRESIDENT. He has not.

Mr. JAMES. I have a pair with that Senator, and therefore withhold my vote.

The result was announced—yeas 25, nays 27, as follows:

YEAS—25.

Ashurst	Kern	Norris	Smoot
Chamberlain	Lane	Oliver	Townsend
Clapp	Lee, Md.	Perkins	Vardaman
Cummins	Lewis	Poindexter	Walsh
Hitchcock	McLean	Reed	
Jones	Martine, N. J.	Sheppard	
Kenyon	Nelson	Shively	

NAYS—27.

Bankhead	Fall	O'Gorman	Smith, Md.
Bryan	Fletcher	Overman	Smith, Mich.
Camden	Gallinger	Pomerene	Swanson
Chilton	Lippitt	Ransdell	Thornton
Clark, Wyo.	Martin, Va.	Shafroth	White
Culberson	Myers	Shields	Williams
Dillingham	Newlands	Simmons	

NOT VOTING—44.

Borah	Goff	Owen	Stephenson
Brady	Gore	Page	Sterling
Brandegee	Gronna	Penrose	Stone
Bristow	Hollis	Pittman	Sutherland
Burleigh	Hughes	Robinson	Thomas
Burton	James	Root	Thompson
Catron	Johnson	Saulsbury	Tillman
Clarke, Ark.	La Follette	Sherman	Warren
Colt	Lea, Tenn.	Smith, Ariz.	Weeks
Crawford	Lodge	Smith, Ga.	West
du Pont	McCumber	Smith, S. C.	Works

So Mr. POINDEXTER's amendment was rejected.

Mr. POINDEXTER. Mr. President, as a matter of language, the Senator from West Virginia [Mr. CHILTON] made some corrections a little while ago in section 10. In that same section I noticed at the time the concluding sentence in the first paragraph, which ought to be corrected, it seems to me. It reads:

No bid shall be received unless the names and addresses of the officers, directors, and general managers thereof,—

There can not be any officers, directors, and general managers of a bid. The section goes on to say—

if it be a corporation, or of the members, if it be a partnership or firm, etc.

I would suggest to the Senator that this language ought to be substituted for that sentence:

That no bid shall be received from a corporation, partnership, or firm unless the names and addresses of the officers, directors, and general managers of the corporation or of the members of the partnership or firm submitting it be given with the bid.

Mr. CHILTON. This is the way it reads:

No bid shall be received unless the names and addresses of the officers, directors, and general managers thereof, if it be a corporation, or of the members, if it be a partnership or firm, be given with the bid.

That is perfectly clear. I do not see anything wrong about that.

Mr. POINDEXTER. It may be; but I do not understand how a bid could have officers or directors.

The VICE PRESIDENT. The bill is in Committee of the Whole and open to amendment.

Mr. CUMMINS. Mr. President, I offer a substitute for section 7. It will be found in the collection of printed amendments on page 5. Before I do that I will state that I intend to take the time the rule allows me for the discussion of this amendment; but I should like to ask the Senator in charge of the bill whether he expects to continue in session this evening or later than the usual time?

Mr. CULBERSON. Mr. President, I should be very glad to accommodate the Senator, but I am very anxious also to finish the bill. If there is a reasonable likelihood of finishing it to-night, we will go on.

Mr. CUMMINS. We have an order, have we not——

Mr. GALLINGER. Have we not an order to recess at 6 o'clock?

Mr. CULBERSON. I do not think there is any order.

Mr. CLARK of Wyoming. That is the order on which we are meeting at 11 o'clock.

Mr. CULBERSON. My recollection is that there is no order, Mr. President.

Mr. LANE. I wish to say, if I may be allowed to do so, that I have an amendment which I wish to offer, and I should like to have a fair opportunity to present it.

Mr. CUMMINS. I do not believe the Senator from Texas would like to keep the Senate here until the bill is finished.

Mr. OVERMAN. Let us take a recess.

Mr. CULBERSON. I will say to the Senator that we will take a recess at 6 o'clock until 11 o'clock to-morrow morning.

Mr. CUMMINS. Very well. I ask that my amendment may be stated.

The VICE PRESIDENT. The Secretary will state the amendment.

The SECRETARY. In lieu of section 7 it is proposed to insert the following:

SEC. 7. That the labor of a human being is not a commodity or article of commerce, and nothing contained in the antitrust laws shall be construed to forbid the existence and operation of labor organizations having for their objects bettering the conditions, lessening the hours, or advancing the compensation of labor, nor to forbid or restrain individual members of such organizations from carrying out said objects in a lawful way; nor shall said laws be construed to prevent or prohibit any person or persons, whether single or in concert, from terminating any relation of employment or from ceasing to work or from advising or persuading others in a peaceful, orderly way, and at a place where they may lawfully be, either to work or abstain from working, or from withholding their patronage from a party to any dispute growing out of the terms or conditions of employment or from advising or persuading other wageworkers in a peaceful and orderly way so to do, or from paying or giving to or withholding from any person engaged in such dispute any strike benefits or other moneys or things of value, or from assembling in a peaceful and orderly way for a lawful purpose in any place where they may lawfully be, or from doing any act or thing which might lawfully be done in the absence of

such dispute. Nothing contained in said antitrust laws shall be construed to forbid the existence and operation of agricultural, horticultural, or commercial organizations instituted for mutual benefit without capital stock and not conducted for the pecuniary profit of either such organization or the members thereof, or to forbid or restrain such members from carrying out said objects in a lawful way.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the Speaker of the House had signed the following enrolled bill and joint resolution, and they were thereupon signed by the Vice President:

S. 6357. An act to authorize the establishment of a bureau of war-risk insurance; and

H. J. Res. 327. Joint resolution to correct error in H. R. 12045.

RECESS.

Mr. CULBERSON. I move that the Senate take a recess until 11 o'clock to-morrow morning.

The motion was agreed to; and (at 6 o'clock p. m., Tuesday, September 1, 1914) the Senate took a recess until to-morrow, Wednesday, September 2, 1914, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES.

TUESDAY, *September 1, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Our Father in heaven, we thank Thee that every age has its problems to solve, since in solving them the manly virtues are developed to a higher degree of perfection; and we bless Thee that men look at these problems and their solution from different angles, so that when they are solved they are apt to be solved right, for we realize that no question is ever settled until it is settled right. Help us, we beseech Thee, to think right, to do right, that we may solve the problems of our day in accordance with the eternal fitness of things, and Thine be the praise through Jesus Christ our Lord. Amen.

The SPEAKER. The Clerk will read the Journal.

Mr. BUTLER. Mr. Speaker, I make the point of order.

The SPEAKER. The Chair could not understand what the gentleman said.

Mr. BUTLER. It is the same point of order that I made yesterday and will make to-morrow and hereafter.

The SPEAKER. What is it?

Mr. BUTLER. I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Pennsylvania makes the point of order that there is no quorum present. Evidently there is not.

Mr. UNDERWOOD. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Adair	Elder	Hoxworth	Nelson
Aiken	Esch	Johnson, S. C.	O'Shaunessy
Ainey	Estopinal	Jones	Palmer
Ansberry	Evans	Kelley, Mich.	Patten, N. Y.
Aswell	Fairchild	Kent	Peters
Austin	Faison	Key, Ohio	Powers
Barchfeld	Farr	Kiess, Pa.	Ragsdale
Bartlett	Fess	Kindel	Rainey
Bell, Ga.	Finley	Kinkaid, Nebr.	Riordan
Browne, Wis.	FitzHenry	Knowland, J. R.	Sabath
Browning	Fowler	L'Engle	Scully
Buchanan, Ill.	Gardner	Lenroot	Shackleford
Byrnes, S. C.	George	Levy	Sherley
Calder	Glass	Lewis, Pa.	Smith, Md.
Cantor	Goldfogle	Lindquist	Smith, N. Y.
Cantrill	Gordon	Loft	Steenerson
Casey	Graham, Ill.	Logue	Stevens, N. H.
Chandler	Graham, Pa.	McClellan	Stringer
Church	Griest	McGillicuddy	Switzer
Connelly, Kans.	Griffin	Mahan	Treadway
Covington	Guernsey	Martin	Underhill
Crisp	Hardwick	Merritt	Wallin
Curry	Hart	Montague	Watkins
Dixon	Hensley	Morin	Wilson, N. Y.
Dooling	Hill	Mott	Witherspoon
Eagle	Hinds	Murdock	Woodruff

The SPEAKER. On this roll call 328 Members have answered to their names—a quorum.

Mr. UNDERWOOD. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

The SPEAKER. The Clerk will read the Journal.

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

QUESTION OF PERSONAL PRIVILEGE.

Mr. KINKEAD of New Jersey. Mr. Speaker, I rise to a question of personal privilege, and I ask unanimous consent that I may address the House for 30 minutes.

The SPEAKER. The gentleman from New Jersey rises to a question of personal privilege. The gentleman will state it.

Mr. KINKEAD of New Jersey. Mr. Speaker, it has to do with an article that appeared in the Newark Star of yesterday. The Newark Star is owned, operated, and controlled by one James Smith, jr., at one time United States Senator from the State of New Jersey, and sometimes known as "Sugar Jim."

The SPEAKER. The gentleman will state his question of privilege.

Mr. KINKEAD of New Jersey. The former United States Senator from New Jersey says that the gentleman from New Jersey——

The SPEAKER. But the gentleman will have to state what his question of privilege rests on.

Mr. KINKEAD of New Jersey. It rests on the statement made that the gentleman from New Jersey—that I was absent five times out of six during my service here in Congress.

The SPEAKER. The Chair thinks that is a question of privilege——

Mr. BORLAND. Mr. Speaker, I understood the gentleman to ask unanimous consent to address the House for 30 minutes.

The SPEAKER. If the gentleman has a question of privilege, he does not have to ask unanimous consent.

Mr. BORLAND. I renew the request that the gentleman have leave to address the House for 30 minutes.

The SPEAKER. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, it seems to me we ought to determine at some time whether every Member of the House who has been absent, who makes the request for unanimous consent, has a matter of personal privilege to rise and discuss the question for an hour——

Mr. KINKEAD of New Jersey. I do not ask for an hour.

Mr. MANN (continuing). Or have unanimous consent for half an hour to make excuses.

Mr. KINKEAD of New Jersey. I am not going to make any excuses; the gentleman from Illinois, the leader of the Republican Party in the House, knows that I am not.

The SPEAKER. Is there objection?

Mr. UNDERWOOD. Mr. Speaker, I desire to inquire whether or not the Speaker has ruled on the question whether this is a question of personal privilege.

The SPEAKER. The Chair has not.

Mr. UNDERWOOD. I will say to the gentleman I think we all recognize the importance of a Member having the right to explain a charge against him, but I think it is an unfortunate day to bring it up, and if the gentleman can I would like to ask him to postpone it until to-morrow. To-day is unanimous-consent day.

Mr. KINKEAD of New Jersey. Give me 15 minutes to-day.

Mr. UNDERWOOD. If the gentleman asks for 15 minutes, I will not object.

Mr. BORLAND. I ask unanimous consent that the gentleman have 15 minutes.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. KINKEAD of New Jersey. Mr. Speaker, the leading editorial of the Newark Star, which, as I stated before, is owned and edited and controlled by one James Smith, jr., former United States Senator from the State of New Jersey, sometimes known in our State and elsewhere throughout the United States as "Sugar Jim," and whose fame rests upon his characterization as a traitor by Grover Cleveland, has this to say of me:

[From the Newark Star, James Smith, jr.]

KINKEAD ESCAPED FROM CUSTODY.

Proudly marching at the head of a Moose organization in Jersey City on Saturday was Congressman EUGENE KINKEAD, escaped from the custody of the Sergeant at Arms of the House of Representatives, after he had been apprehended for constant and persistent violation of his sworn obligations to his constituents. Kinkead could not miss the opportunity to make this local display of himself for the sake of the capital in his chase for a $10,000 office. Every voter in Hudson County now knows that Kinkead has absented himself from his duties in Congress an average of five days out of every six, and that he was compelled late last week to make a temporary appearance at Washington by the Sergeant at Arms, while Congress voted to cut out his salary of $21 a day for absences, and here he was on Saturday appearing in the public streets in Jersey City looking for Moose votes and defying all the decencies. Is it such men as this chronic and shameless defaulter in important public duties at a time when every Congressman should be at his post that the people reward with fat offices? How much more of KINKEAD can the people of Hudson County stand?

[Laughter and applause.]

Thus closes the editorial of the quondam Senator from New Jersey. Here is an editorial by another paper that takes a bang at me occasionally. "Always absent from his post," starteth the editorial of the Hudson Observer, ably edited by one Mathias C. Ely, at one time secretary to James Smith, jr., and now an important figure in the Democratic county opposed to the intelligent electorate of the Democracy of our county. "Always absent from his post." I am not going to read this, because I have not the time, but I ask unanimous consent to extend my remarks in the RECORD, by inserting this and putting in this ex-Senator's record.

The SPEAKER. The gentleman asks unanimous consent to extend his remarks by printing certain excerpts from newspapers——

Mr. KINKEAD of New Jersey. And the record of one James Smith, jr., one-time Senator from New Jersey.

The SPEAKER. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, I shall object to printing the record of some one who can not answer.

The SPEAKER. The gentleman objects to that part of the request. Is there any objection to printing the editorials? [After a pause.] The Chair hears none.

SEVERAL MEMBERS. Read his record.

Mr. KINKEAD of New Jersey. I can not; it is a mile long.

ALWAYS ABSENT FROM HIS POST.

Every man elected by the people to sit in either House of Congress ought in these days of trouble to be in his place at Washington assisting the President of the United States to maintain peace and neutrality, to keep moving the wheels of commerce, and to devise ways and means to protect the people from the avarice of the speculators in food and other necessaries of life.

This duty should appeal peculiarly to Congressman KINKEAD, who belongs to the dominant party, is a Member from the President's own State, and is presumed to have the experience that results from a considerable length of service.

It is not at all creditable to the Democratic Party to have one of the men upon whom it has bestowed high honors absent five out of every six days of the session, leaving upon the shoulders of other men the hard and thoughtful work of a critical time.

Such conduct is all the more objectionable in view of the circumstances that surround his neglect. Mr. KINKEAD has a variety of money-making occupations, public and private, ranging all the way from the building of roads in the new Palisades Park on the Hudson to the proprietorship of a street car advertising agency. He has two political offices, a third "on ice," and now wants a fourth. Nearly everything he possesses was gained through the generosity of the party to which he belongs

He is now spending most of his time going about the county of Hudson trying to assemble the rag-tag and bobtails who constituted the old foes of the President, riding in the process roughshod over his friend Clossey and others who helped him in his political career.

He is in this matter as false to Wilson, who has been good to him, as he is to his constituents, whose interests he is betraying by his absence from his post in the House of Representatives.

Congressman KINKEAD is very much mistaken if he thinks his course will be approved at the primaries. The organizations have already condemned him and indorsed one of his rivals in Bayonne, West Hoboken, Hoboken, Kearny, and Secaucus, and they will pass adversely upon his candidacy in Jersey City, Union Hill, and nearly all of the smaller municipalities.

Now, Mr. Speaker, the difference between the former United States Senator and the former Senator's secretary is this, that what I say about the secretary he will print, because he is a man; he is not a coward. The former United States Senator will not print any of it—I will not say he is a coward, because I like Smith personally. [Laughter.] And now, in order that my colleagues might know who this gentleman is who so venomously addresseth himself regarding one of your colleagues, I read from the Congressional Directory of the Fifty-third Congress and find that James Smith, jr., of Newark, was born in that city June 12, 1851, and I ask unanimous consent to insert his biography in the RECORD.

The SPEAKER. The gentleman from New Jersey asks unanimous consent to insert in the CONGRESSIONAL RECORD the biography of ex-Senator James Smith, of New Jersey, as printed in the Congressional Directory of the Fifty-third Congress. Is there objection? [After a pause.] The Chair hears none.

Mr. KINKEAD of New Jersey. I just want to call attention to this statement. You see all I got was from the party, according to Smith. He says:

He has been tendered nearly every office in the gift of his party in the State, but has always refused office; is a manufacturer of patent and enameled leather in Newark, and conducts the largest business of the kind in the country.

At one time Senator Bailey was down in Texas, and he was making a speech, I think, in Waco, Tex., I am not sure of the town. There was a youngster who was sent out by his father to get supper supplies. He left in the afternoon and when he finally returned, carrying the bundles in his arms, his father said, "What is the matter; why did you stay so long?" "Well," he said, "Dad, I was down at the corner of Main and Washington Streets, and I heard a man talk there; I got interested and stayed overtime." The father said, "Who was it?" He replied, "I do not know, Dad. I do not know his name; he was running for some job. I did not get his name, but he certainly did recommend hisself highly." [Laughter.] Let the former Senator tell it, and he is some statesman.

Mr. Smith has a record during his six years' service in another body, at the other end of the Capitol, and I went to the expense—and it cost me $42—to have it prepared. I find that instead of quoting my record he inadvertently quoted his own, because, lacking a few votes, he missed five out of every six roll calls during his service in Congress. I had Collier's Weekly prepare me a statement of my votes during my service here, and I find that, lacking a few votes, I have been present five times out of every six when the roll in this House has been called. [Applause.]

The former United States Senator says he is a Democrat. I want to say to my brothers in this House that if Mr. Smith is a Democrat I belong either to the Bull Moose or to the regular Republican wing, because I have no place in the Democracy of Smith. [Applause.] A statement is attributed to him that no young man of my race or of my creed could go ahead in politics unless he bowed his head to the Smith yoke. I want to say to you—the membership of this House—that I have been here with you nearly six years and that my head is still on my own shoulders, and I have not bowed to Smith's yoke; and as long as I remain in political life my head will never be bowed to him or to any other political boss—call him James Smith, jr., or H. Otto Witpenn. I remember that in 1896—I was 20 years old at the time—I was out on the street corners talking for Bryan and I saw the ship leave New York that carried Smith away, and I have here a statement which he made before he left—that he could not follow Nebraska's peerless son in his flights of oratory nor could he support the doctrine that he gave out as Democratic principles. I supported Bryan then, as I heartily indorse now his efforts to bring about universal peace. [Applause on the Democratic side.]

Mr. MANN. Will the gentleman yield?

Mr. KINKEAD of New Jersey. I will.

Mr. MANN. Smith and Woodrow Wilson were on the same side at that time, I believe? [Laughter on the Republican side.]

Mr. KINKEAD of New Jersey. That is a fair question, and I am glad my friend brought it up. Woodrow Wilson, as the gentleman well knows, does not claim to be infallible. He is just as human as the gentleman or myself; but I want to say to my friend that before he leaves here he will say, as we Democrats throughout the Nation are now saying, that the man whose Democracy he questions is the greatest President that this country has ever known. [Applause on the Democratic side.]

We had an election in our State for governor about 14 years ago. We nominated the former mayor of the city of Newark, James M. Seymour. The Republicans nominated Franklin Murphy, former chairman of the Republican national committee, and when Franklin Murphy was elected governor he said of James Smith, jr., "I owe more to this man than I do to any other man that lives. That is why I am giving him the places that rightfully belong to the Republicans. I have no apology to make for my allegiance to Mr. Smith, because Mr. Smith was loyal to me." And his fight, my colleagues, was made along the lines that The Menace is making in my county against me, only he reversed the order. Smith, like myself, is the member of the faith that The Menace is fighting. He said that Seymour was an A. P. A., and he asked Catholics for that reason to vote against him. I am sorry he fooled some people then, but they are wise to him now, and when he went through the country a few years ago saying to the Catholic hierarchy of the Nation that Woodrow Wilson was an A. P. A. they showed how much credence they placed in that maliciously false statement. And I am proud to say to-day that every member of that faith realizes that in Woodrow Wilson we have an honest, faithful, loyal, patriotic American, and that is all that any race or any creed can ever ask for. [Applause on the Democratic side.]

Now, we had an election last fall. We elected a governor of New Jersey, and the former Democratic United States Senator was on the firing line for Edward Caspar Stokes, the Republican candidate, and the county that the former United States Senator proudly boasts he holds in the hollow of his hand, the good old county of Essex, got away from his moorings and cast its vote for the present governor of New Jersey, a man whose friendship I am proud to claim, a Democrat of the Wilson type, Hon. James Fairman Fielder. My friends, lest there be any doubt as to what I mean when I want to characterize Smith as a traitor to his party, as a man who has commercialized his race and his religion, and a man who has

capitalized his questionable Democracy, I want to say that outside of politics I am a good friend of the genial former United States Senator, and I wish him well. [Laughter.] If I had the time, I might tell of his deal with former Mayor Witpenn to defeat the Wilson candidate for Congress in the eighth district.

The SPEAKER. The time of the gentleman has expired.

Mr. KINKEAD of New Jersey. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from New Jersey asks unanimous consent to extend his remarks in the RECORD. Is there objection?

Mr. MANN. I object.

Mr. KINKEAD of New Jersey. Mr. Speaker, I ask unanimous consent to proceed for five minutes more.

The SPEAKER. The gentleman asks unanimous consent to proceed for five minutes. Is there objection?

Mr. McKELLAR. I ask unanimous consent, Mr. Speaker, that he may have 10 minutes.

The SPEAKER. The gentleman from Tennessee asks unanimous consent that the gentleman may have 10 minutes. Is there objection?

There was no objection.

Mr. KINKEAD of New Jersey. Mr. Speaker, there are two elements of the party in Newark. Both elements were united upon your candidacy; and I want to say to you, Mr. Speaker, if the former United States Senator knew your brand of Democracy, the same as I do, he would have been opposed to your nomination. He does not like Democrats of your type or mine. Another branch of the party is led by James R. Nugent, a relative of former United States Senator Smith, and if it had not been for the malign and baneful influence of Smith Mr. Nugent to-day would be one of the foremost figures in the Democracy of the Nation, because while Smith is a traitor Nugent has always been loyal to his party. I do not think Nugent ever cut a ticket, and I do not think Smith ever voted a ticket without cutting it. That is the difference and distinction between the two men. Nugent does not like me; but I want to be square with him, notwithstanding the fact that there is some personal difference between the two of us. I am not fearful of the effect that this newspaper will have in my county. My friends should remember this, that former Senator Smith is in Essex County, that I have the honor to represent in part, with part of Hudson County. My home is in Hudson County, and this is the only county east of the Mississippi River and north of Mason and Dixon's line that has been consistently carried by the Democratic Party, and I hope to never live to see the day that it leaves that column. [Applause on the Democratic side.]

The former United States Senator is reported to have made $1,000,000 by reason of his activities in the United States Senate when the sugar bill was up. I do not know whether this is true or not; but if it is true, let me say to him that the good God giveth and the good God taketh away; but his millions can never defeat a man whom the people trust. If the people are with a man the bosses are against him, and that accounts for Smith's and Witpenn's opposition to me. [Applause.]

Mr. Speaker, this is the first time that I have ever risen to a question of privilege in this House, and if I were a candidate for reelection to Congress I would not at this time take up the time of the House in discussing this gentleman. But lest my people at home should believe the lying, slanderous utterances of this one-time United States Senator, this great, good, and loyal Democrat, I want to put myself on record where they can see his record and compare it with mine; and I am going to tell you what the people of Hudson County will say after they read this. They are going to say, "It is too bad that Smith was not absent from the United States Senate the other sixth of his time, so that the people of the United States would not have imposed upon them the heavy burdens of sugar taxation, which he and some of his colleagues, knifing the party that honored him, knifing the party that tendered him, in his own language, the best gifts in the State of New Jersey, and brought down on his and their heads that characterization from Grover Cleveland that I thank God will never be brought down on my head by any Democratic or Republican President of the United States.

I do not want my friends to think I am anything other than disappointed in this matter. I have not a bit of venom in my heart, I have not a bit of ill feeling against the former United States Senator. I hope that everything will go along well with him in the leather trade and that everything will go along well with him in the banking business. But I hope that every time he raises his poll in politics there will be enough Wilson Democrats in the State of New Jersey to give it the same bang that it gave his handsome head when he dared to ask the people of New Jersey to send him back to that body at the other end of this Capitol to again sell out the Democracy and make capital for another 15 years for the Republican Party.

I say I am not sore. [Laughter.]

Mr. ROBERTS of Massachusetts. Just a little bit peeved. [Laughter.]

Mr. KINKEAD of New Jersey. Mayhap. Still I have nothing against him in the world. [Laughter.] And I hope, my friends, from the bottom of my heart, that this somewhat conservative statement of mine this morning will not influence the former United States Senator to come out and declare for me, because if he does I am afraid I shall be defeated. [Laughter.] I want him to continue his fight. He said I would quit before he does. That is satisfactory to me. If I do, I hope I shall never be elected again to public office.

I repeat that I am not sore, and I mean that I am not sore. I have not a thing in all the world against the former United States Senator; personally he is a genial, likable, warm-hearted gentleman. I believe Kipling was right when he said—

If you can keep your head when all about you
  Are losing theirs and blaming it on you;
If you can trust yourself when all men doubt you,
  But make allowance for their doubting, too:
If you can wait and not be tired by waiting,
  Or being lied about, don't deal in lies;
Or being hated, don't give way to hating,
  And yet don't look too good nor talk too wise;
If you can dream and not make dreams your master;
  If you can think and not make thoughts your aim;
If you can meet with Triumph and Disaster,
  And treat those two impostors just the same;
If you can bear to hear the truth you've spoken
  Twisted by knaves to make a trap for fools,
Or watch the things you gave your life to, broken,
  And stoop and build 'em up with worn-out tools;
If you can talk with crowds and keep your virtue,
  Or walk with kings, nor lose the common touch;
If neither foes nor loving friends can hurt you;
  If all men count with you, but none too much:
If you can fill the unforgiving minute
  With sixty seconds' worth of distance run,
Yours is the Earth and everything that's in it,
  And—which is more—you'll be a Man, my son!

I leave my future in the hands of the people of Hudson County. My political record has been made. I have voted on every important matter—currency, tariff, direct election of United States Senators. The moving finger having writ, moves on; and to-day I would not change a single vote that I have ever cast, either here or during my service at home. My future may be judged from my past. I have not been perfect, but I have honestly endeavored to represent my people. I have received great honors at their hands. If they see fit to terminate my political career, I can look back on 10 years of honest service and go back into the bosom of my family with my Democracy unquestioned and my honor untarnished, grateful to a loyal constituency.

Mr. Speaker, I yield back the balance of my time. [Prolonged applause.]

DISPOSITION OF USELESS PAPERS IN EXECUTIVE DEPARTMENTS.

The SPEAKER laid before the House a report (H. Rept. 1124) from the Joint Committee on the Disposition of Useless Papers in the Executive Departments, by Mr. TALBOTT of Maryland, chairman of the joint committee on the part of the House, and the same was ordered printed.

CORRECTION OF A PENSION BILL.

Mr. RUSSELL. Mr. Speaker, I desire to ask unanimous consent to discharge the Committee on Invalid Pensions and take up for consideration House joint resolution 330. It is simply to correct a mistake in a name in a bill that has been passed.

The SPEAKER. The gentleman from Missouri [Mr. RUSSELL] asks unanimous consent to discharge the Committee on Invalid Pensions from the consideration of a House joint resolution, which the Clerk will report, and take it up and pass it.

The Clerk read as follows:

Joint resolution (H. J. Res. 330) to amend an act entitled "An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war," approved April 24, 1914.

Whereas by error in printing the report of the House Committee on Invalid Pensions upon H. R. 10138, approved April 24, 1914 (Private, No. 20), the name of one Joseph F. Barnard, late of Company C, Thirty-seventh Regiment New Jersey Volunteer Infantry, was changed to read Joseph F. Isherwood: Therefore be it

Resolved, etc., That the paragraph in H. R. 10138, approved April 24, 1914 (Private, No. 20, 63d Cong.), granting a pension to one Deborah R. Isherwood be corrected and amended so as to read as follows:

"The name of Deborah R. Isherwood, former widow of Joseph F. Barnard, late of Company C, Thirty-seventh Regiment New Jersey Volunteer Infantry, and pay her a pension at the rate of $12 per month."

The SPEAKER. Is there objection?

Mr. MANN. Reserving the right to object, will the gentleman yield for a question?

Mr. RUSSELL. I yield to the gentleman from Illinois.

Mr. MANN. We have passed a number of these resolutions, covering, I should suppose, in the neighborhood of a dozen cases, or perhaps more than that, reciting each time an error in printing, which was not true. Now, how did these errors actually occur?

Mr. RUSSELL. I am not certain. This bill was introduced by the gentleman from Iowa [Mr. GOOD], and I do not believe he is able to state whether it was his mistake or the mistake of the clerk or of the committee. If he can, I will ask him to so state to the gentleman from Illinois.

Mr. MANN. He would not know about that. It seems to me, if there are any more of these resolutions, it is only fair to the Clerk of the House and to the Printing Office to stop reciting that the error occurred through an error in printing, when that is not true. To put the House on record as stating that there was an error in printing is to charge it up to somebody as a matter of fault, and the right person is not charged, because I have no doubt whatever that the Printing Office printed these bills, following copy exactly.

Mr. RUSSELL. I do not know where the error occurred, but when a bill is passed and goes to the Pension Department for payment, and they find that it does not correspond with the records of the War Department, they notify our committee, and we ask to make the necessary correction.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. RUSSELL]?

There was no objection.

The joint resolution was ordered to be engrossed and read a third time, and was accordingly read the third time and passed.

SILETZ INDIAN RESERVATION, OREG.

The SPEAKER. The Clerk will report the first bill on the Unanimous consent Calendar.

Mr. HAWLEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HAWLEY. When the House was in Committee of the Whole a week ago for the consideration of bills on the Unanimous Consent Calendar, it considered H. R. 15803 extensively, and reported it to the House, and after having taken one vote on the previous question, the House adjourned because of the lack of a quorum. Is this bill in order at the present time? The previous question was pending.

Mr. MANN. Mr. Speaker, the bill was considered by unanimous consent. The House gave unanimous consent for its consideration. It is undoubtedly the unfinished business to-day.

The SPEAKER. The Chair is inclined to think it is. The Clerk will report the title of the bill.

The Clerk read the title of the bill (H. R. 15803) to amend an act entitled "An act to authorize the sale of certain lands belonging to the Indians on the Siletz Indian Reservation, in the State of Oregon," approved May 13, 1910.

Mr. HAWLEY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the amendment. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. HAWLEY:

"Page 1, line 9, after the words 'section 3' insert the following:

"SEC. 3. That when such lands are surveyed and platted they shall be appraised and sold, except land reserved for water-power sites as provided in section 2 of this act, under the provisions of the revised statutes covering the sale of town sites located on the public domain."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time.

Mr. STAFFORD. Mr. Speaker, I have a motion to recommit.

The SPEAKER. The gentleman from Wisconsin sends up a motion to recommit. Is the gentleman opposed to this bill?

Mr. STAFFORD. I am opposed to it in its present form.

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

Mr. STAFFORD moves to recommit the bill to the Committee on Indian Affairs with instructions to report the same forthwith with the following amendment: Strike out all after the word "act," in line 2, page 2, to the end of the paragraph and insert the following: "In the discretion of the Secretary of the Interior, may be paid to or expended for the benefit of the Indians entitled thereto in such manner and for such purposes as he may prescribe."

Mr. STAFFORD. Mr. Speaker, the purpose of this motion is to have the bill conform to the recommendation of the Secretary of the Interior.

Mr. HAWLEY. I move the previous question on the motion to recommit.

The SPEAKER. The gentleman from Oregon moves the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division, demanded by Mr. STAFFORD, there were—ayes 5, noes 57.

Accordingly the motion to recommit was rejected.

The bill was passed.

On motion by Mr. HAWLEY, a motion to reconsider the last vote was laid on the table.

SCHOOL LANDS IN OREGON.

The first business in order on the Calendar for Unanimous Consent was the bill (S. 49) to provide for the exchange with the State of Oregon of certain school lands and indemnity rights within the national forests of that State for an equal area of national forest land.

The Clerk read the title of the bill.

Mr. HAWLEY. Mr. Speaker, I ask unanimous consent that this bill be passed without prejudice.

The SPEAKER. The gentleman from Oregon asks unanimous consent that the bill be passed without prejudice. Is there objection?

There was no objection.

KLAMATH INDIAN RESERVATION.

The next business in order on the Calendar for Unanimous Consent was the bill (H. R. 10848) to amend an act entitled "An act to provide for the disposition and sale of lands known as the Klamath Indian Reservation," approved June 17, 1892 (27 Stat. L., pp. 52, 53).

The Clerk read the title of the bill.

Mr. STEPHENS of Texas. Mr. Speaker, I ask that that bill be passed without prejudice.

The SPEAKER. The gentleman from Texas [Mr. STEPHENS] asks unanimous consent that the bill be passed without prejudice. Is there objection?

There was no objection.

HOMESTEAD RIGHTS IN CERTAIN CASES.

The next business in order on the Calendar for Unanimous Consent was the bill (H. R. 15983) to restore homestead rights in certain cases.

The bill was read, as follows:

Be it enacted, etc., That any person who has heretofore made homestead entry of lands embraced in a ceded Indian reservation, and who, in completion of the entry, has paid or shall have paid the purchase price fixed thereon as compensation for the benefit of the Indians, shall be entitled to the benefits of the homestead laws just as though such prior entry had not been made, if otherwise qualified: *Provided*, That the right of commutation of entries under this act shall not be permitted.

With the following committee amendment:

Page 1, line 6, after the word "price," strike out the words "fixed thereon as compensation for the benefit of the Indians," and insert in lieu thereof the words "provided in the law opening the land to settlement."

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I wish to inquire: If we are to grant to some special class, as provided in this bill, namely, those who happen to have entered upon Indian reservation lands, the right to a second homestead entry, why should not the same privilege be extended to all who have entered upon Government land?

Mr. FERRIS. Mr Speaker, as the gentleman is aware, a few days ago we did pass a bill restoring the rights of those who lost homesteads on the public domain. This bill restores the homestead rights to those who bought and paid for Indian lands at competitive bids, plus interest, and so forth. I have an amendment which has been drawn after consultation with the gentleman from Illinois [Mr. MANN], which provides that they must have paid more than $5 an acre. I think with this amendment the gentleman will have no objection. It is as follows:

Add to the end of the bill: *Provided further*, That in the event that the purchase price so paid was less than $5 an acre this act shall not apply.

So that in no case will any man have a right to file again unless he has paid $5 or more per acre.

Mr. STAFFORD. It struck me that no person should be given a homestead right after he had availed himself of the privilege once.

Mr. FERRIS. That is true.

Mr. STAFFORD. With the amendment which is to be offered by the gentleman from Oklahoma I shall have no objection.

Mr. STEPHENS of Texas. I want to say that the person who bought Indian lands——

Mr. MONDELL rose.

The SPEAKER. For what purpose does the gentleman from Wyoming rise?

Mr. MONDELL. To reserve an objection.

Mr. STEPHENS of Texas. I want to say that the person who bought Indian lands ought not to be deprived of a second home-

stead right for the reason that he was compelled to buy the Indian lands under competitive bids. The land I have in mind is such that all that could be obtained was $5 an acre or more, and sometimes it run as high as $20 an acre.

Mr. STAFFORD. A great deal of the Indian lands were sold for less than $5 an acre, and they should not have a second homestead right.

Mr. FERRIS. They will not get it under the amendment I propose to offer.

Mr. STEPHENS of Texas. I think they should have a second right under the public-land laws.

Mr. STAFFORD. Why should they after they had availed themselves of the privilege once?

Mr. STEPHENS of Texas. This is a restricted privilege, a privilege that cost them a great deal of money.

Mr. STAFFORD. But they had the privilege.

Mr. STEPHENS of Texas. They bought the Indian lands and paid for them in good faith, and settled on them before they could get them, and they should not be deprived of the rights of other American citizens to have a homestead right.

Mr. STAFFORD. They had the privilege once; there was nothing compulsory about compelling them to take the high-priced Indian lands.

Mr. STEPHENS of Texas. The gentleman is wrong when he says they have exercised their right to the public land. On these Indian lands they had to bid against other men, and in many cases paid high prices.

Mr. STAFFORD. It was the privilege of only American citizens, or those who had declared their intention to become such, and they availed themselves of the homestead right. It is only because the price is so fixed that I will not object.

Mr. MANN. Mr. Speaker, I reserve the right to object for the moment.

Mr. MONDELL. Mr. Speaker, reserving the right to object, I have no disposition to object to the consideration of the bill, for I am in favor of it, but I will certainly be tempted to object if we are expected to accept the amendment proposed or suggested by the gentleman from Oklahoma [Mr. FERRIS]. There is no logic at all in the amendment he offers. It is true that men who homesteaded Indian lands paid various prices for them. Some paid $1.25 an acre, and some paid much more; but in every case the price that was paid was supposed to fairly represent the value of the land to the Indian, the value over and above its value as a homestead right. There is no good reason why the man who only paid $2, $3, or $4 an acre should be denied this right which it is proposed to grant to the man who paid more. It is altogether probable that the homesteader who paid more than $5 an acre did obtain a really valuable piece of land and did secure a valuable piece of property; whereas many men who homesteaded Indian lands and paid from $1.25 an acre up and less than $5 for them obtained lands that were of very little value.

Under this proposed amendment practically none of the homesteaders of Indian lands in the Dakotas or the Northwest would secure this benefit. There might be a few gentlemen in Oklahoma, who secured valuable Indian lands, who would be given the right of a second entry.

Mr. NORTON. Mr. Speaker, reserving the right to object, I am in favor of this bill in its present form. I understand the gentleman from Oklahoma to say that he is going to introduce an amendment providing the setting of a certain price which must have been paid for the Indian lands before the homesteader is entitled to the privileges granted by this bill. I believe that is unfair and illogical. If a homesteader has gone on an Indian reservation and has paid $5 or more an acre for his land, then under the proposed amendment he would be entitled to the privileges granted by this act. But if he goes on an Indian reservation and pays less than $5 an acre for the land, he would not be entitled to these privileges under the amendment to be proposed by the gentleman from Oklahoma.

The fact is that the man who has paid $5 or more an acre for any of this land has not paid relatively any more, when the real value of the land is considered, than the man who has paid less than $5 an acre. The man who has paid $5 an acre or more has secured better land, more valuable land, than the man who has paid less.

The bill in its present form seems to me to be logical, equitable, fair, and just. I am certainly opposed to the bill if it is going to be passed with any amendment fixing a certain price which must have been paid for the land before the privileges of the bill are extended to a homesteader. Such an amendment might satisfy the homesteaders down in Oklahoma, but we can not legislate in that way, and we should not legislate in that way. We should legislate for the whole country and not alone for Oklahoma. We should legislate in cases of this kind for North and South Dakota, Wyoming, and Montana, and all the public-land States.

Mr. FERRIS. Mr. Speaker, the gentleman from Wyoming and the gentleman from North Dakota both have Indians in their States. They have to come to Congress for many things. I have in my State more than one-third of the Indians of the United States, and I have to come here for many things. I can not get everything as I want it, and you gentlemen can not get everything as you want it. In my State the Government always sells lands at competitive bids. In your Northwestern States you sell them by appraisal, which is a highly preferable way for the investors. In my State every acre of land that is sold is put up at auction, as you would a horse on the street corner, and the people, under the excitement of competition, pay high prices. It was my intention to keep the price question out of this debate, but some gentlemen of the House thought that unless the purchaser paid a good fair price, for instance, $5 or more, that that person should have no renewal of the homestead right.

Now, let me give the gentleman an example of what a hardship it would work to a certain part of my own home county if this does not pass; it was opened under lottery plan, and they drew lots. Anyone that drew a lucky number took a piece of land at $1.25 an acre. In the same county under a later act of Congress they put the land up for sale at competitive bids, and it brought fabulous prices. Many paid so much that they never could build a house, never could plow it, and the result is that they have lost the land and lost their money. They need this act very badly. This act will do a great justice to some parties that need relief very badly. I hope the House will pass this bill.

Mr. NORTON. Mr. Speaker, will the gentleman yield?

Mr. FERRIS. Yes.

Mr. NORTON. Is it not a fact that in some cases where they bought farming and grazing lands appraised at $3.50 to $5 an acre they paid all the land was worth?

Mr. FERRIS. Probably they did. There is much truth in what the gentleman says.

Mr. NORTON. Mr. Speaker, I am not going to object to consideration of the bill, because I believe the gentleman's suggested amendment, if he proposes it, is so unfair that it will be defeated.

The SPEAKER. Is there objection?

Mr. MONDELL. Mr. Speaker, I feel that I ought to object to the consideration of this bill, in view of the amendment which the gentleman from Oklahoma has suggested, but I do not feel justified in objecting to a bill simply because some one proposes to limit the effect of the bill, providing they can get votes enough to do so. Therefore, I shall not object, hoping that we can vote down the amendment.

The SPEAKER. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, the gentleman from North Dakota [Mr. NORTON] and the gentleman from Wyoming [Mr. MONDELL] both talk as though they believed that everybody who has had one chance at the public domain ought to have another, regardless of those who have not had any chance. We have opened up a lot of Indian reservations. Thousands of people from my district have gone and endeavored to get a chance to get in on these openings, and they have not succeeded. It was largely done by the lottery system. The men who have succeeded are very well satisfied. They have sold out, and they want to get a chance to get in on another Indian opening. I am not in favor of giving a man a second chance in a lottery, where he has drawn the first prize on the first chance he has had.

Mr. MONDELL. But this second is not a lottery.

Mr. MANN. Certainly it is another Indian opening, and these people entitled to homestead entries will come in just as though they had never been to the first opening, and all of the Indian land that is good has not yet been taken. Unless I can feel quite confident that there is some limitation designed to allow some cases that the gentleman from Oklahoma may have, where people have paid an exorbitant price for poor land, and not allow it to cover every case where a man has had a good chance and taken it, I am not in favor of even letting the bill come up.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. This bill is on the Union Calendar.

Mr. FERRIS. Mr. Speaker, I ask unanimous consent to consider the bill in the House as in the Committee of the Whole.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

Mr. FERRIS. Mr. Speaker, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Page 1, line 11, after the word "permitted," insert the words: "*Provided further*, That in the event the purchase price so paid was less than $5 per acre this act shall not apply."

Mr. MONDELL. Mr. Speaker, I hope the amendment offered by the gentleman from Oklahoma will not prevail. I think there is a good deal of equity in the proposition contained in the bill. A man who, in addition to being required to cultivate and improve and live upon his land as must a homestead settler, is called upon to pay for the land is not, in fact, securing the full benefits of the homestead law. At bottom that is the theory of this bill. We propose to give such a man one chance as a homesteader, and yet you do not give him all of the advantages of the ordinary homesteader, because you provide in the bill by a committee amendment that he shall not have the benefit of the commutation clause of the homestead law; so that he must reside upon his land the full period required under the homestead law.

It is entirely inequitable to divide these Indian homesteaders into two classes as is proposed. A man who bought Indian lands for $5 an acre or $10 an acre or $20 an acre might have obtained very much more for his money and for his homestead rights than the man who paid only a dollar and a quarter or two and a half dollars or three and a half dollars an acre. As a matter of fact, the men who have secured really valuable lands as homestead settlers on Indian reservations have been the men who have paid the higher prices—higher prices in some instances by reason of their securing the choicer tracts, higher prices in some cases because of the fertility of the land, because of its accessibility to market of its favorable conditions and surroundings, but in this amendment you say to a man who paid $5 an acre in Oklahoma for lands rich and fertile, in a humid region, with good railway transportation, adjacent to markets, "You may make another homestead entry," but to the man who homesteaded in Wyoming or the Dakotas, far from railways, far from markets, on some semiarid lands, of comparatively little value, who paid $2 or $3 or $4, you say, "You have exhausted your rights, and we do not propose to give you any further opportunity as a homestead settler."

Mr. Speaker, it is possible that there may be some basis on which we could divide these Indian claimants so as to allow a second entry to those most entitled to a second entry, but we certainly do not accomplish that by the sort of amendment which is proposed, and I hope and trust the amendment will not be adopted. If the bill is amended as proposed, it would be of no value at all so far as the reservation homesteaders in my State are concerned, because none of them paid as much as $5 an acre, and yet all paid all that the land was worth. It would not benefit the homestead settlers in Montana, and I refer to Montana because in that great State there have been vast areas of Indian lands opened and sold; and I think none was sold for $5 an acre or above, or, if so, but a comparatively small area, and it would be unjust and inequitable and unfair to make the distinction between homestead settlers on Indian lands that is proposed in this amendment.

Mr. BURKE of South Dakota. Mr. Speaker, I desire to oppose the amendment, which, I understand, is to make the bill applicable only in cases where the price paid for the land is $5 an acre or more. Is that correct, I will ask the gentleman from Oklahoma [Mr. FERRIS]?

Mr. FERRIS. Yes.

Mr. BURKE of South Dakota. It seems to me, Mr. Speaker, if this bill has any merit, and I think it has, it ought not to discriminate between those who file upon land where the price is less than $5 an acre, and, as stated by the gentleman from Wyoming [Mr. MONDELL], it will operate to do a great injustice to a large number of persons who have just as much right to make a second entry as those who may have paid $5 per acre, for if an entryman who paid that price is entitled to a second entry, then one who only paid $4 per acre should also have that right. A strong objection to this amendment is that it will make the bill really applicable almost entirely to settlers on the Kiowa and Comanche Indian Reservations in Oklahoma, though I do not believe the gentleman in offering the amendment had in mind that he was proposing legislation that would apply only within his own State.

Mr. FERRIS. Well, there is some there that sold for $6 an acre.

Mr. BURKE of South Dakota. I want to say one objection to this amendment, which the gentleman from Wyoming did not propose, and one that ought to defeat it, is the unfair way it would affect settlers in many of the States. In my State we have a law in regard to the disposition of surplus lands within Indian reservations, and similar laws obtain to lands in Montana and perhaps in North Dakota. The price was fixed under the law in two or three instances I have in mind of lands taken within a period of three months after the proclamation of the President, and the price is fixed at $6 per acre. All lands taken after three months and before the expiration of six months the price is $4 per acre and lands filed upon after that $2.50 per acre. Other cases the law provided for an appraisement, and in my State in one reservation there was a very small portion of land opened to settlement appraised at $6 an acre, much of it at $4, and the balance as low as $2 and $2.50.

Now, if you adopt this amendment you will have the department, it seems to me, where it is going to be very confusing and difficult to determine who is entitled to make a second entry and who is not. There is not any difference between the man who filed upon the land in Tripp County, S. Dak., for instance, at $6, or a man who filed three months later and paid $4. The man who paid $4 an acre did not get as good land as the man who paid $6 an acre, and that is true of lands that are appraised, and therefore this amendment ought not to be adopted. I am in accord with what the bill contemplates, and I have no doubt that the gentleman from Oklahoma, in proposing this amendment, had in mind a large number of people who are now upon lands that they have purchased under these acts proposing to sell surplus lands in Indian reservations that are clamoring now for free homes and are petitioning Congress and appealing to the Members who come from those regions to enact legislation to relieve them from paying anything for the lands; and the gentleman, believing as I believe that such legislation is not possible, is now proposing to substitute by this bill something that he believes ought to satisfy that class of people. I hope the bill will pass, but I hope the amendment will be disagreed to, and unless it is rejected I shall not vote for the bill unless it be amended so that it will apply only to lands within the State of Oklahoma. I do not want a law that favors one who may have made an entry in a reservation in my State and does not benefit another who made an entry at the same time in the same reservation, the only difference between them being that one paid $5 per acre and the other only $4 per acre.

Mr. NORTON. Mr. Speaker, the theory of this legislation and the reason for it is clearly that the homesteader who has taken land upon an Indian reservation and paid the appraised price for the land has not secured the full benefit of his homestead rights; that he is in a different position from a man who has gone upon the public domain and used his homestead right and secured title to the land without any payment or with a payment of merely the commutation fee. Now, the amendment proposes that the right for a second homestead shall not be granted to a homesteader who has gone upon an Indian reservation and taken up lands on the reservation and has not paid a price of $5 or more an acre. The provision of the amendment is certainly illogical and unfair. A homesteader who has gone upon an Indian reservation in Montana and paid $2.50 an acre has paid the full value for the land just as much as the homesteader who has gone upon an Indian reservation in Oklahoma and paid $6 an acre for the land there. In both cases it is fair to presume that the homesteader in paying the appraised price of the land has paid its full value.

Now, the gentleman from Illinois, in opposition to the bill in its present form, says that a great many of his constituents have been and are now desirous of securing homesteads on these Indian reservations that in the past few years have been opened to settlement. I want to say to the gentleman that to-day in the West there is a large amount of land in Indian reservations that have been open to settlement during the last few years that has not been filed upon, and that if there is any one constituent in his district or 100 or more of his constituents who desire to obtain good farm lands in the West, and who are willing to undergo the hardships of pioneer settlement, I shall take great pleasure in directing them to Indian reservations in North Dakota, South Dakota, and in Montana, where they can secure those homestead lands to-day. Also, in these States they can secure good farm lands on the public domain, where, if they comply with the homestead laws, they will not be obliged to pay anything for the land. Now, if there is a single man anywhere in this country who has not used his homestead right who wants a homestead and is willing to comply with the homestead laws and undergo the trials and troubles attending homesteading, all that is necessary for him to do is to go to one of these Western States and make entry upon some of this fertile, productive, unappropriated land.

The SPEAKER. The time of the gentleman has expired.

Mr. MILLER. Mr. Speaker, I want to ask a question, and I ask to be recognized for that purpose.

The SPEAKER. The Chair recognizes the gentleman.

Mr. MILLER. I ask the gentleman from North Dakota [Mr. NORTON], does the gentleman understand this bill to provide that in case a man has made an entry on a piece of land that was formerly part of an Indian reservation, and paid the price required, completed that entry, secured title, disposed of it, then he could go and enjoy the privilege of a homesteader—still have the right to take another piece of land on the public domain?

Mr. NORTON. I so understand the bill.

Mr. MILLER. I will ask the gentleman from Oklahoma [Mr. FERRIS] did he understand the question which I just propounded?

Mr. FERRIS. No. I did not hear the gentleman.

Mr. MILLER. The question is this: Does this give an entryman who has secured a piece of the public domain which once was part of an Indian reservation, and has secured title to it—does this give him the right to go somewhere else and take out a second homestead?

Mr. FERRIS. Yes; if he has paid the full Indian price.

Mr. MILLER. On what theory?

Mr. FERRIS. The theory is that he has paid what the land is worth, and the requirement of the homestead feature at all was only to keep down speculation.

Mr. MILLER. In some cases that is entirely true; in other cases not. Has it not been frequently the case that when the price was fixed consideration was given to the fact that the entryman had to live on the land and comply with all the requirements of the homestead law? It is a hardship to live on the land to fulfill these requirements, and this feature ought to be considered.

Mr. FERRIS. The gentleman is a member of the Indian Committee, and he ought to know about this matter better than I. But the gentleman is well aware of the fact that in some parts of the country they put up ceded Indian land at auction and sell it for what it is worth, and sometimes for much more than it is worth.

Mr. MILLER. What the gentleman from Oklahoma has now stated is entirely true. There has been a very great degree of hardship on the part of a lot of men who thought they were getting something that was all right and fair, when as a matter of fact they paid about 10 times too much for their "whistle." So far as that class is concerned, I can see a very good reason for legislation of this character; but this is very sweeping and broad.

Mr. FERRIS. Let me tell the gentleman what happened in my county. The real estate men controlled these new Indian countries when they were first opened. They boomed them up and told every easy mark that came along that the land was worth $50 an acre, and would grow this or that or the other product, which did not happen, on account of lack of rainfall or other conditions. After making their yearly payments one year after another, when five years have rolled along and they have starved through that period, they have had to mortgage their land to make these Indian payments and pay interest, and then what happens? They sell out their holdings for a few hundred dollars and load a chicken coop and a few of their household goods on a wagon and drive off somewhere else—to New Mexico or Arizona, where there is public land. After a man has lived five years on the land and paid the Indian price, it ought not to exhaust his homestead rights. I think the gentleman from Minnesota will agree with me on that.

Mr. MILLER. I agree with the gentleman as to the merits of the bill respecting the class of people the gentleman has just mentioned, but——

Mr. FERRIS. That is the way it works out.

Mr. MILLER. But that is only a small part. If we had a list of the number of people who have bought lands on Indian reservations, the number would doubtless surprise some gentlemen. If the gentleman will stop for a moment, he will recall that the average price for a long time was $1.25 an acre, and that is the price now on many Indian reservations as provided by law and treaty.

Mr. FERRIS. The gentleman is on the Indian Committee, and he knows that in one section of the country it has been the common practice—and I think the correct one, although I did not think so once, but I do now—to put a fixed price on the land, and that appraised price is allowed to govern. But the gentleman knows that down in my State, when the land is disposed of, almost uniformly they put it up at auction and auction it off. Now, to say that there is no distinction between the one case and the other is not quite fair. Of course the gentleman knows that the bill as reported applies to all the States having Indian lands.

Mr. BURKE of South Dakota. I think, Mr. Speaker, the gentleman from Minnesota will be interested in knowing what the precedent is for this legislation. On May 17, 1900, the last free-home law was enacted, and that relieved those who had filed upon homesteads on lands that were formerly within Indian reservations, where they had to pay for their lands the price that was required. It occurred to me that those who had commuted and paid would be asking for some relief, and I introduced a bill that provided that where a person had commuted who otherwise would have been relieved if he had waited and not made proof until after May 17, 1900, he would have a right to make a second homestead entry.

Now, the gentleman from Oklahoma [Mr. FERRIS] has a situation in his district, in what was formerly a part of the Kiowa and Comanche Indian Reservation, where the lands were sold at a high price—were sold for more than they were worth—and he is undoubtedly seeking to give some relief to the settlers who are his constituents by passing a bill that will give them the right to make another entry, not believeing that it is possible to secure relief from paying the price which they have contracted to pay.

I can not see any difference, really, between the situation in Oklahoma and the situation in other parts of the country where a man has paid $6, say, in the Cheyenne River Reservation in South Dakota and another man who has paid $4 because he took land not appraised as high, and therefore not so good; and I can not see why the $6 man should have the right to make another entry and not the $4 man.

Mr. MONDELL. Mr. Speaker, will the gentleman yield?

Mr. MILLER. Yes.

The SPEAKER pro tempore. The time of the gentleman from Minnesota has expired.

Mr. MILLER. I ask for an extension of five minutes, in order that these other gentlemen may have an opportunity to express their opinions.

Mr. MONDELL. Some years ago, in my early service in the House, I introduced a bill, which became a law, granting second homesteads to those who had commuted under the homestead law—not Indian homesteaders, but homesteaders generally. Congress passed that act because it was considered that a man who had commuted and paid $1.25 or $2.50 an acre for his land had not secured the full benefits of the homestead law. It gave him a second homestead right, but provided that he could not commute that second homestead right.

Now, this bill is drawn on the same theory—that the Indian homesteader has not enjoyed the full benefits of the homestead law; that he ought to be allowed to enjoy the full benefits of the homestead law.

The gentleman from South Dakota [Mr. BURKE] has referred to a bill which he introduced and succeeded in having Congress adopt, under which we gave some of the Indian homesteaders the benefits of a second homestead. This bill is more general in its provisions.

Mr. BURKE of South Dakota. I will say to the gentleman that the cases that were affected by the bill that I introduced and had passed were cases where parties had made proofs after they had lived upon the land long enough to acquire title without paying anything if it had not been that they were required to pay the Indian price. By the act of May 17, 1900, those who had not made proof were relieved. Therefore I thought those who had paid, who would have been entitled to that relief if they had waited until after that date, ought to have something offered to them as a consolation prize, and therefore I introduced a bill that gave them the right to make another homestead entry, but without the right of commutation.

Mr. MONDELL. I voted for the gentleman's bill, and I thought it was a good bill; but this bill is rather more equitable, in that it covers all those cases.

Mr. MILLER. Mr. Speaker, while I have always felt the utmost sympathy for men engaged in trying to make homes out of the public domain under our laws, I must confess that I do not see the equity or the reasonableness of this particular bill. I appreciate very much the force of what the gentleman from Oklahoma [Mr. FERRIS] says respecting a certain class of entrymen on Indian lands, but their difficulties are not the difficulties of the great mass of entrymen on Indian lands. We are legislating touching a whole group of individuals because of the troubles of a small number of the entire group; and while I shall not indulge in any further remarks on the bill I do want to state here now that I do not believe it is fair or equitable to the general public, and I do not believe it is in the line of wise legislation respecting the public domain. I do not think the homestead laws ought to be cheapened like this. One thing is certain, it seems to me; that is, that a man who had the advantage of going upon the Indian ceded lands to make a home out of 160 acres and failed will never succeed in making a home out of any other 160 acres that you may give him anywhere else in

the United States. He is a failure; so you are not going, in the end, to help him very much. It seems to me it would be nearer equity if we should take the cases of the entrymen cited by the gentleman from Oklahoma [Mr. FERRIS] where the sums paid were altogether too high, and try in some way to alleviate their immediate distress, and give them some benefit, rather than legislate for the entire class of entrymen on Indian lands.

Mr. MANN. Mr. Speaker, does the gentleman from Oklahoma want to make a request in reference to the length of debate on this section and all amendments thereto, this being unanimous-consent day?

Mr. FERRIS. I think I will.

Mr. MANN. I would like five minutes myself.

Mr. FERRIS. I ask unanimous consent that at the expiration of seven minutes, five minutes of which shall be yielded to the gentleman from Illinois [Mr. MANN] and two minutes to myself on behalf of the committee if I need it, debate close on all amendments.

The SPEAKER pro tempore. The gentleman from Oklahoma asks unanimous consent that debate close on this amendment and all other amendments to the section in seven minutes.

Mr. FERRIS. On this section and all amendments thereto.

The SPEAKER pro tempore. Five minutes to the gentleman from Illinois and two to the gentleman from Oklahoma. Is there objection?

There was no objection.

Mr. MANN. Mr. Speaker, I hope the amendment offered by the gentleman from Oklahoma [Mr. FERRIS] will be agreed to. The gentleman from Oklahoma has a peculiar case in his State, and he is seeking to cover that case by general legislation. It may be perfectly proper to provide for the case which the gentleman has in mind, but without the limitation suggested by the amendment offered by the gentleman the bill is wide open all over the United States.

Only a few days ago we agreed to a conference report upon a bill, which I suppose has gone to the President by this time, granting the right to a second or third homestead entry, with certain limitations and restrictions; but if this bill should pass in the form suggested by the gentleman from Wyoming [Mr. MONDELL] and the gentleman from North Dakota [Mr. BURKE], this would grant a second homestead entry without any restrictions whatever where the land was in a ceded reservation. Now, does the gentleman desire to make it easier for somebody in an Indian reservation who has taken a homestead to take a second homestead than for people outside of the Indian reservations in his own State?

These gentlemen agreed the other day to give second homestead entries only within restrictions where people have not sold their rights. That applies to most of the people in the State who have taken homestead entries. I do not think the gentleman now desires to give a preference right, without any restrictions, to those who have taken homesteads in Indian reservations, because in many cases where there has been commutation of homestead entries they have paid just the same outside of the Indian reservation that they have inside of the Indian reservation.

Mr. NORTON rose.

The SPEAKER pro tempore. Does the gentleman from Illinois yield to the gentleman from North Dakota?

Mr. MANN. If he desires me to yield for a question.

Mr. NORTON. I was going to ask the gentleman if he did not think it was logical to grant this right to the homesteaders who have paid the appraised price of land included in Indian reservations?

Mr. MANN. I do not think there is any logic in reference to the matter, one way or the other. We are giving a preference right. It is a gratuity which we are presenting to somebody. We have the right to fix the terms upon which we fix this gratuity. Now, if there are some people who, either through competitive bidding or otherwise, have paid an excessively high price for very poor land, as I am informed is the case, it may be perfectly proper that we should give them a second homestead right, without changing the situation as to all the others. These others have the second homestead right now by the bill we passed the other day if they have not sold out their rights.

Mr. NORTON. Will the gentleman yield again?

Mr. MANN. For a brief question.

Mr. NORTON. Does the gentleman think it is fair to grant this right to a man on an Indian reservation who has paid $5 an acre and deny it to a man who has paid $4.50 an acre for the land?

Mr. MANN. The gentleman from North Dakota does not attribute to me the powers of a reasoning being. I am making a speech in favor of the proposition. I will say to the gentleman.

Mr. NORTON. I am glad the gentleman is for the bill.

Mr. MANN. The gentleman talks about logic. There is no question of logic in the price of the public domain; there is no logic about charging a man $1.25 an acre when he makes the commutation. We fix the price. It is not a question of logic; it is a question of fixing the price. We fix the prices usually much below the value of the land in the West. We give the people out there the benefit of the public domain, which belongs to the whole country. Having gone in and gotten the benefit of a homestead entry under competitive conditions and under a lottery system, and having made some money out of that, they want to come in and get a chance over again. I think we ought to be careful about giving them a chance the second time.

If they have a hardship in some particular case, very well. We have extended the time of payment time and again on Indian reservations, without objection—by unanimous consent. We have been very fair and very reasonable to most of these people. Undoubtedly they have met with hardship, but I can not see the logic, referring to my friend's question—I can not see the logic of trying to get people on a homestead to sell out, move to some other place, and take up a new homestead. The best thing they can do is to stay where they are and cultivate the land that they have already obtained.

Mr. FERRIS. Mr. Speaker, it is due, in all frankness, to say that I offered the amendment under consideration after conference with the gentleman from Illinois [Mr. MANN], but I could not in good conscience say there is not a distinct difference between a man who goes out in the open market to compete, and pays a large and exorbitant price, and those who go and pick out land at an appraised price, which is usually much less than it is worth. I have reported the bill, as it shows, without the amendment, but the gentleman from Illinois suggested the amendment, and I agreed to offer it. I desire to keep full faith with him, and I ask that the amendment be agreed to.

The SPEAKER pro tempore (Mr. HARRISON). The question is on the amendment offered by the gentleman from Oklahoma [Mr. FERRIS].

The question was taken; and on a division (demanded by Mr. BURKE of South Dakota) there were 22 ayes and 7 noes.

So the amendment was agreed to.

Mr. BURKE of South Dakota. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Page 1, line 4, after the word "reservation," insert the words "within the State of Oklahoma."

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from South Dakota.

The question was taken, and the amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. FERRIS, a motion to reconsider the vote whereby the bill was passed was laid on the table.

PUBLIC BUILDING SITE AT VINELAND, N. J.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 16642) authorizing the Secretary of the Treasury to disregard section 33 of the public buildings act of March 4, 1913, as to site at Vineland, N. J.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized, in his discretion, to disregard that portion of section 33 of the public buildings act, approved March 4, 1913, which requires that the Federal building site selected at Vineland, N. J., shall be bounded on at least two sides by streets.

The SPEAKER pro tempore. This bill is on the Union Calendar. Is there objection to its present consideration?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, when the bill was considered at the last session I sought to obtain some information as to the reason for waiving the general law, which provides that the proposed site shall be bounded on at least two sides by streets. Under the existing law we are aware public buildings must not have any other building nearer than 40 feet on either side. If we waive the provisions of the general law that the site shall not be bounded by at least two streets, why should not we restrict the light and air space of 40 feet on either side of the building?

I would like to ask the gentleman interested in the bill as to the size of the proposed site and the size of the proposed building to be erected on that site, the frontage of the lot on the principal thoroughfare on which it is proposed to erect the public building.

Mr. BAKER. Mr. Speaker, in view of what the gentleman said, which will be found on page 13875 of the RECORD, it is proper that the House should know about the reasons for the location of the post office as indicated by the bill. The gentleman's conception of what Vineland is is contained in the state-

ment made at that time, but it is so inadequate and mistaken that in justice to him and to the House some facts should be made known. I have some facts here which I will give briefly for the information of the House.

Vineland is located about halfway between Philadelphia and Atlantic City.

Mr. STAFFORD. It is on the old West Jersey Railroad?

Mr. BAKER. Yes; and the Jersey Central road. Both roads pass through the city—30 passenger trains a day. It is a city of 12,000 inhabitants. It has a high school and 20 other schools. It has about 3,000 school children, who are pupils in the schools. It has over 60 teachers in those schools. It has a public library of 10,000 volumes and a circulation of 50,000. It has a historical building. It has factories, and manufactures goods annually to the value of millions of dollars. It is a place of very great importance as a school center. There are located here three public institutions, one for the care of the veteran soldiers, a splendid place established by the Government. Another is a place for the care and training of feeble-minded children; another for feeble-minded women. Vineland is a place that has a great reputation for the public spirit of the city. Its business is such that it is incomparable; it is away beyond places of its size in the activity that there obtains.

Now, as to the post office, the business of the post office this last year was over $28,000. The business in the money-order department alone was nearly $200,000, covering some 20,000 different orders issued and orders paid, so that it will give you some idea of the degree and importance of the place for a post office of dimension.

This location is a piece of ground in the center of the city. It has a frontage on the main avenue of 150 feet and a depth of 150 feet, so that it would afford to the building light and air, and on every account is entirely desirable. Every business man there wants it located at that place, because the city is growing and it is central, and it is convenient of access. The trolley line passes by it. The matter of fire protection was spoken of. They have the most complete system of fire protection.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

Mr. BAKER. Certainly.

Mr. STAFFORD. Will the gentleman inform the House as to whether any other site has been considered for the location of this post office, which would meet the requirements of the general law for a corner lot, bounded by two streets?

Mr. BAKER. One corner was examined by the inspector and he recommended this point, because the corner that he found was outside the line of traffic, in the first instance, and it was out of the center where it ought to be, with relation to the business development of the place. It was not as large, and it would cost more money.

Mr. STAFFORD. How many sites were offered as proposed sites?

Mr. BAKER. Two sites that I have heard of.

Mr. NORTON. Mr. Speaker, will the gentleman yield?

Mr. BAKER. Certainly.

Mr. NORTON. Does the gentleman know why the citizens of Vineland are not sufficiently interested in having this public building constructed there so as to have offered for sale to the Government a corner lot? Is property so valuable there that they could not, as in the case of other public buildings throughout the country, provide a corner lot for this Government building?

Mr. BAKER. I know that they are in favor of this site. I do not know that any movement was made to have a site given by the city. I did not know that the Government of the United States was insisting on having that kind of a donation. I know that these people are very enterprising, very public spirited. It is a strong Republican city, for that matter, and they do an immense amount of business. That they should be asked to furnish this Government with a location from which to transact its business is a matter that had not come to my attention. I take it that the Treasury Department, through its agencies, will see to it that the Government is not imposed upon in the acquisition of a proper site.

Mr. NORTON. From this bill it looks as though they were somewhat disgusted with the present administration and desire to put this building off on some inside location, unlike other towns of the country.

Mr. BAKER. I know this, that there are no private interests being served. It is a matter of the public weal that is being considered.

Mr. STAFFORD. Mr. Speaker, as I understand from the luminous exposition of the matter there were two sites proposed, one on a corner and the other an inside site?

Mr. BAKER. Yes.

Mr. STAFFORD. Will the gentleman inform the committee how far removed from the center of the town is the corner site?

Mr. BAKER. The corner site would be about two squares away from this place and on a side street. My information about that comes entirely from the report of the inspector.

Mr. STAFFORD. Then the gentleman is not acquainted with the site itself?

Mr. BAKER. I know where it is located. I have passed along the site. I have been in the city.

Mr. STAFFORD. The gentleman is not acquainted with the second site proposed for this post office?

Mr. BAKER. I know where the location is. The corner location is smaller, and it has a building upon it, which makes the extra cost in the acquisition of it.

Mr. STAFFORD. What are the respective costs of the two sites?

Mr. BAKER. The corner site could be had for $14,000, and the site that they desire can be had for $12,000. With what knowledge I have of values I think that price is very low. It was the site of a church, which has been removed within the last year, and those people who owned the church are willing to sell it at the sum of $12,000, and I know that land next to it has been selling at a rate per foot that would make it worth $15,000.

Mr. STAFFORD. I would like to have some member of the committee, if the gentleman can not furnish me the information, tell us why we should adhere, if we permit this inside tract to be purchased, to the requirement that there should be 40 feet area on either side of the building line. It seems 150 feet frontage on the principal thoroughfare of a city of 6,000 population——

Mr. BAKER. It has twice that population.

Mr. STAFFORD. Is quite considerable.

Mr. BAKER. The ground is desirable. The dimensions are desirable. The place is growing rapidly, and if you were to put a building on the center front of 50 feet, or 80 feet, you would still have 40 feet clear on either side.

Mr. STAFFORD. I was wondering why we should follow that rule, if we are going to abandon the rule which requires the building to be upon a corner lot, or on a lot facing two streets—why should we also insist that there should be 40 feet on each side of free light and air given to the adjoining property owners? Why would not 20 feet on either side, or 15 feet, be sufficient to safeguard the interests of the Government? We are buying an unusual amount of land.

Mr. BAKER. And getting it for less than a less amount of land would cost.

Mr. STAFFORD. I do not believe anybody is so charitable, even in the borough of Vineland, as to give the property to the Government below the market price.

Mr. BAKER. I am simply stating the fact.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, I will reserve the right to object until some member of the committee can furnish me with some information as to why they do not reduce the requirement of law as to the space on either side, if we are going to have an inside lot.

Mr. TALCOTT of New York. Is it not true that the Government requires a certain space on either side of a public building?

Mr. STAFFORD. The Government requires 40 feet space on each side of the building, and that is predicated upon the idea that it is a corner lot. Here we are departing from that policy and permitting an inside lot to be furnished. It strikes me that in buying land larger than necessary, for the convenience of the adjoining property owners, who may have——

Mr. TALCOTT of New York. It simply means, of course, that we get it at a cheaper price than we can a corner lot.

Mr. STAFFORD. The gentleman recognizes that 150 feet is pretty large; 70 feet will be utilized for the building proper and there will be 40 feet on either side. Of course it will be quite attractive and desirable for the borough of Vineland to have a building located there, for which 100 feet would be ample for public purposes.

Mr. TALCOTT of New York. You can not get a corner lot without it being much more expensive. If it is built on a corner, it will be more expensive.

Mr. BAKER. I hope the gentleman will not insist on his objection. I assume the responsibility, saying that it is in the interest of the Government and the people, and that this ought to be done.

Mr. VARE. Will my colleague yield?

Mr. BAKER. Yes.

Mr. VARE. Is it not a fact that this land is all in one piece, and certainly the Government would not buy seven-eighths of it?

Mr. STAFFORD. I know my good friend from Philadelphia spends a large part of the time in New Jersey, and the gentleman, undoubtedly, in going to and from Atlantic City, became very well acquainted with this property, and based upon his statement, which corroborates that of the gentleman from New Jersey, who knows at first hand of the conditions, I will withdraw my objection.

Mr. BAKER. I thank the gentleman.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. This bill is on the Union Calendar.

Mr. LONERGAN. Mr. Speaker, I ask unanimous consent that the bill be considered in the House as in the Committee of the Whole House on the state of the Union.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. LONERGAN, a motion to reconsider the vote by which the bill was passed was laid on the table.

RESERVATION OF CERTAIN MINERAL SPRINGS IN NEW MEXICO.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 12050) reserving from entry, location, or sale lots 1 and 2, in section 33, township 13 south, range 4 west, New Mexico prime meridian, in Sierra County, N. Mex., and for other purposes.

The Clerk read as follows:

Be it enacted, etc., That lots 1 and 2, in section 33, township 13 south, range 4 west, New Mexico prime meridian, situated in the county of Sierra, State of New Mexico, be hereby set apart from the public domain and reserved from entry, location, or sale for the purpose of preserving for the use of the public the valuable mineral springs located upon said lots.

SEC. 2. That the Secretary of the Interior be, and he is hereby, authorized to control the use of said lots and the waters thereon, and to make regulations for the government of the reservation, and to make such contracts, agreements, and leases as will best preserve them for the use of the public; and all moneys received from such contracts, agreements, and leases by way of remuneration, or from any other source in connection with this reservation, shall be covered into the Treasury of the United States as a special fund to be disbursed by the Secretary of the Interior for the protection, maintenance, and improvement of said reservation.

The SPEAKER. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object. I see the latter part of section 2 of the bill provides that any money coming in by way of lease or otherwise shall be paid into the Treasury as a special fund to be disbursed by the Secretary of the Interior for the protection, maintenance, and improvement of said reservation. Well, I am not sure whether Congress can in that way appropriate money which is paid into the Treasury, and hence it might not amount to anything, but does the gentleman think that we should create special funds out of these little matters, or, rather, pay the money into the Treasury as miscellaneous receipts so that Congress has control over it when it wishes to appropriate it?

Mr. FERGUSSON. I will state, as to the first proposition, that the Secretary of the Interior, when petitioned for the building of another hotel or any other expense or enlarging of the springs, digging them out, and making them more available, will have a fund out of which he can pay for those things for this particular work at those springs.

Mr. MANN. Should not the Secretary of the Interior, if he wants to do any work of that sort, receive appropriations from the Congress?

Mr. FERGUSSON. Well, I understand it will take a special appropriation every time there is anything to be done to further improve the springs, while under this proposition, whatever terms he makes with the lessees to put up a hotel, for instance, and distribute the waters through it for use—whatever terms he makes with them, by way of leases, charging a rent, big or little, will be simply for the purpose of further improving the springs as may appear advisable.

Mr. MANN. I suppose this bill was drawn probably in the department, and it ought to have been drawn in proper form. Perhaps it is.

Mr. FERGUSSON. It was.

Mr. MANN. My recollection is the Constitution says that no money can be paid out of the Treasury except in pursuance of appropriations made by Congress, so that I doubt whether he can pay this money after it has been paid in; but we have made a rule here in the House for some years not to create special funds to be controlled by any department, but to have the money paid into the Treasury, subject to appropriations by Congress, and recently we extended that even to the Reclamation Service. We did the same thing in reference to the oil wells out West the other day, when the Navy Department claimed oil wells, and we provided that it should be paid in as a fund subject to appropriation by Congress. I am not willing to have Congress reverse itself by unanimous consent unless the gentleman will agree to an amendment covering that proposition.

Mr. FERGUSSON. I would rather agree to an amendment than to have the bill defeated.

Mr. FITZGERALD. Why not give these springs to New Mexico?—although I do not think they will take them, from the experience we had with the Sulphur Springs.

Mr. FERGUSSON. I would rather have the bill passed as it is, and there is some necessity for this provision. These springs are near big mining camps, and they have lately become accessible in this sense. They are near the Elephant Butte Dam and 16 miles from the railroad. There has been built to transport material from the railroad to the dam a magnificent road, and there was also a splendid bridge built across the river at the same time. Up until within two or three years these springs were practically inaccessible, because the river could not be crossed unless at low water, when it could be forded, and therefore they were practically inaccessible. Since it has become accessible people have come there to live in tents and little shacks; but this will encourage the sick people to come in greater numbers, knowing they will get better accommodations. This bill as I have introduced it was first passed on by the Secretary of the Interior, and the sole object of it is not to require the Government to expend money, not even one cent, but to provide a method by which the springs may be self-supporting and, in time, to produce the means for their enlargement and improvement to meet the large demand now existing and that is certain to grow very rapidly as knowledge of their accessibility and conveniences and comforts become more widely known.

Now, with respect to the point made by the gentleman from Illinois [Mr. MANN]. To my mind, it is much better for me to have the bill amended as he has suggested than not to get the relief that is really and truly demanded. The cures performed at these springs—and I have known of them for 25 years myself, personally—are mainly cures of poor people, miners, and cowboys, and other people who can not go off to the fine, expensive springs. These springs are close to where they live, in the big mining communities. I would be glad to have them permanently improved, but nobody will put up a building to serve the purposes of the community there unless he gets a lease for a long enough term to justify him in doing it.

Mr. MONDELL. Mr. Speaker, will the gentleman yield there?

Mr. FERGUSSON. Yes.

Mr. MONDELL. Would the gentleman be willing to accept an amendment granting these tracts to the State of New Mexico, as I suggested some time ago?

Mr. FERGUSSON. No. I am thoroughly satisfied that that would defeat the bill. I am so advised by Members with much greater experience than mine; and where there are one or two objections now there would be a dozen on this floor and in the other body to such a proposition as that. I am anxious to get this legislation enacted, not to please myself nor to please any particular man who wants to put up a hotel, but because I know of my own knowledge that the poor people are suffering from lack of use of these springs.

Mr. GOULDEN. Mr. Speaker, will the gentleman yield?

Mr. FERGUSSON. I do.

Mr. GOULDEN. What are the medicinal qualities of this water? I heard the gentleman mention that they were curative. What are they good for?

Mr. FERGUSSON. For rheumatism and other diseases of the blood.

Mr. SELDOMRIDGE. Mr. Speaker, will the gentleman yield?

Mr. FERGUSSON. Certainly.

Mr. SELDOMRIDGE. I hope in view of the general conditions confronting the House, while we are opening up a general sanitarium of this kind, no one will object.

Mr. FITZGERALD. Mr. Speaker, anyone familiar with the situation that has developed at Hot Springs, Ark., would be unwilling that the Government should enter further upon such a process. I suggest to the gentleman that he allow his bill to go over for the present.

Mr. FERGUSSON. Mr. Speaker, if the gentleman has an amendment, will he let me know the purport of it? If the gentleman demands that it go over, I will be willing to have that done. I ask, Mr. Speaker, that the bill be passed over without prejudice.

The SPEAKER. The gentleman from New Mexico asks unanimous consent that the bill be passed over without prejudice. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the next bill.

SETTLEMENT OF CERTAIN ACCOUNTS UNDER THE RECLAMATION ACT.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 124) authorizing and directing the Secretary of the Interior to investigate and settle certain accounts under the reclamation acts, and for other purposes.

The title of the bill was read.

Mr. RAKER. Mr. Speaker, I ask that the bill be passed over without prejudice.

The SPEAKER. The gentleman from California asks that the bill be passed over without prejudice. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the next one.

PROPOSED ADJOURNMENT OVER LABOR DAY.

Mr. BUCHANAN of Illinois. Mr. Speaker, I ask unanimous consent that when the House adjourns next Saturday, the 5th of September, it adjourn over Labor Day to meet the following Tuesday.

The SPEAKER. The gentleman from Illinois [Mr. BUCHANAN] asks unanimous consent that when the House adjourns next Saturday it adjourn to meet on Tuesday following.

Mr. MANN. Why not make it Friday?

Mr. BUCHANAN of Illinois. Well, I will make it Friday. I will modify my request, Mr. Speaker, and ask that when the House adjourns Friday it adjourn to meet on the following Tuesday, September 8.

The SPEAKER. The gentleman from Illinois amends his request and asks unanimous consent that when the House adjourn next Friday it be to meet on Tuesday following. Is there objection?

Mr. DONOVAN. I object, Mr. Speaker.

The SPEAKER. The gentleman from Connecticut objects. Does the gentleman object to the modification or to the original request?

Mr. DONOVAN. I object to both propositions.

The SPEAKER. The Clerk will report the next bill.

OIL OR GAS LANDS.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 15661) authorizing the Secretary of the Interior to lease to the occupants thereof certain unpatented lands on which oil or gas has been discovered.

The Clerk read the bill, as follows:

Be it enacted, etc., That upon relinquishment or surrender to the United States, within six months from the date of this act, by any locator or his successors in interest of his or their claim to any unpatented oil or gas lands included in an order of withdrawal, upon which oil or gas had been discovered, was being produced, or upon which drilling operations were in actual progress January 1, 1914, and the claim to which land was initiated prior to July 3, 1910, the Secretary of the Interior shall lease to such locator or his successors in interest the said lands so relinquished, not exceeding, however, the maximum area of 2,560 acres to any one person, association, or corporation, said leases to be conditioned upon the payment by the lessee of a royalty of not exceeding one-eighth of the oil or gas extracted or produced from the leased premises or the proceeds thereof, each lease to be for a period of 20 years, with the preferential right in the lessee to renew the same for succeeding periods of 10 years, upon such reasonable terms and conditions as may be prescribed by the Secretary of the Interior.

SEC. 2. That the Secretary of the Interior is hereby authorized to perform any and all acts, and make such rules and regulations as he may deem necessary and proper for the purpose of carrying the provisions of this act into full force and effect, and all leases or assignments of leases shall be subject to such rules and regulations, and the failure of any lessee or of his successor or successors to comply with the terms and conditions of the lease shall work a forfeiture of the same, to be declared by a court of competent jurisdiction.

With the following committee amendments:

Page 2, lines 1, 2, and 3, strike out the word "shall," in line 1, and insert "may in his discretion."

In line 2, page 2, after the word "lease," insert the words "on such reasonable terms and conditions as he may prescribe."

Page 2, lines 5 and 6, strike out the words "two thousand five hundred and sixty" and insert "six hundred and forty."

The SPEAKER. Is there objection?

Mr. FOSTER. I reserve the right to object, Mr. Speaker.

Mr. MONDELL. I hope the gentleman from Illinois will not object. Is it the thought of the gentleman from Illinois that this matter can be disposed of when we reach the general leasing bill?

Mr. FOSTER. It is hoped that it might be.

Mr. MONDELL. The difficulty is that the general leasing bill will not come up for some days, and in all probability will not become a law at this session.

The situation is this, speaking now only of my own State: There are a few—not many—oil-land claimants who believe they are entitled to their lands, but rather than continue long-drawn-out contests with the Government they would be willing to take a lease and surrender their claim to a title. While the matter is pending they do not feel like going on with their drilling operations and developing the property. They fear that that might result in large expenditures for which they would secure nothing if the decision is finally against them.

If we were going to dispose of the general leasing bill immediately and could take care of the matter in that way, that would be entirely satisfactory, but I think that is impossible. I think it is generally understood that the general leasing bill will not become a law at this session, and the matter therefore will go over for some time. Meanwhile there are these parties anxious to develop the wells, and the country is anxious to get the product, but they can not develop their wells under the present conditions.

Mr. FOSTER. Why is it provided in this bill that the royalties shall not exceed one-eighth?

Mr. MONDELL. Well, I had nothing to do with the fixing of the royalty, but it occurs to me as being entirely proper, because that is almost the universal oil royalty.

Mr. FOSTER. That is probably so in most instances, but yet I do not see why it should be said in a bill, that they shall lease it at not to exceed that, and fix a maximum which can never be exceeded.

Mr. MONDELL. I do not think that is altogether a vital matter; but speaking on that particular point, it does seem to me that it is better for Congress to determine what is to be done than to leave it to the discretion of some official.

Mr. FOSTER. Then there is another provision here. The committee have stricken out 2,560 acres and have inserted 640 acres. Is the gentleman in favor of that amendment?

Mr. MONDELL. The committee has reduced the area.

Mr. FOSTER. Yes.

Mr. MONDELL. That is not entirely satisfactory to me; but I doubt if there are many people in my State who own more than that acreage that they would desire to bring within this act. I am not informed there are; I have heard no complaint or protest against that provision.

Mr. FOSTER. I do not believe there are many oil leases that cover even 640 acres. If there is really oil in the ground, I should think that 640 acres would be a large lease.

Mr. MONDELL. Does the gentleman understand that quite frequently men have gone upon land, or are claiming land, only a small portion of which contains oil in any considerable quantity?

Mr. FOSTER. I know that. I live in an oil country.

Mr. MONDELL. Sometimes a man must have quite a considerable acreage in order to have any substantial amount of product.

Mr. FOSTER. That is true. Sometimes a man has a large acreage and no product.

Mr. MONDELL. That has been my experience.

Mr. FOSTER. It seems to me that fixing a maximum beyond which they could not go, of one-eighth of the oil, is unwise. A good lease might be worth a good deal more. The gentleman knows that. Some leases call for one-sixth of the oil, and others for one-eighth.

Mr. MONDELL. The gentleman does not know of any private leases anywhere that call for more than one-eighth, and many of them less.

Mr. FOSTER. Oh, yes; it depends on the amount produced from each well each day. That might govern the amount that might be exacted as a royalty.

Mr. MONDELL. I will say to the gentleman that while I believe Congress ought to fix the royalty, and I hope that in the leasing bill it will do so, still in order to relieve these cases I do not think that provision is absolutely essential, although I think it is a sound provision.

Mr. FOSTER. I think it is important that a bill of this kind should be passed whereby this Government land may be developed, because if there is private oil land around it that is being developed, unless the Government land is developed, probably there will not be any oil left in it.

Mr. MONDELL. In my State there are not many of these cases, but there are some in a field that is being developed, where this additional development is needed, but where the parties do not feel justified in making improvements and sinking more wells, because of the uncertainty of finally securing title. They would be willing to accept a lease in lieu of title because of that uncertainty.

Mr. FOSTER. If they are there for the purpose of securing the oil, a lease is all they want. It does not matter whether they get title to the ground or not.

Mr. MONDELL. No; this particular ground has no value except for oil.

Mr. FOSTER. In any other case, if they are there simply to get the oil out, they may not want to buy the land.

Mr. STAFFORD. Will the gentleman inform the committee as to the number of acres of land in his State that are now in contest to which this bill is applicable?

Mr. MONDELL. I do not pretend to know, but I doubt if there are over a score or so of entrymen, perhaps, claiming from 160 acres upward, who would want to come under the act; possibly a very few.

Mr. STAFFORD. There are some contests now pending before the Land Commissioner, or in the courts, as to the title to the oil lands, are there?

Mr. MONDELL. No; not in the courts. There are applications that have been made for patents and the department has not decided them. I will say to the gentleman that there are some cases where the question involved is as to the force and effect of what is known as the Roosevelt withdrawals, and as to whether these parties were actually in possession and drilling at the time of the congressional withdrawals, and the department seems to be slow in deciding those questions. The Federal courts have held that the original withdrawal was of no force or effect, and the Supreme Court has not passed upon it. There are not many cases, but it happens that those few cases are in a developing field, and they are willing to accept a lease rather than wait for the title under the circumstances.

Mr. FOSTER. Does not the gentleman think that in place of saying that the royalty shall be not to exceed one-eighth, the matter should be left to the Secretary of the Interior?

Mr. MONDELL. No; my opinion is that we should say not more than one-tenth; but as the bill says not more than one-eighth I am content to leave it that way. I think that in all these cases that would be the better thing to do. That is my personal opinion. There is ground for difference of opinion, as I realize.

Mr. FOSTER. So far as I am individually concerned, I have never seen a lease which called for a royalty of less than one-eighth, and they have exceeded that. One-eighth is the least amount that has usually been asked.

Mr. MONDELL. One-tenth is, I think, a frequent lease in my State.

Mr. FOSTER. I have never come across such a lease.

Mr. MONDELL. There are quite a number of them that are one-eighth. I know of none more than that.

Mr. SELDOMRIDGE. What is the royalty provided in the leasing bill that is come before the House?

Mr. RAKER. It does not fix any. It is left to the Secretary of the Interior.

Mr. SELDOMRIDGE. What objection is there to putting that provision in this bill, leaving it to the Secretary of the Interior?

Mr. MONDELL. There is this difference: In these cases a man is actually giving up a claim which in the majority of cases he thinks is an excellent one, to land on which he is spending a great deal of money, and he feels that if he is going to surrender his right to a patent, he ought to know pretty definitely what he is going to receive. I think that even if we do not prescribe the royalty or fix the royalty in the general bill, that where you are proposing as in this case that a man shall surrender his claim to a patent, he ought to know what sort of a bargain he is going to make.

Mr. FOSTER. I think the gentleman is right; but I think the Secretary of the Interior ought to fix that and not to make it a minimum of one-eighth.

Mr. MONDELL. We would hope that the Secretary would make it about the ordinary lease, which is one-eighth, and allow the man to surrender his rights.

Mr. FOSTER. I do not know about that.

Mr. RAKER. Suppose he does not surrender?

Mr. FOSTER. I think it is fair that the Secretary should fix the lease. You might in some cases not want to pay one-eighth, and in other cases it might be right to pay a larger royalty. I think the Secretary of the Interior ought to have the right to fix the royalty.

Mr. MONDELL. I do not agree with the gentleman on the royalty proposition either in this case or generally, but in this class of cases you are asking a man to surrender property rights.

Mr. FOSTER. I do not believe we do that where we give him a great deal of land, where we offer him 640 acres of ground, which is a large lease.

Mr. MONDELL. That depends upon how much oil there is under it.

Mr. FOSTER. I hope the gentleman will offer the amendment. I would like to reduce the amount of land.

Mr. RAKER. I think the Secretary of the Interior should fix the price for it. The people of California are perfectly willing to let the Secretary of the Interior fix the royalty.

Mr. MONDELL. They must be very liberal folks out there.

Mr. RAKER. Well, when you get squeezed you have to be liberal.

Mr. MONDELL. When you are squeezed by a decision of the department and want to get out you are willing to take anything. Is that the idea?

Mr. RAKER. Well, let us pay the Government something.

The SPEAKER. Is there objection to the consideration of the bill?

Mr. MANN. I object.

Mr. RAKER. Mr. Speaker, I ask unanimous consent that the bill retain its place on the calendar without prejudice.

The SPEAKER. The gentleman from California asks unanimous consent that the bill retain its place on the calendar without prejudice. Is there objection?

Mr. MANN. I object. We have discussed the bill seven or eight times and wasted too much time.

ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States for his approval the following bills:

H. R. 7967. An act to amend the act approved June 25, 1910, authorizing a postal savings system; and

H. R. 1657. An act providing for second homestead and desert-land entries.

ALCATRAZ ISLAND.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 9017) transferring the control and jurisdiction of Alcatraz Island and its buildings thereon from the Department of War to the Department of Labor.

Mr. RAKER. Mr. Speaker, in regard to this bill there are some matters to be adjusted, and I ask unanimous consent that it be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PUBLIC-BUILDING SITE, PLYMOUTH, MASS.

The next business on the Calendar for Unanimous Consent was the bill H. R. 16829, to provide for enlarging the site for the United States building at Plymouth, Mass.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to acquire by purchase, condemnation, or otherwise all the land in the old William Brewster plat still owned by private parties and contiguous to the public-building site now owned by the United States at Plymouth, Mass., and that the total cost of such extension and improvement shall not exceed the sum of $12,000: *Provided*, That if the land described shall be obtained for less than the amount authorized, the remainder may be used by the Secretary of the Treasury in grading and otherwise improving the same.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MANN. Reserving the right to object, I would like to ask the gentleman from Massachusetts one or two questions. Two years ago we passed a bill which, I think, the gentleman from Massachusetts introduced——

Mr. THACHER. I did not have the honor to be in the House at that time.

Mr. MANN. That was a loss to the House, whoever the gentleman succeeded. We passed a bill authorizing the sale of the Federal post-office site, or a portion of it, at Plymouth for $100. I believe the sale was not consummated, although the law was passed. I have a plat which has been furnished to me by the Treasury Department purporting to give the boundaries of the land which we authorized to be sold for $100, and the land which this bill proposes to acquire for $12,000. Now, gentlemen can see the amount of land that was to be sold for $100, and without widening my fingers much on this plat, this much is to be acquired for $12,000. There is little difference in the areas. It looks like a marked difference in the values of the land.

Mr. RAKER. Will the gentleman yield for a question?

Mr. MANN. Yes.

Mr. RAKER. If the committee had had filed a copy of that plat with the report, all the Members of the House could have seen it, and there would have been no question but that the facts would have been plain.

Mr. MANN. They could not have filed this plat, for they did not have it, and I do not think they had any other. They did

not even know that we had authorized the sale two years ago. The committee did not discover that fact, apparently.

Mr. FOSTER. The gentleman says the sale was made two years ago?

Mr. MANN. We passed the law two years ago in May authorizing the Secretary of the Treasury to sell a piece of this site for $100, on the ground that we did not need it. I am informed by the Treasury Department that the sale was not consummated, for the grantee refused to take it. Now we are asked to pay $12,000 for the piece of land adjoining the other, substantially no larger, on the ground that the site is not large enough. I am asking for information.

Mr. FOSTER. It looks to me as though the people of Plymouth were very enterprising.

Mr. MANN. Nobody ever accused the New England people of not being bright.

Mr. THACHER. Mr. Speaker, I will be frank with the gentlemen. I do not recall the vote by which the sale of the land was authorized for $100.

Mr. MANN. I have no doubt it was done by unanimous consent.

Mr. THACHER. I was not in the House at the time, and I do not know what land the gentleman refers to.

Mr. MANN. I could not tell from the description of the land in the law as to what land was referred to, and hence I wrote the Treasury Department this letter:

Hon. WILLIAM G. MCADOO,
Secretary of the Treasury, Washington, D. C.

SIR: There is pending in the House H. R. 16829, authorizing the Secretary of the Treasury to purchase lands or rights contiguous to the public-building site now owned at Plymouth, Mass. By the act of May 27, 1912, the Secretary of the Treasury was authorized to sell to the First Baptist Church of Plymouth that portion of the Burns lot included in the Federal building site in said city to the south of the continuation of the southerly boundary line of the next adjacent property conveyed to the United States by said First Baptist Church. I beg to ask whether the property so sold was a part of the present building site at Plymouth, which it is proposed by H. R. 16829 to now enlarge; and if so, to ask, if you can conveniently do so, that you may send me a rough pencil draft of the site, showing the land sold and the land proposed to be purchased.

Yours, very respectfully, ——— ———.

I received this letter from a very estimable gentleman, formerly a colleague of ours, whom we all love and admire, Mr. Andrew J. Peters, now Assistant Secretary of the Treasury:

TREASURY DEPARTMENT,
Washington, August 29, 1914.

Hon. JAMES R. MANN,
House of Representatives.

SIR: In response to your letter of the 24th instant, I inclose a blue print showing the Federal building site at Plymouth, Mass. The land embraced within the yellow lines is the portion of the site which was proposed to be sold to the First Baptist Church of Plymouth pursuant to the act of Congress approved May 27, 1912. The sale, however, was never made, the Baptist Church people finally deciding that they did not desire to acquire the land.

The land embraced within the red lines is the property which is the subject of bill H. R. 16829, to which you refer. As will be seen, it is not a part of the land which was proposed to be sold by the act of May 27, 1912, hereinabove referred to.

Respectfully,
A. J. PETERS,
Assistant Secretary.

I have here in my hand the plat, with the red and the yellow lines. The yellow lines inclose a space not quite so large as the red lines, the two pieces adjoining, the red-line space being on the street, apparently, and the yellow line back. One we offered to sell for $100, and the other it is proposed that we pay $12,000 to buy, although I have been informed, and I will ask the gentleman whether that is correct, that the assessed valuation of this twelve-thousand piece in Plymouth is less than $2,000?

Mr. THACHER. Oh, I beg the gentleman's pardon. I believe that he is mistaken about the valuation. I shall be very glad to give him the information. There has been no inflation in the value of that land. The corner which the Government now owns is on the corner of Main and Leyden Streets, and it is proposed to acquire adjacent land on the northerly side of Main Street, which piece of property was sold about a year and a half ago for $7,000, and I understand that it has recently been sold for $9,000, and there is no hocus-pocus about this matter at all. The values are there and the property has been enhanced very materially. As I stated before, I think the Government made a mistake when they did not acquire all of the land, and I think if the gentleman would go to Plymouth—and I hope to have the honor of seeing him there some day—he would vote for this proposition.

Mr. MANN. But if the House two years ago voted for a bill authorizing the sale of a considerable portion of this land, upon the ground that we did not need it, what emergency has arisen since then which compels us not only to use the land that we have already gotten, but also the land that we agreed to sell, and a large amount in addition to that?

Mr. BORLAND. Mr. Speaker, will the gentleman from Massachusetts permit an interruption?

Mr. THACHER. Yes.

Mr. BORLAND. Mr. Speaker, I suggest to the gentleman that he ask unanimous consent to have this bill go over without prejudice. The reason I make that suggestion is that the chairman of the Committee on Appropriations is interested in having some further information in respect to this, and unless he desires to make the request I shall make it myself.

Mr. THACHER. Mr. Speaker, I have no objection to that. I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

COAST GUARD.

The next business on the Calendar for Unanimous Consent was the bill (S. 2337) to create the coast guard by combining therein the existing Life-Saving Service and Revenue-Cutter Service.

The Clerk proceeded to read the bill.

Mr. HAY (interrupting the reading). Mr. Speaker, I object.

The SPEAKER. The gentleman from Virginia objects, and the bill is stricken from the calendar.

Mr. SMALL. Mr. Speaker, will the gentleman reserve his objection for a moment?

Mr. HAY. I reserve the objection.

Mr. LINTHICUM. Mr. Speaker, I object.

Mr. CRAMTON. Mr. Speaker, will the gentleman withhold his objection for a moment?

Mr. LINTHICUM. No; I will not.

The SPEAKER. The gentleman from Maryland objects and sticks to it.

Mr. CRAMTON. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Michigan makes the point of order that there is no quorum present. Evidently there is not.

Mr. FOSTER. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The SPEAKER. The Doorkeeper will lock the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Adair	Fairchild	Kiess, Pa.	Ragsdale
Aiken	Faison	Kindel	Rainey
Ainey	Farr	Kinkaid, Nebr.	Riordan
Ansberry	Fess	Knowland, J. R.	Rothermel
Aswell	Finley	Korbly	Sabath
Austin	Fitzgerald	Lafferty	Scully
Bartholdt	Fowler	Langham	Seldomridge
Bartlett	Gardner	L'Engle	Sells
Bathrick	Garrett, Tex.	Lenroot	Shackleford
Bell, Ga.	George	Levy	Sherley
Brown, N. Y.	Gillett	Lewis, Pa.	Sinnott
Browne, Wis.	Goeke	Lindquist	Slemp
Browning	Goldfogle	Loft	Smith, Minn.
Buchanan, Ill.	Gordon	Logue	Smith, N. Y.
Burke, Pa.	Graham, Ill.	McGillicuddy	Steenerson
Byrnes, S. C.	Graham, Pa.	McGuire, Okla.	Stevens, N. H.
Calder	Griest	McLaughlin	Stringer
Cantor	Guernsey	Mahan	Switzer
Cantrill	Hardwick	Maher	Townsend
Carew	Hart	Manahan	Treadway
Chandler, N. Y.	Hayes	Martin	Tuttle
Church	Helvering	Merritt	Underhill
Clark, Fla.	Hensley	Montague	Vaughan
Coady	Hill	Moore	Vollmer
Covington	Hinds	Morin	Wallin
Crisp	Hobson	Mott	Watkins
Dixon	Howard	Murdock	Weaver
Dooling	Hoxworth	Neeley, Kans.	Whitacre
Eagle	Hulings	Oglesby	Williams
Edmonds	Hull	O'Shaunessy	Wilson, N. Y.
Elder	Jones	Palmer	Woodruff
Esch	Kelley, Mich.	Peters	
Estopinal	Kent	Powers	
Evans	Key, Ohio	Prouty	

The SPEAKER. On this call 297 Members—a quorum—have responded to their names.

Mr. FOSTER. Mr. Speaker, I move to dispense with further proceedings under the call.

The question was taken, and the motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors.

BRIDGE ACROSS PISTAKEE AND NIPPERSINK LAKES.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 17267) to authorize Frank A. Gardiner to construct a bridge across the waters of Pistakee Lake and Nippersink Lake at or near their point of intersection.

The Clerk read as follows:

Be it enacted, etc., That Frank A. Gardiner and his assigns be, and they are hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the waters of Piskatee Lake and Nippersink Lake at a point suitable to the interests of navigation, at or near their point of intersection, in the county of Lake, in the State of Illinois, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I understand this bill authorizes the construction of a bridge over an exclusively interior lake. I would like to inquire of the chairman of the committee wherein is there any jurisdiction in the National Government to authorize such construction?

Mr. MANN. Oh, this is navigable water.

Mr. STAFFORD. There are plenty of interior lakes in Wisconsin which are navigable and which are not subject to the jurisdiction of the National Government because they are navigable.

Mr. ADAMSON. Mr. Speaker, I yield to the author of the bill, the gentleman from Illinois [Mr. THOMSON] to make such explanation as he desires about the bill.

Mr. THOMSON of Illinois. Mr. Speaker, this is navigable water, and it is an interstate stream, which connects with rivers that go up in the State of Wisconsin, and it is necessary to have the approval of the Federal Government to have such a bill as this passed in order that this bridge may be built.

Mr. STAFFORD. Will the gentleman explain wherein the National Government has any authority over the waters of this lake?

Mr. THOMSON of Illinois. Why, the waters of this lake are connected up with streams that are interstate in character.

Mr. ADAMSON. If the gentleman will permit, the United States Government has jurisdiction over all navigable waters. There is a provision in the river and harbor act of 1899 which dispenses with the necessity of coming to Congress with a special bill, but it does not prohibit the coming to Congress with a special bill at all.

Mr. STAFFORD. Do I understand the gentleman's contention to be that a lake exclusively within the confines of a State which has navigable waters gives jurisdiction to the National Government over those waters?

Mr. ADAMSON. I do not understand it is necessary to answer that question.

Mr. STAFFORD. I understood just now that the gentleman made that as a postulate.

Mr. ADAMSON. No; I said that where the stream is navigable within a State it is not absolutely necessary to come to Congress, but it is not prohibited, and I understand that this water is connected with other waters that are navigable.

Mr. STAFFORD. I can hardly conceive of any water in the United States, even though it may be a jerkwater stream, that is not in some way connected with navigable waters. This bridge proposes to go over navigable waters of a lake that is exclusively within the confines of a State. I never knew the National Government had jurisdiction over such waters, but I have no objection to this bill.

Mr. ADAMSON. The language of the river and harbor act of 1899, section 9, renders it unnecessary to come to Congress, but it does not prohibit the coming to Congress; and in this case the Secretary of War approved the project without even a suggestion that it is not necessary.

Mr. STAFFORD. There is another bill reported from the gentleman's committee in which the Secretary of War states that he sees no reason whatsoever for the National Government taking jurisdiction even of a stream which is connected with navigable waters which are entirely within the confines of a State.

Mr. ADAMSON. I beg the gentleman's pardon; the Secretary of War says in the other case that he sees no actual necessity for it—not any reason for it.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. THOMSON of Illinois. Mr. Speaker, are amendments in order at this time?

The SPEAKER. Yes.

Mr. THOMSON of Illinois. Mr. Speaker, I move to amend to correct the spelling of the last word in the fifth line to conform with the spelling as printed in the title. It should be spelled P-i-s-t-a-k-e-e.

The question was taken, and the amendment was agreed to.

Mr. THOMSON of Illinois. Mr. Speaker, I move to amend by changing the initial "A," in line 3, to the initial "H."

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Page 1, line 3, change the initial "A" to the initial "H."

The question was taken, and the amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

Mr. ADAMSON. Mr. Speaker, the title ought to be amended to correspond to the amendment.

The SPEAKER. Without objection, the title will be amended to correspond to the text.

There was no objection.

On motion of Mr. ADAMSON, a motion to reconsider the vote by which the bill was passed was laid on the table.

FOURTH INTERNATIONAL CONGRESS ON HOME EDUCATION.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 11179) authorizing the Secretary of State to extend invitations to foreign countries to send delegates to the Fourth International Congress on Home Education.

The Clerk read the title of the bill.

Mr. FLOOD of Virginia. Mr. Speaker, a Senate bill exactly similar to this bill has passed the House and become a law. I ask that this bill be laid on the table.

The SPEAKER. The gentleman from Virginia moves to lay the bill on the table. Without objection, it is so ordered.

There was no objection.

BRIDGE ACROSS BLACK RIVER, MO.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 17511) to authorize the Great Western Land Co., of Missouri, to construct a bridge across Black River.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Great Western Land Co., a corporation organized under the laws of the State of Missouri, is hereby authorized to construct, maintain, and operate a bridge and approaches thereto across Black River at a point suitable to the interests of navigation, in the northwest quarter of section 5, township 22 north, range 7 east, of the fifth principal meridian, in the county of Butler, in the State of Missouri, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

The committee amendment was read, as follows:

Page 2, after line 3, insert the following:

"SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved."

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The question is on agreeing to the committee amendment.

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. ADAMSON, a motion to reconsider the vote by which the bill was passed was laid on the table.

JUDICIAL DISTRICTS IN PENNSYLVANIA.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 17442) to amend section 103 of the act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911, as amended by the acts of Congress approved March 3, 1913, and June 6, 1914.

The bill was read, as follows:

Be it enacted, etc., That section 103 of an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911, as amended by the acts of Congress approved March 3, 1913, and June 6, 1914, be, and the same is hereby, amended so as to read as follows:

"SEC. 103. That the State of Pennsylvania is divided into three judicial districts, to be known as the eastern, middle, and western districts of Pennsylvania. The eastern district shall include the territory embraced on the 1st day of July, 1910, in the counties of Berks, Bucks, Chester, Delaware, Lancaster, Lehigh, Montgomery, Northampton, Philadelphia, and Schuylkill. Terms of the district court shall be held at Philadelphia on the second Mondays in March and June, the third Monday in September, and the second Monday in December, each term to continue until the succeeding term begins. The middle district shall include the territory embraced on the 1st day of July, 1910, in the counties of Adams, Bradford, Cameron, Carbon, Center, Clinton, Columbia, Cumberland, Dauphin, Franklin, Fulton, Huntingdon, Juniata, Lackawanna, Lebanon, Luzerne, Lycoming, Mifflin, Monroe, Montour, Northumberland, Perry, Pike, Potter, Snyder, Sullivan, Susquehanna, Tioga, Union, Wayne, Wyoming, and York. Terms of the district court shall be held at Scranton on the second Monday in March and the third Monday in October; at Harrisburg on the first Mondays in May and December; at Sunbury on the second Monday in January; and at Williamsport on the first Monday in June. The clerk of the court for the middle district shall maintain an office, in charge of himself or a deputy, at Harrisburg; the civil suits instituted at that place shall be tried there, if either party resides nearest that place of holding court, unless by consent of parties they are removed to another place for trial. The western district shall include the territory embraced on the 1st day of July, 1910, in the counties of Allegheny, Armstrong, Beaver, Bedford, Blair, Butler, Cambria, Clarion, Clearfield, Crawford, Elk, Erie, Fayette, Forest, Greene, Indiana, Jefferson, Lawrence, McKean, Mercer, Somerset, Venango, Warren, Washington, and Westmoreland. Terms of the district court shall be held at Pittsburgh on the first Monday of May and the second Monday of November, and terms of the court shall be held at Erie on the third Monday of March and the third Monday of September. The clerk and marshal of said district shall have

their principal offices at Pittsburgh, and shall maintain, by themselves or by their deputies, offices at Erie.

"The clerk shall place all cases in which the defendants reside in the counties of said district nearest Erie upon the trial list for trial at Erie, where the same shall be tried, unless the parties thereto stipulate that the same may be tried at Pittsburgh."

The SPEAKER. Is there objection to the consideration of the bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I understand the purpose of this amendment is to tide over the meeting of the court in the city of Pittsburgh beyond election?

Mr. WEBB. That might be stated as correct.

Mr. STAFFORD. If I am not mistaken, the election is on the first Tuesday following the first Monday. If such is the case, is it not possible for the second Monday to occur on the day preceding the election?

Mr. WEBB. It might appear that way. It is very rare.

Mr. STAFFORD. I have a case in mind. Our primaries in Wisconsin are held on the first Tuesday in September. Usually Labor Day precedes. This year it just happens that the first Tuesday of September occurs to-day, and the primaries are being held. If it is the purpose to avoid the election difficulty, I would say the second Monday in November does not overcome that in all cases.

Mr. WEBB. In answer to that I can only say that the attorneys, the judge, and all the court officials are anxious that this change be made. It is purely a local matter, and my friend from Pennsylvania [Mr. SHREVE] represents this district and is anxious to have the bill pass, and the committee thought it best to grant the request.

Mr. STAFFORD. The bill permits that it may happen on some rare occasion.

Mr. WEBB. It may in some rare instances, but it is very rare when it comes as late as the second Monday in November.

Mr. STAFFORD. It will not occur as frequently as the second Monday in November, but it will occur. To make it the second Wednesday would make it safe under all conditions.

Mr. WEBB. It is usual to provide Mondays.

The SPEAKER. Is there objection to the consideration of the bill?

There was no objection.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. WEBB, a motion to reconsider the vote by which the bill was passed was laid on the table.

IOWA INDIANS OF OKLAHOMA.

The next business on the Calendar for Unanimous Consent was H. Res. 554, referring the bill (H. R. 17441) for the relief of the Iowa Indians of Oklahoma to the Court of Claims for a finding of fact and conclusions of law.

The resolution was read, as follows:

Resolved, That the bill (H. R. 16618) for the relief of the Iowa Indians of Oklahoma, with the accompanying papers, be, and the same are hereby, referred to the Court of Claims for a finding of fact and conclusions of law, under the provisions of the act approved March 3, 1911, entitled "An act to codify, revise, and amend the laws relating to the judiciary."

Also the following committee amendment was read:

In line 1 strike out the figures "16618" and insert "17441."

The SPEAKER. Is there objection to the consideration of the resolution?

Mr. STAFFORD. Reserving the right to object, I would like to inquire of the author of the bill whether it is his purpose to refer the bill H. R. 17441 to the Court of Claims or whether he wishes to refer the matters comprised in the bill to the Court of Claims?

Mr. MURRAY of Oklahoma. It is a bill for a finding of fact.

Mr. STAFFORD. The resolution reads that you wish to refer the bill H. R. 17441, with the accompanying papers, to the Court of Claims for finding of fact under the provisions of the general law. There is nothing for the Court of Claims to find out so far as that bill is concerned.

Mr. MANN. The law provides for that. It provides for referring the bill and provides for what the Court of Claims will find.

Mr. STAFFORD. The gentleman wants the Court of Claims to find on the bill itself?

Mr. MURRAY of Oklahoma. I want them to give a finding of fact under the general law on the matter comprised in the bill.

Mr. MANN. All we refer is the bill and accompanying papers. The law directs what the Court of Claims shall do.

Mr. STAFFORD. I would like to inquire whether it is the purpose to give these people the right of appeal to the Supreme Court, as provided in text of the bill H. R. 17441?

Mr. MURRAY of Oklahoma. That is practically it.

Mr. STAFFORD. I believe it is not, from what the gentleman from Illinois [Mr. MANN] says.

Mr. MANN. Certainly not. The court makes a finding of fact and reports back to Congress, just like it does on all these war claims we have.

Mr. STAFFORD. I thought the gentleman from Oklahoma was in error as to the purport of the provisions.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. This bill is on the Union Calendar.

Mr. MURRAY of Oklahoma. Mr. Speaker, I ask unanimous consent that this bill be considered in the House as in the Committee of the Whole.

The SPEAKER. The gentleman from Oklahoma asks unanimous consent that this bill be considered in the House as in the Committee of the Whole. Is there objection?

There was no objection.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The resolution as amended was agreed to.

On motion of Mr. MURRAY of Oklahoma, a motion to reconsider the vote by which the resolution was agreed to was laid on the table.

LIMESTONE DEPOSITS, TUSCARORA NATION.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 14196) authorizing the Tuscarora Nation of New York Indians to lease or sell the limestone deposits upon their reservation.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Tuscarora Nation of New York Indians, by their chiefs in council assembled, are hereby authorized and empowered to lease or sell for the benefit of the nation all or a part of the limestone deposits upon their reservation in one or more suitable tracts: *Provided*, That before such lease or sale shall be made notice of intention to lease or sell, giving a general description of the lands upon which said limestone deposits are located, shall be published in two papers, one issued in the county of Niagara, State of New York, and one issued in the city of Buffalo, county of Erie, State of New York, once a week for three consecutive weeks; said notice shall state the time and place when sealed bids shall be received for the mentioned tracts, and such lease or sale shall be to the highest responsible bidder: *Provided further*, That before any lease or sale shall be made the terms of the proposed contract shall be fully explained to the entire nation and shall be approved by a majority of the votes of the whole people of voting age, but before any lease or sale shall become effective it shall be submitted to the Secretary of the Interior for his approval as to the sufficiency of the amount of the consideration and terms of payment, and if approved by him, the chiefs are hereby authorized and empowered to enter into such lease or sale. All moneys paid upon any lease or sale made as herein provided shall be paid to the Secretary of the Interior, who shall distribute the same among the adult persons, and thereafter to the minor persons as they attain their majority, entitled to participate in the distribution of the consideration, without any fee, expense, or charge against the nation or any of its people.

The SPEAKER. Is there objection?

Mr. STEPHENS of Texas. Mr. Speaker, I desire to state that I have a committee amendment which I wish to present in the event that the bill is considered at this time. The amendment is in this language——

Mr. STAFFORD. Mr. Speaker, I reserve the right to object.

Mr. STEPHENS of Texas. The amendment proposed by the committee is as follows:

At the end of line 19, page 2, add: "*Provided further*, That the money so deposited in the Treasury to the credit of the minors of said nation shall draw 3 per cent interest per annum; and the Secretary of the Interior may, in his discretion, upon satisfactory proof, withdraw from the Treasury any part of the sum so deposited to the credit of any minor for the purpose of education or actual maintenance of said minor."

With this amendment we ask that the bill be enacted into law.

Mr. STAFFORD. Mr. Speaker, I notice from the report that the value involved in this proposition is a million and a half dollars. Does the gentleman believe that we should pass under unanimous consent a bill involving such a large amount as that?

Mr. STEPHENS of Texas. We think, Mr. Speaker, that this is one of the best guarded bills that has ever been brought before this House, for the reason that the Indians are of voting age, and they are voters in that State, as I understand it, and are required to pass upon this proposition by a referendum vote, which has to be approved by the Secretary of the Interior. After the chiefs make the lease the Indians must pass upon that by a referendum vote, and the Secretary of the Interior must approve of that lease before it becomes active.

Mr. STAFFORD. In reply to the position just stated by the gentleman from Texas, I wish to ask whether in the last Congress there was not a proposition before the House, or before

the committee, which was far less favorable to the Indians and yet which had been approved by a majority of them?

Mr. STEPHENS of Texas. I do not remember the exact terms of that bill.

Mr. STAFFORD. Is it not a fact that the Indians approved of a proposition to lease this property to the Carroll brothers on much less favorable terms than is expected to be?

Mr. STEPHENS of Texas. I yield for an answer to that to the gentleman from New York [Mr. CLANCY], who is more familiar with this matter than I am.

Mr. CLANCY. So far as I remember that bill, it was less favorable to the Indians, but I do not believe it was approved by the tribe, but only by the council. We require that the negotiations conducted by the council shall be approved by a referendum vote of the entire tribe.

Mr. STAFFORD. That referendum would be only of the majority of the tribe, would it not?

Mr. CLANCY. Yes.

Mr. STAFFORD. I believe there are only some four hundred and odd Indians remaining of the tribe?

Mr. CLANCY. Yes; I believe so.

Mr. STAFFORD. They are allottees, are they not?

Mr. CLANCY. No.

Mr. STAFFORD. They have not separated themselves from the tribal government?

Mr. CLANCY. No. Eleven chiefs are elected exclusively by the ballot of the squaws. The males have nothing to do with this business unless they are elected chiefs by the squaws.

Mr. STAFFORD. Here we have an illustration of where women are absolutely supreme, where the squaws elect the chiefs. That is an extremely interesting case of woman suffrage.

Mr. RAKER. Mr. Speaker, will the gentleman yield for a question right there?

Mr. STAFFORD. Yes.

Mr. RAKER. I hope the gentleman does not compare the American women with the Indian squaws, does he?

Mr. STAFFORD. Oh, I have not the full acquaintance with the Indian squaw that the gentleman from California may have, but I believe they stand very favorably as compared with the Indian men. I believe that there is not much difference between the Indian man and the Indian woman, and the Indian women have more burdens to bear than the Indian men.

Mr. RAKER. Oh, I do not think the gentleman should compare the voting women of America with Indian squaws. We all are proud of the American woman.

Mr. MANN. The gentleman from California [Mr. RAKER] will admit that these Indian women in New York have been progressive enough to get the voting privilege long ahead of even the women of California, and they have not only gotten the voting privilege themselves, but they have already deprived the men of it. [Laughter.]

Mr. RAKER. Oh, that is all right.

Mr. MANN. If that is not progressive, then I do not know what is.

Mr. RAKER. The word "progressive" was used by the gentleman in a derisive way.

Mr. MANN. Oh, no. Nobody used it in a derisive way except the gentleman from California, who is always deriding woman suffrage. [Laughter.]

Mr. RAKER. Not at all.

Mr. STAFFORD. If he is not deriding it, he is riding it. [Laughter.]

Mr. MANN. I may have added an extra syllable—that is all. [Laughter.]

The SPEAKER. The Clerk will report the committee amendment.

The Clerk read as follows:

At the end of line 19, page 2, add:

"*Provided further*, The money so deposited in the Treasury to the credit of the minors of said nation shall draw 3 per cent interest per annum; and the Secretary of the Interior may, in his discretion, upon satisfactory proof, withdraw from the Treasury any part of the sum so deposited to the credit of any minor for the purpose of education or actual maintenance of said minor."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill as amended.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. STEPHENS of Texas, a motion to reconsider the vote whereby the bill was passed was laid on the table.

The SPEAKER. The Clerk will report the next one.

HYDROGRAPHIC OFFICE AT LOS ANGELES, CAL.

The next business on the Calendar for Unanimous Consent was the bill (S. 494) to establish a branch hydrographic office at Los Angeles, Cal.

The title of the bill was read.

Mr. STEPHENS of California. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. The gentleman from California [Mr. STEPHENS] asks unanimous consent that this bill be passed over without prejudice. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the next one.

AMENDMENT OF THE JUDICIARY CODE.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 17147) to amend section 195 of the act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911.

The title of the bill was read.

Mr. WEBB. Mr. Speaker, I move that the bill lie on the table, a similar Senate bill having passed the House.

The SPEAKER. The gentleman from North Carolina moves that the bill lie on the table. The question is on agreeing to that motion.

The motion was agreed to.

The SPEAKER. The Clerk will report the next bill.

INTERNATIONAL EXHIBITION OF SEA-FISHERY INDUSTRIES.

The next business on the Calendar for Unanimous Consent was the joint resolution (S. J. Res. 151) authorizing the President to accept the invitation to participate in an international exposition of sea-fishery industries.

The Clerk read the joint resolution, as follows:

Resolved, etc., That the President be, and is hereby, authorized to accept an invitation extended by the Government of France to that of the United States to be represented by a delegate at an international exposition of sea fisheries, to be held at Boulogne-sur-Mer, June 15 to October 1, 1914: *Provided*, That no appropriation shall be granted at any time for expenses of delegates or for other expenses incurred in connection with said Congress.

The SPEAKER. Is there objection?

Mr. MANN. I reserve the right to object, Mr. Speaker.

The SPEAKER. The gentleman from Illinois reserves the right to object.

Mr. MANN. When is this exposition to be really held?

Mr. FLOOD of Virginia. Some time between June and October.

Mr. MANN. I see the joint resolution covers a period of time from June to October 1.

Mr. FLOOD of Virginia. Yes.

Mr. MANN. Is it going to be held at all?

Mr. FLOOD of Virginia. I think it is being held. The purpose of the administration was to appoint a delegate to this conference, who was already in Denmark to attend another conference, expecting him to devote a small part of his time to this duty.

The Secretary of State recommended the passage of this resolution in the following letter:

DEPARTMENT OF STATE,
Washington, April 4, 1914.

The PRESIDENT:

On February 25, 1914, the ambassador of the French Republic at this Capital, by order of his Government, extended to the Government of the United States an invitation to participate in an international exposition of sea-fishery industries to be held at Boulogne-sur-Mer from the 15th of June to the 1st of October of the present year, and to be officially represented therein by a delegate.

The Department of Commerce, to which this invitation was referred, has advised me that the exposition will doubtless contain features of great practical value to the United States, and that there should be a critical examination of the exhibits from the viewpoint of the American fishery interests, and has recommended that this Government take advantage of the presence of an official representative of this Government at the annual conference of the International Council for the Study of the Sea, to be held in Copenhagen, Denmark, in September next, for which provision has been made by Congress, and that this representative be made a delegate to the International Exposition of Sea Fishery Industries, with authority to devote a limited amount of time thereto. The Department of Commerce states that no special appropriation will be required for this purpose.

The Executive being precluded by a provision of the deficiency act approved March 4, 1913, from accepting an invitation of this nature without specific authority of law, I have the honor to submit the matter herewith, to the end that should you approve thereof it may be transmitted to Congress for that body to determine whether it will authorize the acceptance of the invitation.

Respectfully submitted.

W. J. BRYAN.

Mr. MANN. Will he be able to attend now?

Mr. FLOOD of Virginia. I could not answer that.

Mr. MANN. Anybody already in Europe has probably gotten out by this time, or is making great effort to get out.

Mr. FLOOD of Virginia. I think the delegate to the Copenhagen conference is in Europe.

Mr. MANN. He has my sympathy.

Mr. FLOOD of Virginia. There is no war where this conference is being held, and it is possible he may be able to get to the exposition of sea fisheries in Paris.

The SPEAKER. Is there objection?

There was no objection.

The joint resolution was ordered to a third reading, and was accordingly read the third time and passed.

On motion of Mr. FLOOD of Virginia, a motion to reconsider the last vote was laid on the table.

PUBLIC BUILDING AT LA JUNTA, COLO.

The next business in order on the Calendar for Unanimous Consent was the bill (H. R. 12665) to increase the limit of cost of public building at La Junta, Colo.

The bill was read, as follows:

Be it enacted, etc., That the limit of cost of the United States post-office building at La Junta, Colo., be, and the same is hereby, increased $10,000, or so much thereof as may be necessary to meet the additional cost of construction of said building.

The SPEAKER. Is there objection?

Mr. MANN. Reserving the right to object, there is no information contained in the report in this case.

Mr. KEATING. The situation is a very simple one. The last Congress appropriated $75,000 to construct a building at La Junta, Colo. The people of the city of La Junta donated a tract of land, valued at $20,000, as a site for this building. The Supervising Architect had plans prepared and bids called for. The lowest bid was $84,300, or $9,300 above the limit of cost. That would necessitate a recasting of the plans. The plans as made were very satisfactory to the Supervising Architect and to the people of this town; and, in view of the fact that the public-spirited citizens of La Junta had donated this tract of land, the Assistant Secretary of the Treasury recommended an increase of $10,000 in the limit of cost.

Mr. MANN. Was this bill drawn in the Treasury Department?

Mr. KEATING. No, sir; I introduced the bill and took it to the Treasury Department.

Mr. MANN. Then I will call the attention of the gentleman to the form of his bill, which I think ought to be changed.

Mr. KEATING. I shall be very glad to accept such suggestions as the gentleman may offer. I am not an expert bill drafter.

Mr. MANN. It is not uncommon in making an appropriation to appropriate "$10,000, or so much thereof as may be necessary," although that is not good form. But this is not an appropriation. The gentleman has used words which increase the limit of cost "$10,000, or so much thereof as may be necessary." What the gentleman wants to do is to increase the limit of cost $10,000, and have that settled. So all after the words "ten thousand dollars" ought to be stricken out.

Mr. KEATING. Will the gentleman do me the favor to offer an amendment which will accomplish that result? I will deem it a favor if he will do so.

Mr. MANN. All right.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. This bill is on the Union Calendar.

Mr. KEATING. I ask unanimous consent to consider the bill in the House as in Committee of the Whole House on the state of the Union.

The SPEAKER. The gentleman from Colorado asks unanimous consent to consider the bill in the House as in Committee of the Whole House on the state of the Union. Is there objection?

There was no objection.

Mr. MANN. Mr. Speaker, I move to amend the bill by striking out all after the figures "$10,000."

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Page 1, line 6, strike out all after the words "ten thousand dollars."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, and was accordingly read the third time and passed.

On motion of Mr. KEATING, a motion to reconsider the last vote was laid on the table.

BRIDGES, WISCONSIN AND MINNESOTA.

The next two bills on the Calendar for Unanimous Consent were the bills (H. R. 17762) to amend an act approved February 20, 1908, entitled "An act to authorize the Interstate Transfer Railway Co. to construct a bridge across the St. Louis River between the States of Wisconsin and Minnesota," and (H. R. 15727) authorizing the county of St. Louis to construct a bridge across the St. Louis River between Minnesota and Wisconsin.

Mr. MILLER. Mr. Speaker, I ask unanimous consent that the next two bills on the calendar, H. R. 17762 and H. R. 15727, be passed without prejudice.

The SPEAKER. The gentleman asks unanimous consent that these two bills be passed without prejudice. Is there objection?

There was no objection.

POST-OFFICE SITE IN GASTONIA, N. C.

The next business in order on the Calendar for Unanimous Consent was the bill (H. R. 17764) to provide for sale of portion of post-office site in Gastonia, N. C.

The bill was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to sell at public or private sale the following piece or parcel of land lying and being in the city of Gastonia, N. C., recently acquired by the Government of the United States for a public building, and more particularly described as follows: Beginning at the northeast corner of the site and running south 40 minutes east 58 feet to an iron pipe marking a corner of the site; thence west 6 degrees 33 minutes south 35 feet to an iron pipe; thence north no degrees 25 minutes west about 58 feet to the northern boundary of the site; thence east 6 degrees north about 35 feet to the place of beginning. And the Secretary of the Treasury is hereby authorized and directed to execute a quitclaim deed to the highest bidder for the foregoing piece of land, which shall transfer title from the United States to such purchaser.

SEC. 2. That the proceeds arising from the sale of the property described be covered into the Treasury of the United States as a miscellaneous receipt.

With the following committee amendments:

Page 1, line 4, after the word "public," strike out the words "or private," and, in the same line, after the word "sale," insert the words "for a consideration not less than $2,500."

Page 2, line 7, strike out the words "highest bidder for" and insert the words "purchaser of."

The SPEAKER. Is there objection?

Mr. MADDEN. Reserving the right to object, I should like to know why the Government wants to sell this property?

Mr. WEBB. The Government has no use for it.

Mr. MADDEN. Why did the Government purchase it?

Mr. WEBB. It was a part of a tract of land which belonged to a railroad, and the provisions of the transfer provided that if it ever ceased to be used for railroad property it should revert to the heirs of a man by the name of Davis. The whole site cost $14,500, which the people of Gastonia and I thought was high. Here is a little neck of land, 55 by 35 feet, that has been lying there for five years unused and can not be used by the Government, and, as you see by a letter from the Treasury Department, is not needed.

Mr. MADDEN. Will the gentleman yield?

Mr. WEBB. Yes.

Mr. MADDEN. Does this property go back to the original owner?

Mr. WEBB. No; it has been condemned, and if we sell it the proceeds go into the Treasury.

Mr. MADDEN. What proportional part of the total area is to be sold?

Mr. WEBB. Very small; about one-seventh or one-eighth.

Mr. MANN. If the gentleman from North Carolina will yield, I will show my colleague a plat of the land.

Mr. WEBB. It is a little shoulder running out in the rear, not needed by the Government, and I as a public-spirited Representative think it ought to be sold. There is an upset price in the bill and the money will be turned into the Treasury.

Mr. MADDEN. Does anybody want to buy it?

Mr. WEBB. I do not know of but one person who has inquired about it. He is a barber, and I do not know whether he can pay the $2,500 or not.

Mr. MADDEN. I suppose if he gets it he will get it by a close shave. [Laughter.]

The SPEAKER pro tempore (Mr. CLARK of Florida). Is there objection to the present consideration of the bill? [After a pause.] The Chair hears none.

Mr. WEBB. Mr. Speaker, I ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The SPEAKER pro tempore. The question is on the committee amendments.

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. WEBB, a motion to reconsider the vote whereby the bill was passed was laid on the table.

DONATING IRON FENCE TO DAUGHTERS OF AMERICAN REVOLUTION.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 15575) donating the old iron fence around Vance Park, Charlotte, N. C., to the Mecklenburg Declaration of Independence Chapter, to be placed around Craighead Cemetery, near Sugar Creek Church, in Mecklenburg County.

The Clerk read the bill, as follows:

Be it enacted, etc., That the old iron fence around Vance Park, in the city of Charlotte, N. C., now being removed in the construction of a United States post-office and courthouse building, is hereby donated to the Mecklenburg Declaration of Independence Chapter, Daughters of the American Revolution, Charlotte, N. C., for the purpose of being placed around the historic Revolutionary Craighead Cemetery, near Sugar Creek Church, in Mecklenburg County.

The SPEAKER. Is there objection?

Mr. WILLIS. Reserving the right to object, I should like to inquire if the bill has the unqualified approval of the Treasury Department?

Mr. WEBB. I think I can answer the gentleman's question in the affirmative, as he will see by looking at a letter printed in the report from Secretary McAdoo.

Mr. WILLIS. That is exactly what I have been looking at, and I invite the attention of the gentleman to the letter. It says in the letter from the Treasury Department, at the top of page 2 in the report:

Attention is invited to the fact that the contract for the construction of the proposed extension to the present post-office and courthouse building has not yet been awarded, and work on the same has therefore not been started.

It says in the bill, "now being removed in the construction of the United States post-office and courthouse building."

It appears that the contract has not yet been let as stated in the bill. The bill and the recommendations of the Secretary of the Treasury are not in harmony.

Mr. WEBB. I can say that the post-office building is now in existence there on the site on which the new building will be erected, and also the assay office, about which the gentleman has heard something during his service here, are on the same lot; that an appropriation has been made for remodeling the assay office, and this iron fence is around the assay-office lot, and not around the post-office building. A large portion of the fence has already been removed in order to make improvements on the assay office, which will house post-office officials while the new building is being constructed.

Mr. WILLIS. But the improvement on the building has not yet been started.

Mr. WEBB. Not on the post-office building.

Mr. WILLIS. It says that the contract has not yet been awarded. But this is the more important matter, concerning which I wish to inquire: Is there anything in the bill guaranteeing the Government against any expense?

Mr. WEBB. There is nothing in the bill that imposes any expense on the Government.

Mr. WILLIS. I call attention to the recommendation of the Treasury Department in the last paragraph of the letter:

The department will interpose no objection to the legislation proposed by this bill, provided all repairs incident to the removal of the fence be made, and the grounds left in good condition, and that this work be done without expense to the Government.

The Secretary says that this removal should be made without any expense whatever to the Government.

That is not provided for in the bill, and consequently it does not meet with the recommendation of the Secretary.

Mr. WEBB. The committee considered that point, and they were of the opinion that the bill does not authorize any expense on the part of the Government, and therefore nobody would be allowed to incur any expense on the part of the Government. A portion of the fence has already been removed, and is going to rust and decay. There is nothing to do but to haul it out in the country and set it up around the Craighill Cemetery.

Mr. WILLIS. I am in hearty sympathy with the patriotic purpose of the bill, and I have no objection to taking the fence away if there will be no expense incurred on the part of the Government. The ground will not be left in good condition, and that expense will fall on the Government.

Mr. WEBB. I can assure the gentleman that unless the patriotic women who ask for the fence—the Mecklenburg Declaration of Independence Chapter—are willing to incur the expense it will not be taken away at Government expense.

Mr. WILLIS. Will the gentleman object to an amendment providing that the work shall be done without expense to the Government? If such an amendment would be acceptable, I should withdraw all objection to the bill as I think its object is patriotic and proper.

Mr. WEBB. No; that was suggested in the committee, but it was not thought necessary.

Mr. MANN. Will the gentleman yield for an amendment?

Mr. WEBB. Yes.

Mr. MANN. An amendment providing that without expense to the United States the ground shall be left in good condition upon the removal of the fence, including any proper and incidental repairs?

Mr. WEBB. I have no objection, because that is exactly what the Daughters of the American Revolution propose to do.

Mr. WILLIS. In view of the gentleman's statement, I shall not object.

The SPEAKER. Is there objection to the consideration of the bill? [After a pause.] The Chair hears none.

Mr. WEBB. Mr. Speaker, I ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. MANN. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

At the end of the bill insert the following:

"*Provided*, That without expense to the United States the ground shall be left in good condition upon the removal of the fence, including any proper and incidental repairs."

Mr. WEBB. I want to say to my friend from Illinois that the Government will have to remove the fence in order to build the building.

Mr. MANN. That would not impose any additional expense on the Government.

The SPEAKER. The question is on the amendment offered by the gentleman from Illinois.

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. WEBB, a motion to reconsider the vote whereby the bill was passed was laid on the table.

CRATER BATTLE FIELD.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 13923) authorizing and directing the Secretary of War to appoint a commission to designate, define, and survey the battle field of the Crater at Petersburg, Va., and to collect certain data concerning the same, and make report thereupon.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized and directed to appoint a commission consisting of three Army officers, or as many thereof as may be necessary, to survey, ascertain, and define the battle field near Petersburg, Va., known as the Crater farm, where the memorable engagement between the Federal and Confederate Armies occurred on July 30, 1864.

SEC. 2. That the said commission shall report upon the advisability and feasibility of the acquirement by the United States Government of the land on which this battle was fought, consisting of about 100 acres, for the purpose of preserving the same as a memorial of the war, a suitable site for the erection of monuments, and as a professional study for the military student; and in this connection said commission is authorized to ascertain and report what would be the probable cost of acquiring this property and the preservation of it as aforesaid.

SEC. 3. That to enable the Secretary of War to carry out the purposes of this act and to defray any expenses incurred by the commission in the performance of the duties hereby directed the sum of $1,000, or such portion thereof as may be necessary, is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to be expended under the authority of the Secretary of War.

With the following committee amendments:

Strike out all after the enacting clause and insert: "That the Secretary of War is hereby authorized and directed to inquire into and report to Congress upon the advisability and practicability of purchasing the land near Petersburg, Va., containing 100 acres, more or less, known as the Crater farm, and preserving the same as a suitable memorial of the Civil War, a site for the erection of monuments, a professional study for the military student, and other public uses."

Amend the title so as to read: "A bill authorizing and directing the Secretary of War to inquire into and make report upon the advisability and practicability of purchasing the Crater farm, near Petersburg, Va."

The SPEAKER. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, I will say to the gentleman from Virginia [Mr. WATSON] that he will have to give very good reasons for asking us to pass by unanimous consent any proposition designed to purchase a battle field. We have had so many of these matters up since I have been in the House that I do not know where we will stop when we begin to consider them favorably. I tried for a long time myself to get the Congress to buy Appomattox field, but nay, nay; and I guess those who objected to it were right.

Mr. WATSON. Mr. Speaker, I will say to the gentleman from Illinois [Mr. MANN] that the motive underlying this proposition comes from the frequently expressed desires of the sol-

diers of the late Federal armies who were associated with this locality during the last year of the war. Many of the Grand Army of the Republic camps in Pennsylvania and Massachusetts have passed resolutions asking that steps be taken to secure this property, so that they may erect thereupon suitable monuments, and for other purposes, to commemorate their services at that period of the war. The land especially in contemplation embraces about 90 acres. It happens to be in the possession of the same family who owned it 50 years ago. The family contemplates a removal, and thus the property for the first time is available for purchase. These gentlemen from the North, who have already erected a considerable number of monuments in that locality, have been put to the necessity of acquiring private property for that purpose. In some instances these monuments have been practically buried in the woods. It is considered by the people interested in the proposition—and they are chiefly soldiers of the late Federal and Confederate Armies—that a suitable memorial site whereupon their monuments could be erected would be a most desirable acquisition.

I doubt, Mr. Speaker, if a proposition of this character has ever before been presented to Congress so entirely free of selfish and commercial aims, and resting as this one does altogether upon grounds of sentiment and public utility. This farm lies perhaps one-half mile from the corporate limits of the city of Petersburg. I have every reason to suppose that it can be acquired for a reasonable price, and when I say a reasonable price, I do not mean a price that would sound large even to the gentleman from Illinois. Mr. Speaker, it would be within historical limits to say that, perhaps, this spot which it is sought to have the Government acquire is associated in the personal recollection of more soldiers of both sides in the late Civil War than any other spot on the Continent of America. I think it would be fair to say that in the neighborhood of 300,000 soldiers had direct personal association with this particular locality during the last year of the war. The Crater happens to have been the site of a very unique and spectacular engagement which occurred during the war, in many respects the most unique of the entire struggle. I do not believe that a single spot on the American Continent is personally remembered by so many soldiers as the battle field of the Crater. These are, of course, only sentimental considerations. The bill does not require that the Government acquire anything. It does not carry the appropriation of a cent of public money.

Mr. GOULDEN. Mr. Speaker, will the gentleman yield?

Mr. WATSON. Yes.

Mr. GOULDEN. What is the gentleman's estimate of the cost, should we desire to acquire this, for the purposes mentioned, which I think are very praiseworthy.

Mr. WATSON. My information is that the whole property, which would include the battle field of over 90 acres and an adjoining 10 acres containing interesting breastworks of the contending armies, could be acquired inside of $30,000, the whole within a mile of the corporate limits of Petersburg. The bill does not propose to pay anybody anything or appropriate a dollar of public money at this time. It simply provides that the Secretary of War shall investigate and report to Congress the exact data and information which the gentleman from New York asks for. I can not see that any harm could come from the passage of the bill, and I sincerely hope that the gentleman will allow it to pass without objection.

Mr. MANN. Mr. Speaker, there are a great many of these propositions all of the time. The Government is engaged in giving away property which it owns, and gentlemen are always seeking to have it buy property which somebody else owns, and they usually make out a possible case, and perhaps often it ought to be done. But it is impossible for the Government to own all of the battle fields, improve them, and take care of them, and in recent years the Congress has not done so. Perhaps we have been too careful about it, but we own a number of very handsome and very creditable battle fields. We would not want to own simply 90 acres. Ninety acres would be just the beginning. If we owned a hundred acres there, we would soon own 1,000 acres and more, and we would need to do that.

Mr. WATSON. I will state to the gentleman that it would be impossible for him to get a thousand acres at this particular site, as these hundred acres embrace all the available and suitable area for the purpose named in the bill in that particular locality.

Mr. MANN. In any other direction but one—it is not important; it does not make any difference. At Gettysburg we take in the town of Gettysburg and everything around it.

Mr. WATSON. I will say that there is nothing which requires the Government to buy 90 acres or 10 acres or any number of acres. This bill simply directs an investigation and report.

Mr. MANN. I understand there is nothing to require the Government to buy it as yet, but it is much easier to stop these things at the beginning than it is to wait until they become of great force. Of course I have great respect for the Confederate camps and the Grand Army of the Republic camps, but one man can start the ball rolling and get resolutions passed by 100 or 50 of them without wasting anything more than that many 2-cent postage stamps.

Mr. WATSON. Mr. Speaker——

Mr. MANN. Although probably they look at it from that point of view. I have no criticism of them for it.

Mr. WATSON. Mr. Speaker, if the gentleman will allow me to tell him——

Mr. MANN. Certainly.

Mr. WATSON. That this proposition may be said to have originated among ex-Union soldiers in Pennsylvania and Massachusetts. It did not originate at Petersburg, although it has the cordial support of all its people.

Mr. MANN. Oh, the beginning of nearly every proposition of this kind is that some one person fairly well informed, half asleep on Sunday morning in church, not listening to the sermon, happens to think it is a brilliant idea and starts it in action and it just rolls along. Nobody else gives it much consideration. They just adopt it because that is the easiest way to do; but when people offer to pay money themselves for something, they think about it. It does not take a very generous man anywhere in the world to ask his neighbor to treat his neighbor's children well and give them a good education, fine clothes, and everything else of the sort. Generosity comes when you offer to do it yourself, and everywhere people are quite willing to have any expense borne by the National Treasury because they delude themselves with the notion that we make money by printing it, and it does not cost anybody anything.

Mr. WILLIS. Will the gentleman yield for one question? I desire to ask the gentleman from Virginia if he knows how many States have erected monuments in this vicinity or are proposing so to do? How many have already erected monuments?

Mr. WATSON. One State has erected a monument there upon this property by the owner's consent.

Mr. WILLIS. What State?

Mr. WATSON. It is the State of Massachusetts, I think. The State of Pennsylvania has erected a monument there close by, but not upon the property. In all I think there are three monuments to ex-Union soldiers in close proximity to the tract of land in question.

Mr. WILLIS. How large an area is covered by this famous crater? I never had an opportunity of visiting this historic battle field.

Mr. WATSON. The farm which embraces the breastworks which were involved in this particular engagement and the mine which was sunk comprises about 90 acres of land. The whole tract has been preserved intact and is now occupied by the same family who owned it 50 years ago.

Mr. WILLIS. Personally I am in favor of this bill. Because of the unique features connected with this battle ground, does the gentleman think it likely that there will be requests for purchase at other places in this vicinity than at this particular point? If this is to be the only site to be purchased in all this great historic battle field, it seems to me that fact is an argument in favor of this bill.

Mr. WATSON. I can say to the gentleman that the territory embraced within this area comprises everything within the present contemplation of those interested in this project.

The SPEAKER. Is there objection?

Mr. NORTON. Reserving the right to object, does the gentleman know whether any of this Crater farm has been purchased by any State or by any organization for the purpose of using it as a cemetery or a place for erecting monuments?

Mr. WATSON. The monument which is already located on the land was located by the consent of the owner. There was no purchase price paid. On the contiguous plantation, where two other monuments have been erected, I think by Pennsylvania organizations, the site, I think, was purchased in one case and donated in the other.

Mr. NORTON. Has the city of Petersburg or the State of Virginia been interested sufficiently in this Crater farm at any time to purchase any part of it?

Mr. WATSON. What does the gentleman mean by acquiring title to any part? I do not think a foot of it has been owned

by anyone except the original owners, who have held it since the war.

Mr. NORTON. There has been no movement in Virginia by its citizens to purchase the Crater farm?

Mr. WATSON. It has not been offered for sale until within the last six months.

The SPEAKER. Is there objection?

Mr. MANN. I object.

The SPEAKER. The gentleman from Illinois objects, and the bill is stricken from the calendar.

BRIDGE ACROSS ST. FRANCIS RIVER, ARK.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 17825) to authorize the construction, maintenance, and operation of a bridge across the St. Francis River at or near St. Francis, Ark.

The bill was read, as follows:

Be it enacted, etc., That the county of Clay, a corporation organized and existing under the laws of the State of Arkansas, and the county of Dunklin, a corporation organized and existing under the laws of the State of Missouri, their successors and assigns, be, and they are hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the St. Francis River, at or near St. Francis, Ark., at a point suitable to the interests of navigation, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The SPEAKER. Is there objection to the consideration of the bill?

There was no objection.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. ADAMSON, a motion to reconsider the vote by which the bill was passed was laid on the table.

STEADYING THE WORLD'S PRICE OF THE STAPLES.

Mr. FLOOD of Virginia. Mr. Speaker, I move to suspend the rules and pass House joint resolution 311.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

Joint resolution (H. J. Res. 311) instructing American delegate to the International Institute of Agriculture to present to the permanent committee for action at the general assembly in 1915 certain resolutions.

Resolved, etc., That in accordance with the authority of letter (f) of article 9 of the treaty establishing the institute, which provides that it shall "submit to the approval of the Governments, if there be need, measures for the protection of the common interests of farmers," the American delegate to the International Institute of Agriculture is hereby instructed to present (during the 1914 fall sessions) to the permanent committee the following resolutions, to the end that they may be submitted for action at the general assembly in 1915, so as to permit the proposed conference to be held in Rome during the fortnight preceding the session of the general assembly of the institute in 1917:

"RESOLUTIONS.

"The general assembly instructs the International Institute of Agriculture to invite the adhering Governments to participate in an international conference on the subject of steadying the world's price of the staples.

"This conference shall consist of members appointed by each of the Governments adhering to the institute, and is to consider the advisability of formulating a convention for the establishment of a permanent international commerce commission on merchant marine and on ocean freight rates with consultative, deliberative, and advisory powers.

"Said conference to be held in Rome during the fortnight preceding the session of the general assembly of the institute in 1917."

The SPEAKER. Is a second demanded?

Mr. MANN. I demand a second.

Mr. FLOOD of Virginia. Mr. Speaker, I ask unanimous consent that a second may be considered as ordered.

The SPEAKER. Is there objection?

Mr. MANN. I object.

The SPEAKER. The gentleman from Illinois objects. The Chair appoints the gentleman from Virginia [Mr. FLOOD] and the gentleman from Illinois [Mr. MANN] as tellers.

The House divided.

The SPEAKER. The tellers report that on this vote the ayes are 73 and noes none. So a second is ordered.

Mr. MANN. Mr. Speaker, I think there ought to be more than 73 Members in the House. I make the point of order there is no quorum present.

The SPEAKER. The gentleman makes the point of order that there is no quorum present, and evidently there is not.

Mr. GARNER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GARNER. Is there any question before the House?

The SPEAKER. A motion to suspend the rules is before the House.

Mr. GARNER. Was the House dividing on the question, so that there is no necessity for a call of the House? It seems to me it is an automatic call.

Mr. HEFLIN. The Speaker had not announced the result.

The SPEAKER. It does not make any difference about the result.

Mr. MANN. I did not make the point of no quorum in objecting to the second at all.

The SPEAKER. Did not the gentleman make the point of no quorum?

Mr. MANN. I made a point of no quorum, but I had no objection.

Mr. GARNER. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Adair	Elder	Kiess, Pa.	Post
Aiken	Esch	Kindel	Powers
Ainey	Estopinal	Kinkaid, Nebr.	Prouty
Ansberry	Fairchild	Knowland, J. R.	Ragsdale
Anthony	Faison	Korbly	Rainey
Aswell	Farr	Kreider	Reilly, Conn.
Austin	Fess	Lee, Ga.	Riordan
Bartholdt	Fitzgerald	L'Engle	Roberts, Mass.
Bartlett	Fowler	Lenroot	Rothermel
Bathrick	Frear	Lever	Sabath
Bell, Ga.	Gardner	Levy	Scully
Broussard	Garrett, Tex.	Lewis, Pa.	Sells
Brown, N. Y.	George	Lindquist	Shackleford
Brown, W. Va.	Gillett	Lobeck	Sherley
Browne, Wis.	Gittins	Loft	Smith, Md.
Browning	Godwin, N. C.	McGillicuddy	Smith, N. Y.
Brumbaugh	Goeke	Mahan	Steenerson
Byrnes, S. C.	Goldfogle	Maher	Stevens, N. H.
Calder	Gordon	Martin	Stringer
Candler, Miss.	Gorman	Merritt	Switzer
Cantor	Graham, Ill.	Metz	Talbott, Md.
Cantrill	Graham, Pa.	Montague	Taylor, Ala.
Carew	Griest	Morin	Townsend
Carr	Guernsey	Moss, W. Va.	Treadway
Carter	Hamilton, N. Y.	Mott	Tuttle
Cary	Hardwick	Mulkey	Underhill
Chandler, N. Y.	Hart	Murdock	Vare
Church	Hay	Neely, W. Va.	Vollmer
Claypool	Hensley	Nelson	Walker
Coady	Hill	Oglesby	Wallin
Copley	Hinds	O'Hair	Watkins
Covington	Hoxworth	O'Shaunessy	Whitacre
Crisp	Hughes, W. Va.	Palmer	Wilson, Fla.
Danforth	Humphreys, Miss.	Parker	Wilson, N. Y.
Dixon	Jones	Patton, Pa.	Winslow
Dooling	Keister	Payne	Woodruff
Dunn	Kelley, Mich.	Peters	Woods
Eagle	Kent	Plumley	

The SPEAKER. On this vote 280 Members have responded—a quorum.

Mr. FLOOD of Virginia. Mr. Speaker, I move that further proceedings under the call be dispensed with.

The motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors. A quorum is present, and the gentleman from Virginia [Mr. FLOOD] is recognized for 20 minutes and the gentleman from Illinois [Mr. MANN] for 20 minutes.

[Mr. FLOOD of Virginia addressed the House. See Appendix.]

Mr. FLOOD of Virginia. Mr. Speaker, I yield 10 minutes to the gentleman from Arkansas [Mr. GOODWIN].

The SPEAKER. The gentleman from Arkansas [Mr. GOODWIN] is recognized for 10 minutes.

Mr. GOODWIN of Arkansas. Mr. Speaker, the International Institute of Agriculture is a Government institution, having its seat permanently at Rome, Italy. It is supported by a treaty between 54 adhering Governments, including the United States.

The purpose of this resolution is to instruct the American delegate to that institute, Mr. David Lubin, to invite a conference of the adhering Governments to consider the question of creating finally an international commerce commission for the control of freight rates on the high seas. Hearings were had last year by the Committee on the Merchant Marine and Fisheries, of which the gentleman from Missouri [Mr. ALEXANDER] is chairman, and those hearings consist of four volumes, covering a voluminous report, showing that there is a great shipping trust in control of ocean freight rates. A similar report was made by the Royal Commission of England, consisting of two large volumes. Another report was made by the Canadian commission, consisting, I believe, of three volumes. All those reports show indubitably that there exists throughout the world a great shipping trust controlling ocean freight

rates, and that these rates have increased from 100 to 200 per cent within the past two years.

It was shown in the hearings had before the Committee on Foreign Affairs that of the total freight carried oversea, excluding mail and passenger traffic, only two-ninths consist of package freight or articles of manufacture; that the other seven-ninths consist largely of agricultural products. The testimony adduced by these commissions, as well as by other investigators, reflects the further fact that upon all package traffic in manufactured articles the ship carrier is required to give from 30 to 60 days' notice of any change of freight for the purpose of making stable the freight rate. The evidence further shows that upon agricultural or staple products no notice at all is required, but that the carrier—the shipowner—arbitrarily changes his rates not only from day to day, but from hour to hour, thus making unstable all freight traffic upon the staples or agricultural products.

The grower of agricultural products receives so much for his products, less the cost of transportation.

Mr. CALLAWAY. Mr. Speaker, will the gentleman yield?

The SPEAKER. Does the gentleman from Arkansas yield to the gentleman from Texas?

Mr. GOODWIN of Arkansas. I have only a few minutes, but I will yield to the gentleman.

Mr. CALLAWAY. I understand that there is a bill coming in here appropriating $25,000,000 to enable the Government to buy ships and go into the shipping business itself. It will steady the freight rates when it does that, will it not?

Mr. GOODWIN of Arkansas. Oh, the Government of the United States might spend $100,000,000, Mr. Speaker, in the purchase of ships, and then "Uncle Sam" would not control the shipping interests of the world. The ships that may be bought for this $25,000,000 would be but a small segment in the great circle of the world's commerce.

Mr. CALLAWAY. The gentleman will understand, whatever the rate is, that it will tend to steady the other rates and bring all to a level that we set with our $25,000,000 worth of ships?

Mr. GOODWIN of Arkansas. That $25,000,000 worth of ships bought by this Government would not steady rates, nor do I understand it would pretend to steady rates. I do not know whether the gentleman is opposed to this resolution or not.

Mr. CALLAWAY. I was asking a question. I am not indicating my position on the bill.

Mr. GOODWIN of Arkansas. Mr. Speaker, inasmuch as my time is quite limited, with due deference to my friend from Texas, I do not care to be further interrupted.

The world's price of the staples of agriculture is controlled at the point of export. This year's American crop of wheat will exceed possibly 900,000,000 bushels. It has been shown that if the cost of the transportation of wheat across the seas is but 1 cent per bushel, at that rate it would be $9,000,000. If it were 25 cents a bushel it would be $225,000,000. The evidence taken by the commissions, as well as by the Committee on Foreign Affairs, as testified to by Mr. Lubin, the American delegate to the International Institute of Agriculture, shows that from time to time bulk traffic, such as wheat and cotton, may be carried gratis for the reason that when a ship is under orders to sail, the ship must sail upon a certain day and upon a certain hour.

If that ship be lacking in ballast she must have ballast or else she will turn turtle. Therefore, a ship to-day may carry a cargo of wheat or of cotton without any charge whatever. As to cotton, it happens very infrequently, as compared to the number of cargoes of wheat that are carried gratis. Not that the shipowners are philanthropists or accustomed to giving alms to the shipper, but for the purpose of running out of business the independent steamers and ships that are not owned by the Shipping Trust.

If wheat is $1 per bushel in Liverpool, the quotation is made to all markets of the world that wheat is $1. If the price of carrying that wheat across the sea is 25 cents per bushel, the producer of that wheat receives not $1 for his wheat in New York or in Chicago or any other export point, but $1 less 25 cents. If the price of cotton, for instance, in Liverpool be 15 cents a pound, the producer of cotton will not receive 15 cents a pound for his cotton exported from New York, New Orleans, or Galveston, but he will receive so much less the cost of transportation, because the quotation mark means the price at the place of delivery, in Liverpool or in London. The great agricultural products of the world are not sold like package traffic, are not sold like boots and shoes, and typewriters, and other manufactured products. The great agricultural products of the world are sold upon the exchanges. They are sold in the pit, they are sold upon the bourse; and these prices are telegraphed, are megaphoned, so to speak, throughout all corners of the earth. They change from day to day, whereas the products of manufacture, not bulk traffic, but package traffic, are not thus sold. They are bartered and sold in private. The manufacturer sells to the jobber, and the jobber sells to the retail merchant.

The retail merchant sells to his customer, and the carriage price of shoes may change across the high seas, but if so, notice of from 30 to 60 days must be given whether the price is to be raised or lowered, for the reason that the manufacturer can not figure the cost of his goods with pencil and paper unless he knows the exact cost of transportation. But the producer of agricultural products has no knowledge to-day what the price of the carriage of his wheat, his corn, or his cotton may be to-morrow. Therefore he may say that whereas wheat is worth $1 to-day in Liverpool, and the cost of carriage to-day across the seas be 1 cent a bushel, to-morrow it may be also $1 per bushel in Liverpool, but the carriage across seas to-morrow may be 25 cents per bushel. So he is at last and finally at the mercy and subject to the whim and caprice and arbitrary will of the carrier—the shipowner. [Applause.]

Manufactured goods or package traffic and agricultural products or staples, as they are called, are never placed upon the same footing as regards the prices that the producer may finally receive, for the reason, as stated a moment ago, that whereas manufactured goods are sold in private by dealing with the individual, and the price does not necessarily become established, but may change with the next order or sale. But with agricultural products the rule is different. These products being sold upon the exchange, in the pit, or on the bourse, the prices quoted are made throughout the world, and every bushel of wheat and of corn and every bale of cotton is controlled by the quotation. Prices on manufactured goods, as well as freight traffic on same, are fairly stable and change but little from week to week or month to month, as one transaction does not necessarily affect hundreds of thousands of other transactions made at the same moment in all parts of the world, whereas quotations on agricultural products, changing from day to day or from hour to hour, are not only affected in all parts of the world alike, but are doubly affected by the instability and uncertainty of freight rates on same, which the evidence shows vary not only from day to day but from hour to hour.

The home market on agricultural products is affected not merely by the market quotation but by the transportation charge as well. So it happens that the merchant, the wholesaler, the manufacturer may figure with pencil and paper to a nicety, to a certainty the cost of his goods laid down, but the grower of agricultural products, not having a fixed charge, not knowing the value of his products from day to day or the cost of carriage on same, is unable to even approximate with pencil and paper the price he is to receive for the output of his toil. The broker or commission merchant who may handle the staples of agriculture, likewise uncertain as to the cost or carriage, discounts the price at the maximum charge in order to come out safe and whole, while the cost upon some of his transactions may be the minimum and not the maximum; so the grower of agricultural products is caught by the broker or the commission man when this happens to be the case. And when, perchance, the ship carrier transports a cargo of wheat, cotton, or corn without charge for transportation the man who grows these products is not benefited by this free transportation, and the world may be challenged to show that he is benefited thereby, for the reason that agricultural products being sold upon the exchange are bought by the foreign purchaser not from the man who grows the cotton or the corn, for he sells not direct to the foreign purchaser, but in the meantime these articles from the farm have changed hands once or twice and are bought from the elevator man, who may have millions of bushels of wheat stored away, or from the cotton factors or commission merchants, who may have many thousands of bales of cotton bought or become agents for cotton grown by the farmers, and if a cargo of cotton or wheat is occasionally carried across the seas without charge the buyer abroad in London, Liverpool, Berlin, or Paris does not deal directly with the producer of these products but with the man at the point of export—Galveston, New Orleans, New York. So, after all, I repeat, if occasionally a cargo of agricultural products be carried free of charge the producer of these products, the man whose labor and investments have been expended to bring them into the world, does not become the beneficiary of this occasional free transportation for the additional reason that the merchant or cotton factor or elevator man deducts from the farmer when the purchase is made, not the minimum, but the maximum charge for transportation. There-

fore the growers of agricultural products should be placed and desire to be placed in the same condition as his neighbor, the manufacturer, the wholesaler, the commission man, or the merchant, as regards stability of transportation over the seas.

In other words, Mr. Speaker, the object of this resolution, which I have the honor to report favorably from the Committee on Foreign Affairs, has for its ultimate aim, through certain channels, the processes to be initiated by the International Institute of Agriculture, the creation finally of an international commerce commission for the stabilizing of ocean freight, as set forth in resolution No. 311.

It is strange, indeed, Mr. Speaker, that the great agricultural interests of the country have not been aroused to the importance of this question and the seeming lack of knowledge of the discrimination and injustice dealt to them in the way of ocean freight rates, but they are just now becoming aware of the importance of this question, and if the agricultural people in the great countries of the world demand, as they should, their rights to see that they are placed upon the same footing as the manufacturers and those who deal in package traffic, the consummation of this idea, which is the dream of Mr. Lubin, the father of the International Institute of Agriculture, will be realized.

How, it may be asked, has this discrimination between the manufacturer on the one hand and the agricultural producer on the other been brought about? Why, sir, does the ship carrier give from 30 to 60 days' notice of a change in freight rates to the manufacturer or importer of package traffic, thus stabilizing his freights, which are but two-ninths of the oversea traffic, but arbitrarily, and without warning or notice, changes the ocean rates, not only daily, but hourly if necessary, on agricultural or staple products, which amount to seven-ninths of ocean traffic, excluding mail and passengers? I will tell you why. The manufacturers and importers are powerful men financially. They are well organized, are within easy touch and communication, reside in cities and other centers of population, their aggregate wealth and influence being beyond the realm of approximation, and if ocean freight rates were not stable on package traffic and if the carrier should change his freight rates arbitrarily on such traffic, as he does upon the staples of agriculture, a great howl would go up—yea, the tumult would be thunderous, and the ship carriers would be bombarded by this organized craft of business men until the ship carrier would be forced to meet their demands, the very order that obtains to-day, which brings stability in ocean freights on package traffic.

But the farmers are not thus organized. They have not the same means of business intercourse or intercommunication. Scattered here and there, unorganized, disorganized, they sell that which they produce not in concert but individually and at random. But they are waking up, as was evidenced by the appearance before our committee of Mr. William T. Creasy, master of the Pennsylvania State Grange, and Mr. George P. Hampton, the representative in Washington of the State granges of eight of the large agricultural States. This proposition is also highly indorsed by Mr. H. S. Mobley, president of the Farmers' Union of Arkansas, who was in Washington for 10 days recently. This Government is confronted with many great problems—yea, too numerous to mention. Some of these may be shown by the demands and platforms of political conventions. I do not underrate the importance of many of these, but the supreme question of the hour—the vital question that goes to the heart and the home of every producer whose individual toil enters into the price of his output—is the justice, the equity of exchange, and none so much as the equity in the exchange of agricultural products.

Let us break the chains that manacle the arms and shackle the feet of those who feed and clothe the world.

I desire at this point, Mr. Speaker, to quote from the testimony of Mr. Lubin, before the Committee on Foreign Affairs, the following:

Mr. LUBIN. Of course, if there is no truth in the statements set forth here—if there is no truth in the four volumes of the report gotten up by the Committee on the Merchant Marine and Fisheries—if there is no truth in the statements gotten up by the British Board, by the royal commission, then of course there is nothing before this committee, and we ought to adjourn. We would then be wasting time. But if there is truth in the statements set forth, then there can be no objection to a deliberative, consultative, and advisory body. And it should be a permanent organization, of course. Otherwise a mere conference would do no more good than the conference held here if it adjourned to-morrow and did nothing. But a permanent body framed like that of the International Institute of Agriculture, with delegates who would have special knowledge of the subject, delegates consisting of members of the different countries of the world together with the representatives of the shipowners, by holding public hearings, would reach the people everywhere, and we would soon know the equities in the case, and what ought to be done, and so forth.

The question before us is not unimportant. I doubt whether the war that is being carried on to-day by all the great European powers is of any more importance than the question before us. But it is an obscure one. If it had not been so obscure it would have been put before the people long ago. Civilization is not asleep—that which goes to make civilization. We have evidence of that in this watch [showing watch]. Some of the best minds of the world have been at work and have made us the watch. It was not long ago that the King of England had a candle with stripes around it, red, brown, blue, etc., and when it burned down to such a mark it was such o'clock. That was the clock, and we have worked from the painted candle up to the watch. And from the remarkable blanke of the Indian we have come to the Jacquard loom These things, of course, we need not talk of here. We know of the wonders, the Godlike wonders, in the power of development of man.

But when we come to the chief of all things, the primary things, the first things, the domain of exchange between man and man, the alpha of human ken seems to be awfully clumsy, not much nearer to the true line than the clumsy Indian. It is strange, but it is a fact.

We find in the domain of exchange—and, by the way, if the Bible teaches anything it teaches equity in exchange. It does not teach, as some would have it, that religion means a little lady or gentleman floating around in the sky with mosquito-bar clothes on. The old prophets never spoke of any such thing as that; Jesus never spoke of any such thing as that. That is idolatry. What they spoke about was equity here in exchange, that is all. And we have missed that and have gone off to idolatry and we haven't got equity in exchange at all. How curious it is that members of our chambers of commerce will work tooth and nail with all their power in the interest of trade on the importation and exportation of neckties and boot blacking and clothing and skirts and typewriters. But where are their efforts of equity in exchange, so far as the food products of the people are concerned, the food that must go to feed this Nation, and more yet, the great family of 1,800,000,000 people—the men, women, and children of the world? The equities in the exchange of these products are in such primitive shape that we could not excuse ourselves if an intelligent man from Mars came down here to-day and said, "Gentlemen, show me an example of your civilization." And the very first thing he would touch upon would be the equities in the exchange of the staples—the food products of the people and the raw material for their clothes. The very first thing he would touch upon would be the exchange of these things, and he would find it crude, clumsy, wasteful, and unjust. Our Jacquard looms, our electric lights, our science, our philosophy, and our religion would be waived aside for the moment, and he would consider the weightier questions—the equities in the exchange of the food products. This would be the scale that he would weigh us in, and in this scale would we not be found wanting?

Bring before your committee the presidents of the chambers of commerce and of your boards of trade, and the masters of economics, and ask them to defend the present system in the exchange of the staples—the food products of the people of the world and the raw material for their clothes. Ask them whether there is equity in this exchange And what will be their answer? They could not say yes, unless they lied. And yet what are the chambers of commerce for? How have they spoken in the four volumes published here by your committee? They have not touched upon the equities of this question at all that I can see. And are they not censurable for this neglect of what is clearly the duty of a chamber of commerce and of an economist?

Now, let us get to the whole proposition, because we have not time for an extended speech.

With the power of mind and judgment and skill as shown in these four volumes of your committee, the work of the chambers of commerce, the work of our economists, we should know the laws governing the equities in exchange. And in what direction do they lead us? This, that the fellow that exports neckties and typewriters and shoe blacking, to him is given their whole power and energy, whatever power they possess. This goes into giving these people the equity. What about the equities in exchange of the staples of agriculture? We see that shoe blacking and typewriters, shirts and hats, have fixed rates for ocean carriage, with 30 or 60 days' notice of change from their fixed rates. But the staples of agriculture have no fixed rates whatever. Their rates are fixed from "day to day or hour to hour."

I desire to quote further from Mr. Lubin, whose great mind conceived not only the importance of establishing an international institute of agriculture but for the final deliverance from bondage of the great masses of the people who by their toil feed and clothe the world. When the names of many men now in public life shall have been forgotten, that of Mr. David Lubin will be remembered in the hearts of men of all time for his unselfish and altruistic work in behalf of that class of people who have not been in the minds of most men who legislate in the parliaments of earth. Speaking of the discrimination between those who toil and are not remembered and those who speculate upon the labors of their fellows who toil, Mr. Lubin has this to say:

From the facts elicited at these inquiries it would seem as though there are "godfathers," so to speak, on the lookout for all the interests involved, excepting for those of the staples. There is a godfather for iron, the Steel Trust; a godfather for agricultural implements, the Harvester Trust; a godfather for oils, the Standard Oil Trust; there is a godfather for the carriers, the shipping rings; a godfather for the commission men and the dealers handling the "package traffic," the chamber of commerce and the board of trade; but there is no godfather for the staples of agriculture, no godfather to represent the interests of the producer and of the consumer.

But the question arises: Would it have made any practical difference to the outcome if the interests of the producer and of the consumer had been represented at these inquiries? Let us see.

It seems to me that no matter how competent the testimony offered by a body representing the farmers or the consumers, no matter how honest the committee before which such testimony would be given, no matter how able the proposals for legislation which that committee might draft, it would all be ineffective unless the evidence given indicated the international bearing of the subject and unless the findings deduced therefrom recommended action on international lines. So long as the findings would fail to recommend international action they

must necessarily fall short of applying adequate means to the ends in view. That this is worthy of serious consideration will be apparent from the following:

In the case of "package traffic" the terms and conditions of ocean carriage mainly concern the carrier, the shipper, and the dealer. In the case of "bulk traffic" the traffice in the staples of agriculture, the terms and conditions of ocean carriage, concern the economic welfare of the people everywhere.

To illustrate: Under "package traffic," whether the rate on shipments of shoes or cutlery, for instance, be too low or too high, whether it be fixed or whether it fluctuate, whether the conditions be advantageous or disadvantageous, affects the carrier, the shipper, and the dealer.

But with "bulk traffic" the case is different. In the carriage of the staples of agriculture, whether the rate be too low or too high, whether it be fixed or whether it fluctuate, whether the conditions be advantageous or disadvantageous, concerns not merely the carrier, the shipper, and the dealer, but it concerns the economic condition of the people everywhere, as will be shown further on.

At this time it would be well to bear in mind that while, on the one hand, "package traffic" comprises that class of merchandise which is bought and sold by private purchase and sale, by private contract, "bulk traffic," on the other hand, comprises, in the main, the staples of agriculture which are bought and sold in the world's bourses and exchanges at the world's price.

And what do we mean when we say the "world's price?"

We mean the price that is tendered and accepted in the world's bourses and exchanges, which we might call the world's auction rooms.

And how is this price arrived at?

The first factor in arriving at the world's price is the prevailing opinion as to the state of the world's supply. If the supply be above the normal, the price is expected to fall below the normal; if the supply be below the normal, the price is expected to rise above the normal.

By "supply" we do not mean the quantity produced or available in any one locality, in any one country; we mean the total world's supply. The supply in any given State may be above the normal, and yet if, at the same time, it be below the normal for the world, the price in that State should, nevertheless, be high. Or, vice versa, the supply in a given State may be below the normal, yet if the world's supply be above the normal the price in that State should be low.

But the supply is by no means the only factor in the formation of the world's price. There is another factor, and an important one, the cost of ocean carriage. If the average cost of ocean carriage be above the normal, it should correspondingly reduce the price paid to the producer below the normal. And, on the contrary, if the average cost of ocean carriage be below the normal it should correspondingly raise the price paid to the producer above the normal.

Therefore, calculations on rational lines for arriving at a knowledge of what the world's price ought to be should, first of all, take into consideration the status of the world's supply, and, secondly, the status of the cost of ocean carriage.

If there were fixed rates for ocean carriage of the staples, the Liverpool buyer would be able to make offers for given quantities of wheat, for instance, on a basis of rational calculations. But let us take the case as it stands at present. A shipper at Buenos Aires receives an order for wheat to be delivered in Liverpool at the ruling world's price, at, say, $1 a bushel; how much should he pay for that wheat at Buenos Aires? If the cost of delivery is, say, 10 cents a bushel, the world's price should then be 90 cents a bushel in Buenos Aires. If the cost of delivery is 30 cents, the world's price in Buenos Aires should then be 70 cents. But if he is to ship the wheat in 30 or 60 days' time, how is the shipper to tell what the cost of carriage will then be? As the rates for the ocean carriage of the staples are not fixed, how is he to know? He does not know.

As we have seen, the Chamber of Commerce of New York states that wheat is carried at one time free of charge as ballast and at another time at a charge of 10d. and 12d. per bushel; and the San Francisco Chamber of Commerce writes that "rates fluctuate from day to day, and a rate reported to-day might be twice as high or half as low to-morrow." Therefore, the shipper must guess, and so must everyone else guess, so long as rates are unfixed. If the shipper wins on the guess, what he wins comes directly out of the pocket of the producer; if he loses, he tries hard to recoup himself in his next deal, and also out of the producer's pocket.

But this is only the beginning of the mischief. The confusion arising out of the system of unfixed rates for ocean carriage of the staples and the consequent uncertainty in price determining lead to economic evils so far-reaching as to affect the people everywhere.

The SPEAKER. The gentleman from Illinois [Mr. MANN] is recognized for 20 minutes.

Mr. MANN. I yield five minutes to the gentleman from California [Mr. KAHN]

Mr. KAHN. Mr. Speaker, I favor this resolution. The International Institute of Agriculture has already accomplished a splendid purpose. Prior to the time it was organized it was practically impossible to get accurate crop reports of the world from authentic sources. Speculators who wanted to manipulate the markets of the world had agents in different agricultural countries, and these speculators could give out any reports they desired in order to show either an excess of production or a shortage of production of any or all of the great staples of agriculture. There were many people who looked upon the formation of the institute with more or less misgiving; but since it has been founded 54 nations of the world have subscribed to the protocol under which it was organized; and to-day each one of these countries sends official reports every month to Rome, where the headquarters of the institute are located. These reports in turn are sent to every country on earth, and, as a result, the producers and consumers throughout the world know to-day what the authentic crop reports of practically every civilized nation may be.

Now, the question of ocean carriage has much to do with fixing the price of many of these staples that the whole world consumes. At the present time the ocean-carrying freight varies on the staples of agriculture practically from day to day. The manufactured commodities have steady and fixed rates; the various steamship companies have agreements under the terms of which they will not change these latter rates except upon 30 or 60 days' notice to each other. No such agreement holds with regard to corn or wool or cotton or the foodstuffs which the world requires. The consequence is that the producer of these commodities is constantly at the mercy of the ocean carriers so far as the price he gets for his commodity is concerned, because in most instances the price of his commodity is fixed, not in the United States but in some foreign country. And therefore the farmer's price in the United States is the foreign price less the cost of carriage to the foreign port where the world price is made.

It is proposed under the terms of this resolution to allow the American delegate to the International Institute to bring up the question of an international commerce commission before the nations that are subscribers to the institute. This international commerce commission will be organized for the purpose of investigating ocean-carrying freight with the view of regulating the ocean-carrying freight, just as was done in the investigation and regulation of interstate railroad rates by the Interstate Commerce Commission in this country.

When it was first proposed to create the Interstate Commerce Commission it was held by many well-meaning people that it was not a matter that the Government had a right to take up at all. Gradually the decisions of the commission convinced the people of the United States that a good work was being accomplished by that commission, and Congress from time to time has passed additional legislation conferring broader and more extensive power on the Interstate Commerce Commission. I dare say that throughout the country to-day there is a feeling that the formation of that commission was an excellent piece of legislative work. How far the foreign countries will go in taking up and considering this matter we can not say. This resolution, as I understand it, does no more than to authorize the American delegate to present the matter in 1915 informally, and then formal action will be taken by the institute in 1917. Personally I feel the passage of the resolution is a step in the right direction. I recognize the fact that the project may meet with some opposition from the great maritime nations. But I believe many of the abuses that now exist in the ocean-carrying business ought to be regulated. Conditions that allow some of the steamship companies to maintain so-called "fighting" ships, whose purpose is to destroy competition by cutting rates to so low a figure that the competing company is driven from the zone occupied by the company that maintains the "fighting" ships, are highly injurious to the world's shippers. They ought to be eradicated, and the international commerce commission would be an instrument by means of which such conditions could be prevented.

It seems to me that if the ocean carriers can fix a definite rate on "package freight," which is the designation applied to manufactured articles, there is no substantial reason why a fixed rate can not be made on "bulk freight," as the staples of agriculture are designated in the ocean-carrying business. It may be contended that wheat and other grains are sometimes carried as ballast without any charges whatever for the ocean carriage. But while that may be true on some occasions, the great bulk of grain shipments across the water have to pay ocean freight.

And this, it seems to me, is the more essential, the more necessary, because "bulk freight" constitutes seven-ninths of all the merchandise carried on the seas. In other words, the staples of agriculture constitute nearly 78 per cent of all the cargoes carried on the world's great ocean highways. It seems obvious that if fluctuation in the cost of carrying this great mass of agricultural products can be prevented or even controlled, there must be greater certainty and stability in the prices the farmers of the great producing nations will receive for their products. I say, therefore, we are justified in passing this resolution in order that our delegate to the International Institute of Agriculture may endeavor to enlist the interest of the peoples of the world in this great problem.

Reference has been made here to Mr. David Lubin, the United States delegate to the International Institute of Agriculture. I have known him well for many years. He is a citizen of the State of California, where he has resided almost continuously since his boyhood. All his life his ambition has been to serve his fellow men, unselfishly, disinterestedly, earnestly. When the present king of Italy adopted Mr. Loubin's plan for an international institute of agriculture our Government appointed him as its delegate, and he has occupied that

station since the institute was organized. He is an indefatigable worker—a man of tremendous energy and force. He is a student of the great problems that affect the welfare of the agriculturists the world over. He has given this subject of the ocean-carrying trade great thought and study. With the backing of his Government, as expressed in the pending resolution, I do not doubt but that he will be able to present the matter to the representatives of the world's maritime powers in a manner that will challenge their attention. If he can accomplish the object sought by the resolution, his countrymen, and especially the producers of farm products, will owe him an everlasting debt of gratitude.

ADJOURNMENT OVER MONDAY, SEPTEMBER 7.

Mr. BUCHANAN of Illinois. Mr. Speaker, I ask unanimous consent that when the House adjourns on Friday it adjourn to meet the following Tuesday.

The SPEAKER. The gentleman from Illinois asks unanimous consent that when the House adjourns on Friday next it adjourn to meet again on Tuesday.

Mr. UNDERWOOD. Mr. Speaker, reserving the right to object, I will say to the gentleman from Illinois that there are pressing matters that ought to be finished this week. I do not know how long the Alaskan coal bill will take. The situation in Alaska is such that they can not mine the coal out there. With a country full of coal they have to ship it in from other countries. I think it is very important that the bill should get through this week.

On the other hand, next Monday is unanimous-consent day, and I think it is important for the personnel of the House that the day should not be dispensed with. But as far as Labor Day is concerned, I know that a number of gentlemen have made engagements for that day, and I have no disposition to interfere with it, and if it will be satisfactory to the gentleman from Illinois, I would like to have him modify his request and ask that when the House adjourns on Saturday it adjourn to meet on Tuesday, and that the business that will be in order on Monday shall be in order on Tuesday.

Mr. BUCHANAN of Illinois. I will accept that modification.

The SPEAKER. The gentleman from Illinois modifies his request and asks that when the House adjourns on Saturday it adjourn to meet on the next Tuesday, and that on Tuesday the business that would be in order on Monday shall be in order on Tuesday. Is there objection?

Mr. MANN. I object.

Mr. BUCHANAN of Illinois. Mr. Speaker, I want to modify my request, and ask that when the House adjourn on Saturday it adjourn to meet on the following Tuesday.

Mr. UNDERWOOD. Mr. Speaker, I ask the gentleman to withdraw that request at the present time, for I can not agree to that now.

Mr. BUCHANAN of Illinois. I will say that, as the gentleman probably knows, there are quite a number of Members who have engagements on Monday. I have none myself, and I expect to remain in Washington, so that it makes no difference to me, but a number of Members have made previous engagements—made them before the recent resolution was adopted—to be in their districts on that day. The campaign is on, and I think the gentleman from Alabama ought not to object. Of course, if he does I will withdraw the request.

Mr. UNDERWOOD. Mr. Speaker, I will say to the gentleman from Illinois that there are some bills on the Unanimous Consent Calendar that his own people are interested in; they have been to see me about them, and they are bills which ought to be passed. I will make another request for a different order. I am anxious not to interfere with gentlemen who have engagements next Monday. I ask unanimous consent that when the House adjourns on Saturday it adjourn to meet on Tuesday, and that it shall be in order on Tuesday, after the reading of the Journal, to call the Calendar for Unanimous Consent.

The SPEAKER. The gentleman from Alabama asks unanimous consent that when the House adjourns on Saturday it adjourn to meet on Tuesday, and that on Tuesday the Calendar for Unanimous Consent shall be in order after the reading of the Journal. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I understand from the statement of the gentleman that he is desirous this week of finishing the Alaskan coal bill, and that he would have no objection if we can get that bill out of the way even to adjourning on Friday.

Mr. UNDERWOOD. No; I will not say that. I will say to the gentleman candidly that I think the Clayton antitrust bill will go to conference probably between now and then; and if it does go to conference, I believe, if we clear up these emergency measures, we can get through this session of Congress by the 1st of October, if not sooner. I think it is more important that we should use the time in getting through than in adjourning. There is an exception for Labor Day, because lots of gentlemen have made engagements for that day.

Mr. MANN. Mr. Speaker, will the gentleman yield for a question?

Mr. UNDERWOOD. I do.

Mr. MANN. Does the gentleman from Alabama seriously think that adjourning over Saturday or Monday will have anything to do with or any influence upon the determination as to final adjournment?

Mr. UNDERWOOD. It might to some extent; but there are important bills here that gentlemen want to get through with.

Mr. MANN. We have been in session continuously for a year and a half, nearly—I do not know how long; I have lost the count, so far as I am concerned—and certainly no one would have a right to complain if the House should take one day off. Those who stayed here will not complain, and those who have just come back ought not to complain.

Mr. UNDERWOOD. There is something in the gentleman's last remark, at any rate.

Mr. STAFFORD. Mr. Speaker, if we get through with the Alaskan bill on Thursday and send the Clayton antitrust bill to conference on Friday, would not the gentleman be willing to adjourn over Saturday until the following Tuesday? There are a great many persons living near by—as far away even as Boston—who would like to take advantage of leaving here Friday afternoon and coming back here Tuesday, and if we can have some such assurance we would like to have it from the leader of the majority.

Mr. UNDERWOOD. It is possible and probable that the President may desire to deliver a message to the House before that time.

Mr. MANN. Mr. Speaker, I would like to suggest to the gentleman from Alabama that those who have stayed here regularly probably will not go away very far, and those who have now shown up for the first time in months ought to get acquainted with Washington before they go away again.

Mr. UNDERWOOD. Mr. Speaker, I renew my request, and when Friday comes, if there is no pressing business, we can take up then the question of adjourning over Saturday.

The SPEAKER. Is there objection to the request of the gentleman from Alabama that when the House adjourns on Saturday it adjourn to meet on the following Tuesday and that on Tuesday the Calendar for Unanimous Consent shall be called immediately after the reading of the Journal? [After a pause.] The Chair hears none, and it is so ordered.

STEADYING THE WORLD'S PRICE OF THE STAPLES.

The SPEAKER. The gentleman from Illinois has 15 minutes remaining and the gentleman from Virginia 10 minutes.

Mr. MANN. Mr. Speaker, I yield two minutes to the gentleman from Washington [Mr. FALCONER].

[Mr. FALCONER addressed the House. See Appendix.]

Mr. FLOOD of Virginia. Mr. Speaker, I yield five minutes to the gentleman from Missouri [Mr. ALEXANDER].

Mr. ALEXANDER. Mr. Speaker, the subject of this resolution was called to my attention by Mr. David B. Lubin, who is the permanent delegate of the United States to the National Institute of Agriculture at Rome. He had read my report on steamship conferences and agreements in the domestic and foreign trade, and he was convinced that our Government would be impotent to enforce reasonable rates or stabilize rates on farm products in international trade in the absence of an international agreement, and that is true. In the bill which was drawn to carry out the recommendations of the Committee on the Merchant Marine and Fisheries, House bill 17328, we have gone just as far as we may under the law to bring all the lines, domestic and foreign, under the supervision of the Interstate Commerce Commission, and, so far as those engaged in the coastwise trade are concerned, to regulate their rates; but many reasons will suggest themselves to gentlemen why it is wholly impracticable for this Government to regulate international freight rates. I have not the time to enumerate them, much less to discuss them in detail, nor is it necessary at this time. The investigations made by the committee showed that, so far as package freight is concerned, the conference lines have a uniform rate, which usually is not raised or lowered until after 60 days' notice. The shippers who appeared before the committee were all unanimous in the opinion that the stabilizing of rates was very important in the export trade, and that it was very desirable that they might know how to

make their contracts. They would then know one of the factors—and a very important one—in the price of the commodity they would sell for future delivery, namely, the freight rates to be charged on the commodity. Now, so far as grain is concerned, the testimony before the committee showed that the rate varies daily, if not hourly, often depending upon the demand upon the part of the great ocean liners for ballast. Under the agreement between the conference committee the quantity of grain that one of the ocean liners may carry is limited. Mr. Lubin contends, and with great force, that in order to steady the world's price of the staples it is necessary to stabilize the freight rates on the staples, and that this can not be done until the ocean freight rate on the commodity from the seaboard to the point of delivery in Europe or South America or elsewhere in our over-sea trade is known with reasonable certainty. In years past, as the gentleman from California [Mr. KAHN] has said, the operators on boards of trade and chambers of commerce influenced the price of wheat, cotton, and other staples from day to day by giving out information, more or less guesswork and in many instances manipulated, with reference to the condition of crops and the probable yield in the different countries of the world.

The international institute at Rome, in which Mr. Lubin has so ably represented this Government as permanent delegate, has undertaken to correct this evil. The Government reports, the official reports, the forecasts, are made from time to time by the Government agencies of the 54 signatory States to this institute, and are compiled and disseminated to the different countries, and that element of speculation has been largely eliminated. Having accomplished this task, Mr. Lubin is in favor of taking another step. He is an enthusiast, but not an idle dreamer. He is of the opinion that if the 54 nations parties to the international convention of 1905 creating the International Institute of Agriculture, and supporting the institute, can be brought to agree to the establishment of an international commerce commission, vested with power to stabilize the rates or regulate the rates on the staples of agriculture, another essential factor in steadying the world's price of the products of the farm will be fixed and another element of speculation eliminated. I fully realized when I introduced this resolution that we were undertaking a difficult task, but that is no reason why we should not make the effort. It can not be accomplished in any other way. It is an international problem, and can only be solved by international agreement. This resolution does no more than to authorize Mr. Lubin, in October, to propose to the permanent committee the resolution set out in this joint resolution, which is as follows:

Joint resolution (H. J. Res. 311) instructing American delegate to the International Institute of Agriculture to present to the permanent committee for action at the general assembly in 1915 certain resolutions.

Resolved, etc., That in accordance with the authority of letter (f) of article 9 of the treaty establishing the institute, which provides that it shall "submit to the approval of the Governments, if there be need, measures for the protection of the common interests of farmers,", the American delegate to the International Institute of Agriculture is hereby instructed to present (during the 1914 fall sessions) to the permanent committee the following resolutions, to the end that they may be submitted for action at the general assembly in 1915, so as to permit the proposed conference to be held in Rome during the fortnight preceding the session of the general assembly of the institute in 1917:

"RESOLUTIONS.

"The general assembly instructs the International Institute of Agriculture to invite the adhering Governments to participate in an international conference on the subject of steadying the world's price of the staples.

"This conference shall consist of members appointed by each of the Governments adhering to the institute, and is to consider the advisability of formulating a convention for the establishment of a permanent international commerce commission on merchant marine and on ocean freight rates, with consultative, deliberative, and advisory powers.

"Said conference to be held in Rome during the fortnight preceding the session of the general assembly of the institute in 1917."

If they regard it favorably they will present the resolution to the general assembly in 1915. If the general assembly agrees that it is a subject that will promote the interests of the farmers and they regard the time opportune, they will then take steps to call an international conference in 1917 to consider the question of organizing this international commerce commission, to be vested with the powers set out in the resolution. That is the whole question in a nutshell. We all agree that that is the only rational way to get at it. Whether it is possible to accomplish our purpose in that way or not, of course we do not know. That will depend upon the attitude of the nations controlling the larger part of the ocean-borne commerce of the world. I am quite sure it is worthy of the effort. [Applause.]

Mr. Speaker, the following is the very able report Mr. Lubin has prepared to present to the permanent committee for consideration in connection with House joint resolution 311, if the latter becomes a law. I have not the time to read or comment on it in the brief time allotted to me:

STEADYING THE WORLD'S PRICE OF THE STAPLES—INTERNATIONAL INSTITUTE OF AGRICULTURE—PROPOSAL FOR AN INTERNATIONAL CONFERENCE ON THE REGULATION AND CONTROL OF OCEAN CARRIAGE BY MEANS OF AN INTERNATIONAL COMMERCE COMMISSION FOR THE PURPOSE OF STEADYING THE WORLD'S PRICE OF THE STAPLES.

(By David Lubin, delegate of the United States International Institute of Agriculture, Rome, Italy.)

THE WORLD'S PRICE OF THE STAPLES—HOW IT IS ARRIVED AT—ITS BEARING ON THE ECONOMIC STATUS OF THE PEOPLE.

THE RESOLUTION.

The resolution concerning ocean freight rates on the staples passed by the permanent committee of the International Institute of Agriculture at its April meeting calls for "proposals which it may see fit to submit on this subject to the general assembly" (May, 1915).

In accordance therewith, and acting under the authority of letter (f) of article 9 of the treaty establishing the institute, which provides that it shall "submit to the approval of the Governments, if there be need, measures for the protection of the common interests of farmers," I propose that the permanent committee introduce the following resolution to the general assembly for adoption.

"The general assembly instructs the International Institute of Agriculture to invite the adhering Governments to participate in an international conference on the subject of the regulation and control of ocean freight rates on the staples of agriculture.

This conference shall consist of members appointed by each of the Governments adhering to the institute, and is to consider the advisability of formulating a convention for the establishment of a permanent international commerce commission on merchant marine and ocean freight rates, said conference to be held in Rome during the fortnight preceding the next session of the general assembly of the institute in 1917.

In support of the above resolution I herewith submit the following paper:

TRANSPORTATION AND COMPETITION.

With the ever-increasing importance of transportation as a factor in the economic development and life of nations, Governments everywhere are assuming the right to set aside the competitive system in so far as it concerns the regulation of rates in domestic carriage. Take the case of railways, for instance:

"It was at one time an axiom of law and of political economy that prices should be determined by free competition. But in the development of the railway business it soon became evident that no such dependence on free competition was possible, either in practice or in theory. It produces an uncertainty with regard to rates which prevents stability of prices, and is apt to promote the interests of the unscrupulous speculator at the expense of those whose business methods are more conservative." As a result of these difficulties "operation by private companies, under specific provisions of the Government authorities with regard to the method of its exercise, has been the policy consistently carried out in France," and "there has been both in the United Kingdom and in the United States a progressive increase of legislative interference with railways." (Encyclopædia Britannica, vol. 22, pp. 824, 825, 826.)

In recognition of these facts the United States established its Interstate Commerce Commission, with ample power to control its railway traffic rates. In place of leaving the power of rate fixing in the hands of the railway companies, it has vested it in (a) the seven members of the Interstate Commerce Commission, (b) in the railway managers, and (c) in the United States courts, who together form the triune power governing the equities involved in the matter of rates.

SHIPPING RINGS AND MONOPOLIES.

Drawbacks similar to those formerly complained of in railway traffic are now seen to prevail in water carriage. As a result, the abuses alleged in the working of the present system of shipping rings and conferences are attracting the attention of the Governments. Important inquiries on the subject have been held in Great Britain and the United States. In Great Britain a royal commission was appointed, which in 1909 published its report. In the United States a movement is now on foot for extending the powers of the Interstate Commerce Commission to cover ocean carriage, both in the domestic and the foreign trade.

In pursuance of this movement resolutions were passed in February and June, 1912, by the United States House of Representatives, of which the following are excerpts:

"*Resolved*, That the Committee on the Merchant Marine and Fisheries be, and is hereby, empowered and directed to make a complete and thorough investigation of the methods and practices of the various ship lines, both domestic and foreign, engaged in carrying our over-sea or foreign commerce and in the coastwise and inland commerce.

"That said committee shall report to the House all the facts disclosed by said investigation, and what legislation, if any, it deems advisable in relation thereto."

This committee has recently published its report, in four volumes, entitled "Proceedings of the Committee on the Merchant Marine and Fisheries in the Investigation of Shipping Combinations under House Resolution 587."

I have received these volumes through the courtesy of the chairman, Mr. J. W. ALEXANDER, who in a letter of May 15 informs me that he would be pleased to receive my comments on the same. I therefore now purpose, in order to bring out more clearly the points in favor of my resolution, to comment on the evidence and findings of the committee as set forth in the report.

This report shows that the leading representatives of the commercial interests, and practically all the important navigation companies engaged in the domestic and foreign trade of the United States, gave testimony under oath at the committee's inquiries.

To begin with, the testimony brought out the following facts:

THE FACTS.

First. That the evils arising from former unrestricted competition in ocean carriage have driven the steamship companies to form understandings, conferences, and combinations.

Second. That these understandings, conferences, and combinations have led to the formation of great shipping trusts. These trusts control not only the lines directly owned by them, but also control, to a great extent, the traffic of the "tramp ships," all of which practically gives them a powerful and dangerous monopoly.

Third. That these monopolies give rise to and maintain excessive and unjust rates, and, by the use of "fighting ships" and by rebates to large shippers, tend also to bring forth other and dangerous monopolies—monopolies in buying and monopolies in selling.

As to the first point, the evils of unrestricted competition, the committee, in its "summary of evidence," says:

"Unrestricted competition, based on the survival of the fittest, tends to restrict the development of the lines and in the end must result in monopoly. * * * Competition in the steamship business was regarded as the demoralization rather than the life of trade; as the means of introducing uncertainty instead of certainty and inefficiency instead of efficiency. * * *" (Vol. 4, pp. 295, 300.)

On the same point the report furnished the committee by representatives of steamship companies states:

"Competition has never established a reasonable rate nor maintained a stable rate. * * * Rate wars tend to the monopolization of trade by the larger shippers. Unless the warring steamship factions come to some agreement the result is more or less of a monopoly on the part of the most powerful carrier engaged in the conflict." (Vol. 2, p. 1363.)

THE EFFECT.

And now as to the second point, the effect of the understandings, conferences, and combinations entered into by the shipping rings. The American and British reports show that these rings are attaining greater and greater magnitude throughout the world as time goes along. Let me quote an example:

"Practically all the well known lines connecting north Atlantic American ports with those of the United Kingdom, north Europe, and the Mediterranean are parties to numerous freight agreements covering, in one way or another, nearly every sphere of the American-European trade. * * * over 40 regular trans-Atlantic lines are parties in their respective trades to at least 20 agreements involving the freight traffic, and the important lines are members of at least 4 main freight conferences. The 4 conferences referred to are the trans-Atlantic freight conference, the American Atlantic conference, the Atlantic conference, and the Mediterranean conference." (Vol. 4, p. 59.)

Summarizing the evidence obtained, the committee states in its report:

"It is the almost universal practice for steamship lines engaging in the American foreign trade to operate, both on the inbound and outbound voyages, under the terms of written agreements, conferences, arrangements, or gentlemen's understandings, which have for their principal purpose the regulation of competition through either (1) the fixing or regulation of rates, (2) the apportionment of traffic by allotting the ports of sailing, restricting the number of sailings, or limiting the volume of freight which certain lines may carry, (3) the pooling of earnings from all or a portion of the traffic, or (4) meeting the competition of nonconference lines." (Vol. 4, p. 415.) "Steamship agreements and conferences are not confined to the lines engaging in the foreign trade of the United States. They are as universally used in the foreign trade of other countries as in our own." (Vol. 4, p. 416.)

RATE WARS.

"* * * The methods which have been adopted from time to time to eliminate competition show the futility of a weak line attempting to enter a trade in opposition to the combined power of the established lines when united by agreement. By resorting to the use of the 'fighting ship' or to unlimited rate cutting, the conference lines soon exhaust the resources of their antagonists. By distributing the loss resulting from the rate war over the several members of the conference, each constituent line suffers proportionately a much smaller loss than the one line which is fighting the entire group. Moreover, the federated lines can conduct the competitive struggle with the comfortable assurance that, following the retirement of the competing line, they are in a position to reimburse themselves through an increase in rates." (Vol. 4, p. 304.)

As showing the way in which the shipping rings absorb independent lines and control the ports, let me quote the testimony given before a "hearing" of the committee by one of the witnesses:

"Going back a good many years, there was an independent line from Baltimore to Rotterdam. * * * That line was absorbed and taken over by the Holland-American Line, and instead of Baltimore having an independent service the Baltimore service has been forced out, and we are now dependent on the allotment from the central agency in New York, which says 'Baltimore can do this much business,' and we can not do any more." (Vol. 2, p. 1289.)

THE COMPLAINTS.

And now, finally, for the third point, the excessive and unjust rates and the granting of rebates.

On the question of excessive rise in rates, Mr. J. W. Alexander, the chairman of the committee, stated:

"The testimony before the committee seems to indicate that the ocean rates have gone up from 100 to 200 per cent in the last 12 months, or, anyway, within the last two years." (Vol. 2, p. 801.)

Summarizing certain phases of the evil arising from the formation of shipping rings, the committee states:

"A considerable number of complaints were also filed with the committee objecting to excessive rates, discrimination between shippers in rates and cargo space, indifference to the landing of freight in proper condition, arbitrariness in the settlement of just claims, failure to give due notice to shippers when rates were to be increased, refusal to properly adjust rates as between various classes of commodities, and the unfairness of certain methods, such as 'fighting ships,' deferred rebates, and threats to refuse shipping accommodations, used by some conference lines to meet the competition of nonconference lines. * * * The conference lines so completely dominate the shippers with whom they deal that these shippers can not afford, for fear of retaliation, to place themselves in a position of active antagonism to the lines * * *." (Vol. 4, p. 417.)

On the question of rebates and the monopolies to which they give rise, Mr. HUMPHREY, a member of the committee, pointed out that the shipping conferences give "special rates to certain big interests in the United States, * * * among others, to the Standard Oil, what is known as the Harvester Trust, and what we generally term the Steel Trust." (Vol. 1, p. 267.)

And now let us see, from further evidence in the report, how the case would stand if there were no shipping conferences, if there were no shipping trusts; let us see how it would stand under a régime of open and unrestricted competition.

STABLE RATES.

On this head the contention is made that open competition, with its constantly fluctuating rates, prevents rational calculations of prices in buying and selling, whereas conferences secure stable rates, which permit of such calculations. In its report the committee makes the following statements with reference to the advantages claimed for shipping conferences as against open competition:

"Such agreements, it is contended, are a protection to both shipper and shipowner. To the shipper they insure desired stability of rates * * *. Stability of rates over long periods of time removes the inconvenience which would exist if merchants and shippers were obliged to quote different propositions (prices) on nearly every consignment, thus eliminating what was formerly an undesirable speculative risk under the open competitive system." (Vol. 4, pp. 295, 297.)

"Prominent exporting firms * * * are convinced that the present condition of fixed rates and regular sailing opportunities places all merchants upon the same basis as regards their estimates on contracts, and produces much better results for the exporter and manufacturer than could be possible under the old order of things * * * (under unrestricted competition) * * * Nothing is regarded so detrimental to the export trade as uncertainty regarding sailings and violent fluctuations in freight rates." (Vol. 4, p. 298.)

Under the shipping conferences "the rates filed are only subject to change after an agreed period of notice, varying from 30 to 60 days. * * *" (Vol. 4, p. 64.)

THE DISCREPANCY.

And right here there seems to be a wide discrepancy between the statements just quoted from the committee's report and those contained in letters from the Chambers of Commerce of New York and San Francisco. To facilitate the proposed work of the International Institute of Agriculture in publishing ocean freight rates on the staples, I wrote to some of the leading chambers of commerce in the United States, asking whether the data on current freight rates could be procured for regular publication in the institute's monthly bulletins. The Chamber of Commerce of New York in a communication of December 11, 1913, replied as follows:

"* * * It would be extremely difficult to give any definite information in regard to freights that would be of value in publishing the world's price for cereals. * * * You no doubt are aware that freight rates, particularly for agricultural products, change almost daily, and sometimes several times during the day, depending upon the demand or otherwise for freight room. Rates quoted to-day would be only for refusal for 24 hours, and they are constantly influenced by the fluctuating demand for room in the various steamers. * * * Frequently wheat has been carried between the United States and London free of any charge, being simply used for ballast in the steamers, and at other times the rate has advanced to 10d. and 12d. per bushel."

This statement was confirmed by the San Francisco Chamber of Commerce, which in a letter of April 3 says:

"Rates fluctuate from day to day, and a rate reported to-day might be twice as high or half as low to-morrow."

A similar statement is contained in the report submitted to the Committee on the Merchant Marine and Fisheries by the representatives of the steamship lines running between New York and foreign countries, which says:

"Ocean freight rates vary not merely from month to month, but from day to day and from hour to hour, especially with reference to the great staples which are traded in on the exchanges." (Vol. 2, p. 1373.)

Thus, in one instance, we are told that the conferences fix rates which can only be changed on 30 or 60 days' notice; whereas the other statement claims that rates fluctuate from day to day and from hour to hour: that "wheat," for instance, "has been carried between the United States and London free of any charge, being simply used for ballast in the steamers, and that at other times the rate has advanced to 10d. and 12d. per bushel." How, then, can we reconcile these two and conflicting statements?

THE STAPLES EXCLUDED.

An explanation is seemingly at hand. The shipping conferences exclude the staples of agriculture from their fixed rates. These staples, as we are informed by the Chambers of Commerce of San Francisco and New York, are therefore left subject to sudden and violent fluctuations. Their exclusion from the fixed rates is clearly indicated by the following paragraph from the "Summary of Evidence" given in the committee's report, which states:

"The minimum rate agreement, however, does not cover the heavy bulk traffic, consisting of grain, flour, oil cake, cotton, and similar commodities, but is confined to the high-priced freight on which the shippers as well as the ship lines are anxious to have fixed rates equally applicable to all." (Vol. 4, p. 64.)

On this same head Mr. Franklin, vice president of the International Mercantile Co., in his evidence before the committee, says:

"The representatives of the various lines running to Liverpool meet and discuss their rates. * * * These rates are subject to change on certain notice; in some instances 30 days and in some instances 60 days. They cover only certain commodities; they do not cover the great bulk of traffic, which consists of grain, flour, oil cake, cotton, and other bulky commodities. They cover only miscellaneous traffic." (Vol. 1, p. 597.)

We thus see that the case stands as follows: The main freight traffic of a ship is classified under two headings, (a) the "package traffic" and (b) the "bulk traffic." Now, it is to be noted that while fixed rates are given on the merchandise composing the "package traffic" unfixed rates apply to the "bulk traffic," which consists, in the main, of the staples of agriculture.

And the question arises: What proportion does the "package traffic" bear to the "bulk traffic"?

In the testimony given before the committee by the vice president of one of the shipping rings, the International Mercantile Marine Co., it was brought out that of every 9,000 tons of traffic about 2,000 tons are carried as "package freight" at fixed rates and about 7,000 tons as "bulk freight" at unfixed rates, and, as just stated, this "bulk freight" embraces the staples of agriculture. (Vol. 1, p. 611.)

A SIGNIFICANT FACT.

We are thus brought face to face with a significant fact. On the one hand we see the importance attached in the inquiries on ocean

carriage, both in Great Britain and in the United States, to the question of fixed rates for the "package traffic." On the other hand, we see the slurring over, the waiving aside of the question of unfixed rates for "bulk traffic," the traffic which consists mainly in the staples of agriculture. And yet, as is well known, the slightest change in the cost of carriage affects the price of the staples, not only the price of the quantity exported, but likewise so the price of the entire quantity for home use.

This slurring over, this waiving aside, this indifference was noticeable alike in the American and in the British inquiry. And no wonder, for both the inquiries were mainly concerned with points touching ocean freight rates as they affect (a) the public carrier, and (b) the shipper and merchant, whereas the economic influences resulting from the rates and conditions of the ocean carriage of the staples affect most keenly the producers and the consumers.

"GODFATHERS."

From the facts elicited at these inquiries, it would seem as though there are "godfathers," so to speak, on the lookout for all the interests involved excepting for those of the staples. There is a godfather for iron, the Steel Trust; a godfather for agricultural implements, the Harvester Trust; a godfather for oils, the Standard Oil Trust; there is a godfather for the carriers, the shipping rings; a godfather for the commission men and the dealers handling the "package traffic," the chamber of commerce and the board of trade; but there is no godfather for the staples of agriculture, no godfather to represent the interests of the producer and of the consumer.

But the question arises: Would it have made any practical difference to the outcome if the interests of the producer and of the consumer had been represented at these inquiries? Let us see.

It seems to me that, no matter how competent the testimony offered by a body representing the farmers or the consumers, no matter how honest the committee before which such testimony would be given, no matter how able the proposals for legislation which that committee might draft, it would all be ineffective unless the evidence given indicated the international bearing of the subject and unless the findings deduced therefrom recommended action on international lines. So long as the findings would fail to recommend international action they must necessarily fall short of applying adequate means to the ends in view. That this is worthy of serious consideration will be apparent from the following:

WHOM DOES IT CONCERN?

In the case of "package traffic" the terms and conditions of ocean carriage mainly concern the carrier, the shipper, and the dealer. In the case of "bulk traffic," the traffic in the staples of agriculture, the terms and conditions of ocean carriage concern the economic welfare of the people everywhere.

To illustrate: Under "package traffic" whether the rate on shipments of shoes or cutlery, for instance, be too low or too high, whether it be fixed or whether it fluctuate, whether the conditions be advantageous or disadvantageous, affects the carrier, the shipper, and the dealer.

But with "bulk traffic" the case is different. In the carriage of the staples of agriculture whether the rate be too low or too high, whether it be fixed or whether it fluctuate, whether the conditions be advantageous or disadvantageous, concerns not merely the carrier, the shipper, and the dealer, but it concerns the economic condition of the people everywhere, as will be shown further on.

At this time it would be well to bear in mind that while, on the one hand, "package traffic" comprises that class of merchandise which is bought and sold by private purchase and sale, by private contract, "bulk traffic," on the other hand, comprises, in the main, the staples of agriculture, which are bought and sold in the world's bourses and exchanges at the world's price.

THE WORLD'S PRICE.

And what do we mean when we say the "world's price"?

We mean the price that is tendered and accepted in the world's bourses and exchanges, which we might call the world's auction rooms.

And how is this prive arrived at?

The first factor in arriving at the world's price is the prevailing opinion as to the state of the world's supply. If the supply be above the normal, the price is expected to fall below the normal; if the supply be below the normal, the price is expected to rise above the normal.

By "supply" we do not mean the quantity produced or available in any one locality, in any one country; we mean the total world's supply. The supply in any given State may be above the normal, and yet if, at the same time, it be below the normal for the world, the price in that State should, nevertheless, be high; or, vice versa, the supply in a given State may be below the normal, yet if the world's supply be above the normal the price in that State should be low.

But the supply is by no means the only factor in the formation of the world's price. There is another factor and an important one—the cost of ocean carriage. If the average cost of ocean carriage be above the normal, it should correspondingly reduce the price paid to the producer below the normal; and, on the contrary, if the average cost of ocean carriage be below the normal, it should correspondingly raise the price paid to the producer above the normal.

Therefore, calculations on rational lines for arriving at a knowledge of what the world's price ought to be should, first of all, take into consideration the status of the world's supply, and, secondly, the status of the cost of ocean carriage.

THE EFFECT OF FIXED RATES.

If there were fixed rates for ocean carriage of the staples, the Liverpool buyer would be able to make offers for given quantities of wheat, for instance, on a basis of rational calculations. But let us take the case as it stands at present. A shipper at Buenos Aires receives an order for wheat to be delivered in Liverpool at the ruling world's price, at, say, $1 a bushel. How much should he pay for that wheat at Buenos Aires? If the cost of delivery is, say, 10 cents a bushel, the world's price should then be 90 cents a bushel in Buenos Aires. If the cost of delivery is 30 cents, the world's price in Buenos Aires should then be 70 cents. But if he is to ship the wheat in 30 or 60 days' time, how is the shipper to tell what the cost of carriage will then be? As the rates for the ocean carriage of the staples are not fixed, how is he to know? He does not know.

As we have seen, the Chamber of Commerce of New York states that wheat is carried ~ one time free of charge as ballast and at another time at a charge of 10d. and 12d. per bushel; and the San Francisco Chamber of Commerce writes that "rates fluctuate from day to day, and a rate reported to-day might be twice as high or half as low to-morrow." Therefore the shipper must guess, and so must everyone else guess, so long as rates are unfixed. If the shipper wins on the guess, what he wins comes directly out of the pocket of the producer; if he loses, he tries hard to recoup himself in his next deal, and also out of the producer's pocket.

But this is only the beginning of the mischief. The confusion arising out of the system of unfixed rates for ocean carriage of the staples and the consequent uncertainty in price determining lead to economic evils so far-reaching as to affect the people everywhere.

A comprehensive grasp of the significance of this evil may be obtained by the consideration of the following:

PRIVATE SALE AND PUBLIC SALE.

In the case of "package freight," of chairs, stoves, shoes, etc., the rise or fall in the rates of ocean carriage on the same hardly affects their home price or their foreign price. If, for instance, the cost of ocean carriage on pianos were to advance from $5 to $20 each, it need not necessarily follow that owing to the $15 advance in freight rates all the pianos in the exporting country would decline by $15 or advance by $15 in the importing country, for the "package-traffic" merchandise is sold by private contract—by private sale. But with the "bulk freight," with the staples of agriculture, the case is quite different. Being sold on the world's bourses and exchanges at the world's price, it necessarily follows that a rise in ocean freight rates at one or more leading ports of an exporting country, by reducing the price on the quantity exported, must necessarily reduce the price on the remaining quantity in the home market, for the buyer on the bourses or exchanges, whether he buys for export or for home use, pays the same price.

We can thus see how sensitive to change is the world's price and the home price of the staples when influenced by unfixed rates for ocean carriage. Were there fixed rates for the carriage of the staples, subject, say, to 30 or 60 days' notice of change, as is the case with the "package traffic," it would then settle the major evil in the question before us—the evil of constant and unnecessary price disturbances.

RAISE AND LOWER THE PRICE AT WILL.

But apart from such disturbances, under the present system of unfixed rates, there is yet another point which calls for our consideration.

Under present conditions the chief directors of a few of the larger shipping rings by federating their efforts, are in a position to raise and lower, by previous arrangement, the prices of the staples in any and all of the principal ports of the world. Acting under exclusive and advance knowledge of the rates they will charge, they could lower the price of the staples by raising the cost of carriage and then, directly or indirectly, buy them in the bourses. They could then raise the price of the staples by lowering the cost of carriage when they would sell. They could thus, at will and by arrangement, lower the price of the product and buy, then raise the price and sell, and pocket the difference.

But the economic loss occasioned by such raising and lowering of prices at will would be very much greater than the amount the directors of the shipping rings might pocket, for raising or lowering the cost of carriage means raising or lowering the price of the staples on the home market directly and raising or lowering the world's price indirectly.

Besides this species of mischief there is, however, yet another within the power of the federated shipping rings. It is within their power, as we have seen from the case of Baltimore, to make and unmake ports, and, through this, to raise or lower the economic status of the nations; and this power is the more dangerous since such directors of shipping rings are irresponsible and free to act on the lines indicated. They are not expected to be guided by altruistic motives nor by high and statesmanlike political considerations.

"PACKAGE TRAFFIC" AND "BULK TRAFFIC."

Moreover, the fact that the "package traffic," representing 2,000 out of every 9,000 tons, enjoys fixed rates, whilst the "bulk traffic," the traffic in the staples, the traffic that represents 7,000 out of every 9,000 tons, is carried at unfixed rates, is, in itself, a terrible indictment of the present mode of procedure. Here we see that the price of the annual world's production of the staples, the value of which we may roughly estimate at a hundred billion dollars a year, and which represents the foodstuffs and the raw material for clothing and for house furnishing of all the people of the world, is permitted to be battledored and shuttlecocked through the action of the federated shipping rings.

We are thus forced to the conclusion that it is possible under this system for a few powerful directors of federated shipping rings to exert more effective economic control over the nations than can be exerted by any president, emperor, king, or prince; and so long as these federated shipping rings have it in their power to dictate at will the rise and fall in price of the world's food products, of the world's raw materials for clothing and for furnishing, so long do they, in reality, usurp a power which does not belong to them, a power which they should not have.

As matters stand at the present time, the unfixed rates for ocean carriage tend to convert the bourses and exchanges into price storm centers, storm centers which constantly give rise to waves of violent price disturbances, reacting at times in every direction.

Now, what harm do these price disturbances do?

What harm do they not do?

Unfixed rates of ocean carriage for the staples disturb, impede, and throw out of gear the whole mechanism of exchange.

FREE PLAY.

Right here we may aptly borrow the figure of the factory given by President Wilson in his book, "The New Freedom." Here is a workshop; the overhead and underneath shafting, the journals, the pulleys, and the belts are all lined out, true straight, trim, taut, and oiled, and all is well. But if the shafting be sprung or the journals unoiled the whole mechanism will be thrown out of gear.

It is just so in the industrial world. The law of competition should be permitted full and free play with no interference to impede its operation. But experience has made it plain over and over again that in the world of industry there is just one field in which competition, if allowed to operate, leads in the end to the "reductio ad absurdum" of the whole competitive system. The field that I refer to is that of transportation; competition in transportation impedes and interferes with the free play of competition in other and important fields.

This fact has been brought home so clearly to the American people that they have enacted laws excluding the railway carriers from the domain of competition by placing the regulation and control of rates in

the hands of the Interstate Commerce Commission. And the same reasoning that holds good for the regulation and control of railroad rates by an Interstate Commerce Commission would, as was shown before, likewise hold good for the regulation and control of ocean carriage through an international commerce commission.

The manner, now arbitrary, now fortuitous, in which the rates for ocean carriage of the staple are fixed; the lightning-like rapidity with which they are made to change; the gravity of the economic disturbances to which such sudden changes give rise; the far-reaching interrelated nature of their effects; the reaction produced by changes of rates in the ports of one nation on prices in the ports of another nation show clearly that if there is reason for placing domestic carriers under national regulation and control, there is yet stronger reason why ocean carriers should be placed under international regulation and control. If this contention be admitted, it then follows that my resolution for an international official conference to consider this matter is in order.

THE SITUATION.

And now let us briefly review the situation as made manifest by the British and American inquiries. We may summarize it as follows:

There are at present two modes of conducting the traffic business of ocean carriage:

(a) Through unrestricted competition.

(b) Through shipping rings and conferences.

In the final analysis, however, it would seem that unrestricted competition in ocean carriage is, in reality, but a mere hypothesis, for, as has been shown, such unrestricted competition invariably resolves itself down into a monopoly.

And again, if we examine the shipping rings and conferences which are at present the normal condition, we shall see that this condition also is but another name for monopoly.

We are thus brought face to face with the fact that both unrestricted competition and shipping rings alike lead to monopoly in the business of ocean carriage.

And what about this monopoly? In the American report we find the following:

"All monopolies are liable to abuse, and in our foreign carrying trade the monopoly obtained by the conference lines has not been subjected to any legal control." (Vol. 4, p. 304.)

And on the same head the British report says:

"All monopolies are liable to abuse to a greater or less extent unless they are strictly limited either by the nature of the case, by legislation, or by some form of supervision." (Report of the Royal Commission on Shipping Rings, vol. 1, p. 98.)

And now it will be interesting to note the measures proposed by the American and by the British committees for holding in check this "monopoly," for curbing this "abuse."

BRITISH AND AMERICAN RECOMMENDATIONS.

On the one hand the British commission offers the following recommendation:

"Shippers and merchants in a given trade should form themselves into an association, so that they might be able to present a united front to the conference when any controversy arose." (Report of the Royal Commission on Shipping Rings, vol. 1, p. 85.

The American committee, on the other hand, recommends:

"That navigation companies, firms, or lines engaged in the foreign trade of the United States be brought under the supervision of the Interstate Commerce Commission as regards the regulation of rates, the approval of contracts entered into with other water carriers, with shippers, or with American railroads." (Vol. 4, p. 419.)

Thus, as we see, the British recommendation is for unofficial, the American for official, action, and both recommendations view the question purely from the national standpoint.

So far as the "package traffic" is concerned, these recommendations might be adequate. But would they cover the needs of the case were the "bulk traffic," the staples of agriculture, under consideration? I do not think so; for as the import, export, and home prices of the staples are governed by the world's price, the formation of which is influenced by the cost of carriage to the principal market centers of the world, and as any one nation is unable to regulate and control the terms and conditions of ocean carriage in the principal world's ports, therefore all attempts to regulate or control ocean carriage of the staples by any one nation must be inadequate.

INTERNATIONAL REGULATION AND CONTROL.

It would therefore seem to me that the nations should consider the advisability of establishing an international commerce commission for the regulation and control of ocean carriage. The influence of such international regulation and control, extending to the principal ports of the world, would supplement the world's official crop reports in guiding the formation of the world's price on an equitable basis. The first division of this work is already being performed; the crop reports now given out by the institute, under the auspices of the nations, are the official and authoritative summary of the world's supply. When this work would be supplemented by that of the international commerce commission it would then permit of rational calculations anywhere as to what the home price of the staples should be in its relation to the world's price.

And right here it may be apposite to relate an incident in the upbuilding of the institute pertinent to the subject.

Some eight years ago I called on Mr. James Wilson, the then Secretary of Agriculture, in an endeavor to win him over to the needs for an official international crop-reporting service. Mr. Wilson then expressed the opinion that such a service would be of no economic value to the United States. He claimed that the Department of Agriculture had its own crop-reporting service, which was sufficient for the needs of the American people, and that there was no call to enter on some new work which might serve the interests of other nations.

Subsequently, however, Mr. Wilson saw the matter in the light in which it was presented to him. He saw that all the crop reporting that the United States might do would be inadequate for the end in view; that the crop reports of one nation only are inadequate as a basis for arriving at the world's price; for the world's price is based on the world's supply; and in order to have the official reports of the world's supply it is necessary that crop reporting be done by all the nations of the world, and that the reports, and the world's summary of the same, be given out officially at regular intervals under international treaty. When Mr. Wilson saw this he then favored the international institute of Agriculture for this work.

AN INTERNATIONAL COMMERCE COMMISSION.

Similarly, in the case of ocean carriage, action by a nation, limited to the regulation and control of the "package traffic" within its own country, can be had through a national institution like the Interstate Commerce Commission. The jurisdiction of such a commission might even be extended to embrace the ocean carriage of a nation at home and abroad; but if all this is intended to influence the equitable relation between the home price and the world's price of the staples it will surely fall far short of accomplishing what is intended. For, as has been shown, one of the principal factors in arriving at the world's price of the staples is a knowledge of the world's supply, and in arriving at a knowledge of what their home price should be in relation to their world's price, the leading factor would be the fixed rates for their ocean carriage. And just as the official report of the world's supply may only be had by means of an international crop-reporting service, so regulation and control of the ocean carriage of the staples may only be had through the medium of an international commerce commission.

Such an international commerce commission could be instituted by the nations under a treaty which should provide for its mode of representation and procedure. If it were granted powers similar to those of the Interstate Commerce Commission of the United States, provision might then be made for it to work in conjunction with a branch of The Hague tribunal, especially constituted and empowered to adjudicate on points of law which might arise out of the commission's functions and decisions. But if its powers were limited to those of a consultative and advisory body, its delegates could then sit in session together with the representatives of the carriers of the shipping interests. The question whether the proposed international commerce commission should be granted powers to act, or whether its functions should be limited to those of a consultative and advisory body, may properly come before the conference called for in my resolution.

FIXED RATES FOR BULK TRAFFIC.

And now it is in order to review some of the objections likely to be raised to fixed rates for "bulk traffic."

The shipowner, for instance, is likely to say, "The unit of transportation by water is the total capacity of a ship. We can not cut off so many feet, as the railroad can, and leave them in New York if we do not want to use them." (Vol. 2, p. 1256.)

It would appear to me that this objection is more seeming than real, for a train of cars can not profitably be run unless there is freight for it, any more than a ship can be run without freight. If you are running a railway you must have freight to fill your cars or get out of business.

"But," it may be asked, "would not such a system of fixed rates overlook the character of the service rendered? Here, for instance, is a costly liner which makes the trip from New York to Liverpool in five days, and here are slower boats, the tramps and the sailing vessels; would the fixed rates apply equally to all?"

And the answer is: The fixed rates could be established according to the quality of the service. Rates could be fixed for first-class, second-class, and third-class service.

The next point that might be raised is that "bulk freight" is a physical necessity for a ship, without which it can not sail, for "the ship must be loaded down to its marks." This being the case, the carrier must be left free to hunt up this "bulk freight" wherever he can get it, and secure it sometimes at a high price, sometimes at a low price.

I believe this objection is also only seemingly valid. The fact is the "bulk freight" either has to be shipped or it does not have to be shipped. If it does not, there will be no use running after it; if it does, then it will come of its own accord.

At this point the carrier is likely to interrupt, saying, "This is all nonsense, for we certainly would have no shiploads if we did not run after the freight, and run after it on the 'give-and-take' method."

And here the carrier is correct; it is all nonsense, so far as conditions are to-day. But would not conditions be different under the proposed international commerce commission, under the proposed fixed rates? With no fixed rates the shrewd shipper of "bulk freight" knows well that at certain times the carrier is bound to tag after him. But with fixed rates for the season the shipper's game would be at an end. He would then always be glad enough to rush to the shipping office and "book" room for freight at the earliest moment possible; all of which would tend to promote the natural and steady flow of freight toward the ships.

THE DIVISION OF LABOR.

"But," says the objector, "would not this proposal to single out the ocean carrier by subjecting him to international control place him at a disadvantage Would it not materially interfere with his earning power? Would it not reduce his profits?"

I do not think so. I think it can be shown that the adoption of the proposal would be advantageous not only to the producers and the consumers, but also to the carriers.

"How?"

Let us see. By the term "civilization" do we not really mean that cumulative state of progress rendered possible by the division of labor? The savage does everything by himself. He is his own carpenter, his own tailor, his own architect, his own carrier. But, as we know, such work is far inferior to that accomplished under the division of labor.

And this division of labor takes place not only in the handicrafts but also in the field of commerce, in the field of government, and in the field of science. It is, in fact, but another term for "economics." In short, specialization of functions, division of labor, renders effort more effective and more economical. This being so, why not extend the system of the division of labor to the regulation and control of ocean carriage? If the specialization of functions, the division of labor is beneficial, in what field can it be more profitably employed than in this important one of ocean carriage, a field which concerns not only the shipowners but the Governments and the people everywhere?

Fortunately the channels through which the division of labor could be realized in the regulation and control of ocean carriage can readily be made available.

CHANNELS AVAILABLE FOR THE SERVICE.

First of all there could be the proposed international commerce commission, consisting of delegates who should be experts on the subject of ocean carriage. They should be in close official relationship with those departments and bureaus in the various Governments which deal, directly and indirectly, with the questions of internal carriage in their relation to foreign carriage.

In the second place there is the International Institute of Agriculture, which could be officially authorized to place itself in communication in

the several adhering countries with (a) the chambers of commerce and boards of trade, and with (b) the national agricultural organizations, all with the end in view of gathering information toward the synchronization of incoming and outgoing cargoes, said information to be compiled and regularly transmitted to the international commerce commission.

In the third place, a branch of The Hague Tribunal could be constituted and empowered to adjudicate on points of international law which might arise out of the commission's functions and decisions.

It is not difficult to see that all this, when once in operation, would be likely to bring about two important results.

THE PLAY OF FORCES.

First, by promoting the synchronization of incoming and outgoing cargoes it would tend to remove the uncertainties and perplexities which now beset the ocean carrier's business. In short, the focusing of information under the proposed system would make it possible to replace the present unfixed rates for the staples now abnormally low, now again abnormally high, by fixed average rates.

Second, such fixed average rates replacing the present uncertainties, violent fluctuations, and consequent losses would tend toward the more equitable formation of the world's price of the staples, and by steadying that equitable price would promote the economic interests of the people everywhere.

In other words, the adoption of the proposed system would set in motion a play of forces which, beginning in the township with the farmer and his product, working upward through the several channels indicated, thence through the international commerce commission, would tend to normalize the ebb and flow of the economic currents throughout the world of commerce and industry.

THE INTEREST OF THE PRODUCER.

And now we may expect the producer to intervene. "May not unfixed rates, in reality, mean low rates? Has it not been shown that under unfixed rates the carrier is often compelled to transport the staples as ballast free of any charge? Does not this system thus provide the lowest rate? And is it not likely that all this may profit the producer?"

Let us see. If the shipper were to give the producer his share of the difference between the price he actually received and the price he ought to have received whenever the staples were carried as ballast, then the above remarks might to some extent be justified. But how is the shipper, buying as he does in the wheat pit, to hunt up and identify the original owner of the product? And even if the shipper could hunt him up, what would induce him to give back part of his gains to the producer? Nothing that I know of. There is not even a remote chance that the producer will profit by the levy which the shipper raises on the carrier whenever he can compel him to carry freight free as ballast.

The producer's interests can not be served by abnormally low freight rates any more than by abnormally high freight rates; but they can be served by the fixed average rates which the adoption of the proposal here advocated would permit. Such fixed published rates would make it possible for the producer anywhere to arrive at a just approximation of what his home price ought to be in its relation to the world's price, and this would insure to him the best possible results.

But supposing some farmer, working, say, 160 acres of land, were to ask, "Of what value would the adoption of this proposal be to me, since I neither export my product nor sell it to exporters?"

The answer is a simple one; the home price is derived from the world's price, and the world's price is influenced by the cost of ocean carriage. Let the cost of ocean carriage fluctuate through unfixed rates, and it causes the world's price to fluctuate, which, in turn, causes fluctuation of the home price. Steadying the cost of ocean carriage steadies the world's price and steadies the home price of the staples, thus benefiting the farmer who neither exports nor sells to exporters as well as the farmers who export.

THE GOVERNMENTS.

Let us now inquire how the proposal for fixed rates under an international commerce commission would be received by the Governments.

It seems likely that it would be favored by the Governments of the exporting nations, the nations which have the staples of agriculture for sale. But how about the importing nations, the nations that are compelled to buy?

Had this question been asked some 25 years ago, we might have expected the statesman of that day to have given some such answer as the following:

"We are not here as champions of altruism, nor for promoting doctrinaire theories as to equitable distribution. We know what we want. We want foodstuffs and raw materials at the very lowest price at which it may be possible for us to obtain them. The lower our influence can depress the world's price of the staples the better it is for us; the more abundant will be the food of our people and the cheaper will be the raw materials for our factories."

But, with the progress of our times, the statesman of to-day is likely to reason differently; he is likely to answer in this wise:

"We can not afford to force prices in the exporting countries below the normal. Our investments in those countries, the need we have of them as buyers of our manufactured goods, are sufficient inducements to warrant us in using our efforts to influence commerce in the staples along perfectly just and equitable lines, and this both at home and abroad."

THE STATESMAN.

But how will the case stand with those nations which possess a powerful merchant marine? Let us see what the statesman in such a country would have been likely to say some 25 years ago.

"We are not concerned with prices and their equities in foreign countries. In order to conserve and increase our national strength we are primarily concerned in the preservation and development of our merchant marine. We can not, therefore, afford to do anything that would be likely to hamper its freedom or subject its movements to international regulation."

But in our day the answer is likely to be different. The modern statesman is likely to reason:

"While a powerful merchant marine is essential to the well-being of a State, there is another consideration of far greater importance, and that is the well-being of all the people in that State, the well-being of its men, of its women, of its children. Our people must have work; they must eat and wear clothes and furnish their dwellings, and all of this is influenced by stability and equity in the price of the staples. Now, while the merchant marine may force prices in certain markets below their due level, it by no means follows that the products thus lowered will reach the consumers, the people of our State, at that low level. But it is certain that the deteriorating influences set going by the unfixed rates for ocean carriage, with the speculation they give rise to, will adversely affect not only the producer but also the consumer."

There is yet another phase of the question which the statesman will, no doubt, bear in mind when considering the merchant marine, and that is the need of preserving the economic stability of the colonial possessions of the buying countries. The mother country may be a buyer of the staples; the colonies are almost always sellers. The lamb's gentle bleat will be likely to meet with a sympathetic response from its dam.

THE PROTECTIONIST.

But what will be the opinion of the stateman in a protection country which is neither an extensive exporter nor an importer of the staples?

Twenty-five years ago it is quite likely that such a statesman would have said:

"Yes; I see the wanton waste caused by design or fortuity in forcing the world's price to deflect from the line of the normal through the influences exercised by unfixed rates for the ocean carriage of the staples. It is a grievous injury to many, no doubt. But thanks to our system of protection, and thanks to our independence from the influences exercised by the exporting and importing markets, we are not affected by the evil trend thus imparted. Protection gives us our own special normal, our own price, independent of the world's price."

But the modern statesman is likely to reason:

"Protection is but another name for an artificial barrier. We have the artificial barrier, it is true, but for all that, and above and beyond it, the world's price rules here as it does in every other part of the world. We have the world's price, first of all, and on top of that the artificial enhancement which protection gives to our producers, and which comes out of the pockets of our consumers. It thus follows that we are fully as much interested in maintaining the world's price at its normal level as are the exporting or importing nations."

SUMMARY AND CONCLUSION.

In summing up my argument in favor of the resolution, I wish to say that just as the regulation and control of the world's reports on the production of the staples required official international action, so the regulation and control of the terms and conditions for their ocean carriage also requires official international action.

Without such international action there can be no guaranty for equitable and fixed rates in the carriage of the staples. The absence of these equitable and fixed rates must necessarily give rise to disturbances throughout the economic world, by forcing values to deflect from the line of the normal.

In concluding my arguments in favor of the adoption of the resolution, I wish to say that there seem to be three ways of disposing of the question before us. One would be to leave matters alone, to let the problems solve themselves. Another would be to live in the hope that the carriers may presently become so wise and disinterested that they will solve the question of their own accord and set matters right. But if in this matter, as in all others, adequate means are essential to the attainment of rational ends, we are forced to set aside both of these ways. This leaves the third way, that of action on the lines of the resolution submitted, the working out of the system indicated therein.

An impartial review of the subject must lead the statesman to the conclusion that this question can not be solved by action on empyrical lines. The problems of ocean carriage as they affect any one port, or all the ports of any one country, are, after all, but phases and fractions, portions of the questions when it is considered as a whole. Viewed as a whole the problems transcend the limits of any one country; they are interrelated and concern all the countries of the world.

The time has passed when the statesman could dismiss this question with a waive of the hand. Population everywhere is increasing by leaps and bounds, and so is popular education. All this is equivalent to saying that wants are increasing. And it is clear that the highest aim of good statesmanship is to see that the demands arising out of these increased wants are not stupidly and unjustly frustrated by causes which have their root in inequities in the formation of the world's price of the staples.

The SPEAKER. The time of the gentleman from Missouri has expired.

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. MANN. Mr. Speaker, I yield to the gentleman from North Dakota [Mr. NORTON].

Mr. NORTON. Mr. Speaker, to my mind this resolution is a movement in the right direction. To anyone who has made even a cursory study of ocean rates on farm products, it is at once evident that something should be done to steady or make more stable these rates. As it is to-day, one who wishes to calculate the price of a staple farm product in any State of the Union, the price of the product being set by some foreign market, is unable to do so for the reason that one of the principal elements that determines the local market price is unknown, namely, the cost of ocean carriage. If one wishes to know to-day in Iowa, in Minnesota, in South Dakota, or in North Dakota the price that wheat should bring in any town in one of these States, he first ascertains the price in Liverpool, the market that sets the price of wheat for the world. To determine the local market price of wheat of any staple farm product whose price is dependent upon the foreign market, it is at once clear that one must deduct from the foreign market price the cost of carriage from the local market to the foreign market. To determine the price of wheat in any local market one would naturally first inquire the cost of carriage from the local market to the seaboard. This is readily ascertained, and is found to be a certain fixed and definite cost, which in this country is now subject to change only after approval by the Interstate Commerce Commission and after from 30 to 90 days' notice being given to the public.

Next in order, it is necessary to know the cost of ocean carriage from the seaboard to Liverpool. Strange as it may seem,

this is found not to be possible of ascertainment with any degree of certainty, for all ocean rates for bulk products under the present methods and under present shipping practice are subject to wide variations without notice to the shipper from day to day and even from hour to hour.

While under the present methods of shipping staple farm products overseas it may cost 5 cents a bushel to ship wheat from New York to Liverpool on one day or during a given week, it may cost 10 cents a bushel to ship wheat from New York to Liverpool the next day or during the next week, and then, again, the following day or during the following week wheat may be shipped from New York to Liverpool for 1 cent a bushel, or even for a much lower rate than this.

Since the cost of carriage from the seaboard to Liverpool can not be ascertained by the buyer in the local market, the price that should be paid for wheat in the local market can not be accurately determined. As a consequence the buyer in the local market, to be on the safe side, usually calculates the rate of carriage from the seaboard to Liverpool at the maximum rate charged and deducts this and the cost of transportation from the local market to the seaboard from the Liverpool price of wheat, making the remainder a local market price to be paid to the producer.

For illustration, if the market price of wheat in Liverpool is $1, to determine the local price of wheat in Minneapolis, Minn., there must be deducted from the Liverpool price the cost of carriage from Minneapolis to New York, the seaboard, and the cost of ocean carriage from New York to Liverpool. While the cost of carriage from Minneapolis to New York can be accurately ascertained, the cost of ocean carriage from New York to Liverpool is an unknown and uncertain factor. Consequently, the maximum rate of carriage that at times may be exacted from New York to Liverpool is calculated, and the price of wheat in the local market in Minneapolis determined to a large extent thereby. In this way the seller on the Minneapolis market, who is the real producer of the grain, fails to receive the benefit of ocean rates less than the maximum rate at times charged between New York and Liverpool.

The fact that ocean carriage on staple farm products can be raised or lowered at a moment's notice, and at the whim and will of the shipping rings and combinations, leaves room for tremendous gambling operations on grain prices and levies each year heavy tolls on both the producer and the consumer.

As a consequence of the many abuses prevailing in water-rate carriage, both in domestic and foreign commerce, due to shipping conferences, rings, and monopolies, important inquiries have been made during the past few years, both in Great Britain and in the United States. A royal commission appointed in Great Britain made and published an exhaustive report on this subject in 1909. During the Sixty-second Congress the House of Representatives on July 16, 1912, passed House resolution No. 578, which was introduced on June 16, 1912, by Mr. ALEXANDER, chairman of the Committee on the Merchant Marine and Fisheries. The following are the first two sections of this resolution:

Resolved, That the Committee on the Merchant Marine and Fisheries be, and is hereby, empowered and directed to make a complete and thorough investigation of the methods and practices of the various ship lines, both domestic and foreign, engaged in carrying our oversea or foreign commerce and in the coastwise and inland commerce, and the connection between such ship lines and railroads and other common carriers, and between such lines and forwarding, ferry, towing, dock, warehouse, lighterage, or other terminal companies or firms or transportation agencies, and to investigate whether any such ship lines have formed any agreements, understandings, working arrangements, conferences, pools, or other combinations among one another, or with railroads or other common carriers, or with any of the companies, firms, or transportation agencies referred to in this section, for the purpose of fixing rates and tariffs, or of giving and receiving rebates, special rates, or other special privileges or advantages, or for the purpose of pooling or dividing their earnings, losses, or traffic, or for the purpose of preventing or destroying competition; also to investigate as to what methods, if any, are used by such ship lines, foreign or domestic, and railroads and other common carriers, or of any of the companies, firms, or other transportation agencies referred to in this section, to prevent the publication of their methods, rates, and practices in the United States; also to investigate and report to what extent and in what manner any foreign nation has subsidized or may own any vessels engaged in our foreign commerce; also to investigate and report to what extent any vessel lines and companies or any of the companies, firms, or transportation agencies referred to in this section, engaged in our foreign or coastwise or inland commerce, are owned or controlled by railway companies, by other ship lines or companies, or by any of the companies, firms, or transportation agencies referred to in this section, or by the same interests and persons owning or controlling railroad companies, ship lines, or other common carriers, or any of the companies, firms, or transportation agencies referred to in this section; and said committee shall further investigate whether the conduct or methods or practices of said foreign steamship lines are in contravention of our commercial treaties or in violation of our laws, and what effect said methods and practices have on the commerce and freight rates of the United States; and shall further investigate what effect such combinations, agreements, understandings, working arrangements, and practices of railroads and our coastwise and inland shipping lines, or of railroads and such shipping lines and any of the companies, firms, or transportation agencies referred to in this section, or of railroads and oversea shipping lines, whether domestic or foreign, if any are found to exist, have on the commerce and freight rates of the United States, and whether the same are in violation of the laws of the United States.

SEC. 2. That said committee shall report to the House all the facts disclosed by said investigation and what legislation, if any, it deems advisable in relation thereto.

Under authority of this resolution the Committee on the Merchant Marine and Fisheries made a very full investigation of water rates of transportation and of the existing shipping combinations, conferences, and monopolies. The hearings held before the committee, the committee's recommendations and conclusions, and all proceedings had under authority of the resolution are contained in a published report consisting of four volumes. Much very valuable material on the subject of both foreign and domestic water rates is contained in this report.

Ocean freight traffic is commonly classified under two headings: First, "Package traffic"; second, "Bulk traffic." The latter classification includes grain, flour, oil cake, cotton, and other bulky commodities. From the extensive hearings held under the authority of House resolution No. 587, to which I have just referred, it appears that of the ocean freight tonnage carried about two-ninths consists of "package traffic" and about seven-ninths of "bulk traffic."

The testimony of Mr. Franklin, vice president of the International Mercantile Marine Co., of New York, before the Committee on the Merchant Marine and Fisheries, as well as the testimony of others, disclosed that while there are fixed rates on "package traffic," which rates can not be changed without from 30 to 60 days' notice to those engaged in shipping, there are no fixed or certain rates on "bulk traffic."

This condition gives to the federated shipping interests a most dangerous power. There is no good reason or argument that can be advanced as to why the "package traffic" consisting of but two-ninths of the freight shipments should enjoy fixed rates, while the "bulk traffic" making up seven-ninths of the freight shipments has no fixed rates. Because this condition prevails the federated shipping interests and other gamblers in the price of the staples, the value of which is estimated to be a hundred billion dollars a year, and which represents the foodstuffs and raw materials for clothing and household furnishings of all the people of all the world, hold the power to dictate at will the rise and fall in the price of the world's agricultural products. This power has long since been recognized as one of the most important factors in connection with railroad transportation in this country, and the control and regulation of rates on "bulk traffic" as well as "package traffic" has been wisely and properly placed in the hands of the Interstate Commerce Commission.

Since the import, export, and home price of the staples of agriculture are governed by the world's price, the formation of which is, as I have before suggested, influenced by the cost of carriage from the local market to the principal market centers of the world, and as no one nation is able to regulate and control the terms and conditions of ocean carriage of the principal world ports, any successful attempts to regulate or control ocean carriage of staples must necessarily be made through an international organization, such as the International Institute of Agriculture.

This House joint resolution, which I am informed has the earnest approval and indorsement of Hon. David Lubin, the very able and learned permanent delegate of the United States to the International Institute of Agriculture at Rome, and which is in the following terms:

Resolved, etc., That in accordance with the authority of letter (f) of article 9 of the treaty establishing the institute, which provides that it shall "submit to the approval of the Governments, if there be need, measures for the protection of the common interests of farmers," the American delegate to the International Institute of Agriculture is hereby instructed to present (during the 1914 fall sessions) to the permanent committee the following resolutions, to the end that they may be submitted for action at the general assembly in 1915, so as to permit the proposed conference to be held in Rome during the fortnight preceding the session of the general assembly of the institute in 1917:

RESOLUTIONS.

"The general assembly instructs the International Institute of Agriculture to invite the adhering Governments to participate in an international conference on the subject of steadying the world's price of the staples.

"This conference shall consist of members appointed by each of the Governments adhering to the institute, and is to consider the advisability of formulating a convention for the establishment of a permanent international commerce commission on merchant marine and on ocean freight rates, with consultative, deliberative, and advisory powers.

"Said conference to be held in Rome during the fortnight preceding the session of the general assembly of the institute in 1917."

Will, in my judgment, if passed by this Congress, set in motion the machinery necessary to bring together a conference of the nations of the world which will evolve and adopt practical

means and methods of controlling, regulating, and making stable the ocean rates on all ocean freight traffic.

The International Institute of Agriculture at Rome since its establishment by convention entered into on June 7, 1905, has done lasting and valuable work for the interest of the farmers of the world through its weekly and monthly authentic world crop reports made to the countries signatory to the convention and, through them, to the public. Due to the work being carried on by this international institute, reliable statistics of the world's agricultural products are to-day made easily available to every farmer and to every business man. The diffusion of this information has been a large factor in steadying the price of agricultural products. Fifty-four nations are now signatories to the international convention which founded the International Institute of Agriculture at Rome. If the support of these nations through the International Institute of Agriculture can be secured to an agreement for the establishment of an international commerce commission vested with power to regulate or stabilize ocean freight rates on the staples of agriculture, another most important factor in steadying the world's price of farm products will be fixed and another large element of speculation will be eliminated. The spirit as well as the substance embodied in this resolution should, in my judgment, be accorded the support of every man on the floor of this Chamber. This is not a party measure. It is more than a national question. It is an international problem which in no uncertain measure affects the living and the welfare of the masses of the people of all the world. I trust the resolution may soon be adopted by the Congress, and that it may be successful in accomplishing the good work its author purposes it to accomplish. [Applause.]

The SPEAKER. The time of the gentleman has expired.

Mr. MANN. Mr. Speaker, how much time have I remaining?

The SPEAKER. Eleven minutes.

Mr. MANN. Mr. Speaker, I yield three minutes to the gentleman from Wisconsin [Mr. COOPER].

Mr. COOPER. Mr. Speaker, I am obliged to the gentleman from Illinois [Mr. MANN]. As a member of the Committee on Foreign Affairs I heard the testimony given by Mr. David Lubin, and by other thoroughly informed witnesses, as to the merits of this resolution, and I am convinced that it ought to pass. The facts are very simple. Seven-ninths of the entire ocean traffic is what is called bulk traffic, and practically all of this comes from the farms of the country. When farm products are carried on land the farmers know precisely what the freight rate is. And the railroads can not change that freight rate without first giving notice of 30 or 60 days; and even then they can not change it without the consent of the commission, which before reaching a decision takes into account the interests of the railroads and the interests of the shippers. Whereas ocean freight rates on grain, as was shown by the testimony, may vary in an hour from 1 cent to 25 cents a bushel. This resolution simply provides as its ultimate purpose that the International Institute of Agriculture shall call an international conference to consider the subject of steadying the world's price of the staples of agriculture and the advisability of establishing an international commerce commission on merchant marine with advisory and consultative powers concerning the rates to be paid on ocean traffic. It is a resolution of great importance, and I hope that it will pass without a dissenting vote. [Applause.]

Mr. MANN. Mr. Speaker, how much time have I remaining?

The SPEAKER. Nine minutes.

Mr. MANN. Mr. Speaker, I assume that this resolution will pass, but I do not believe it will do any good. It may do some harm. It will apparently put the Government of the United States on record in favor of stability of ocean freight rates. There is one way to have stable ocean rates, and that is to have comparatively high rates and to cut out competition. Ocean rates have been reduced from time to time for many years, gradually falling, with some variation——

Mr. GOODWIN of Arkansas. Will the gentleman yield?

Mr. MANN. No. I have but 9 minutes and the gentleman had 10. I hope I may be permitted to make this suggestion, and then, if the gentleman desires to ask a question, I will be glad to yield.

There is a competition in ocean freight rates, notwithstanding all that has been said. If all the regular line steamers are in combination, that still does not affect the tramp vessels. It has not been unusual for the tramp steamer or the tramp sailing vessel to come into a port looking for a cargo. They go where they think the cargoes will be, and the rate which they charge will depend upon the demand for cargo space. When we have a large quantity of exports from a particular place the rate will keep up. When there is a supply of vessels and a shortage of demand, the rate will fall. The freight rate on grains from the West to the East has been reduced to a very large percentage by lake competition. Lake competition has been such in the past—and it usually takes some time to have a complete effect upon railroad rates—lake competition has been such in the past that frequently steamers have carried grain from Chicago to Buffalo for a cent a bushel. Competition did it. If you had had an interstate commerce commission fixing rates, there would have been no rate fixed as low as that. That does not pay interest on the investment. But when the supply is large in the way of cargo space and the demand is small, the shipper makes his own terms.

Now, gentlemen say that this does not benefit the farmer any. All of the various circumstances that enter into prices for and against lower or higher prices meet together on the Chicago Board of Trade as to corn and wheat and other grain, and at other places accordingly, and the consensus of all the combinations bring out the price.

To-day we are met with a peculiar situation which itself shows that the statements of Mr. Lubin and those of the committee on this joint resolution are in error. They say that the price of wheat is fixed in Liverpool, and that the farmer can not tell what price he is going to get, because we have not stable ocean rates, but that if the farmer knew what the ocean rate was he could tell exactly what his wheat was worth in Kansas City or on the farm by subtracting from the Liverpool price the rate.

A little while ago wheat was 80 cents a bushel, with a large crop in this country. Every grain speculator in the land believed there would be a reduction in the price of wheat. The European war broke out. The newspapers throughout the country published the fact that grain would increase in price, that there would be a great demand for wheat and flour in Europe. The members of the Chicago Board of Trade rather laughed at the idea that it would be possible to largely put up the price of wheat in the face of the exceedingly large crop and the lack of vessels to ship the wheat abroad.

But what have been the facts? The people throughout the country, fearing that there would be an increase in the price of flour, bought two barrels of flour where they bought one barrel before, or bought one barrel of flour where they bought a sack before. There has been more flour sold in this country in the last 30 days than was ever sold before in the country in 40 days' time or more.

The millers met the demand for flour—how? They have to have wheat. But the farmers were holding their wheat back. They were not paying any attention to the Liverpool quotations, nor to the freight rate from here to Liverpool. They held their wheat back, and wheat has gone up 25 cents a bushel in a month's time—more than that for May wheat—thus disproving every assertion which the economists have made for years, or which many of the economists have made, and which the committee make in reference to this proposition.

Now, it is to the interest of the farmers to have cheap ocean rates. I have given as much attention to the Interstate Commerce Commission and the interstate-commerce law as any Member on this floor. I said years ago that the interstate-commerce law, when we gave the Interstate Commerce Commission full power over rates, would stabilize rates, but that it would increase rates. You never can stabilize rates anywhere without a gradual increase in the rates.

Now, the people of our country, in close competition with each other in different sections and different cities, desired stable rates, because unstable rates gave one city in competition with another an advantage over the other. But when it comes to foreign rates we would rather have cheap rates than stable rates. When grain is carried across the Atlantic Ocean for nothing as ballast, as has been the case on many occasions, that very fact puts up the price of grain to the farmer in this country.

Mr. Lubin desires that the farmer may know, as he says, what he is going to get, but will fix it so that he will get less money. My belief is that the farmer would rather have a little more money and not know in advance just how much it is. The farmer deals with uncertainties as to his crops. He does not know how much wheat he is going to have. He would rather have a larger amount of money at the end of the season than to know, to begin with, just how much he would have.

The effect of this resolution, if it amounts to anything, is to put the Congress on record as favoring the proposition that we will have high ocean rates, but we shall know what they are, and that a tramp steamer coming into port can not carry wheat or corn or cotton for any less than any other steamer can carry it.

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

Mr. FLOOD of Virginia. Mr. Speaker, I yield two minutes to the gentleman from California [Mr. RAKER].

Mr. RAKER. Mr. Speaker, I am heartily in favor of this resolution. I have had e pleasure of reading over the hearings and also of hearing the statements and presentation of the matter by Mr. Lubin a number of times. No one who has heard his personal presentation of the matter, knowing the questions involved and their magnitude, and what it means to the farmers of this country, can deny that it is the most convincing argument ever made or written. These arguments are based on experience and, we believe, the facts. A stable freight rate over the ocean or a steadying of the rates would mean that the farmer and the producer of seven-ninths of all the commodities used in the world that are transported by freight would reap the benefit, and he would know exactly what he was going to get. He would not be subjected to gambling in the markets in fixing the rates.

The International Institute of Agriculture, having its seat at Rome, Italy, is a permanent Government institution created by treaties signed June 7, 1905, between the United States and the following powers: Italy, Montenegro, Russia, Argentine Republic, Roumania, Servia, Belgium, Salvador, Portugal, Mexico, Luxemburg, Switzerland, Persia, Japan, Ecuador, Bulgaria, Denmark, Spain, France, Sweden, the Netherlands, Greece, Uruguay, Germany, Cuba, Austria-Hungary, Norway, Egypt, Great Britain, Guatemala, Ethiopia, Nicaragua, Brazil, Costa Rica, Chile, Peru, China, Paraguay, and Turkey. Since the creation of the institute 14 other powers have become adherents, making the total number at this time 54 nations represented in the institution.

Confining its operations within an international sphere, the institute is authorized and directed, among other things, to submit to the approval of the Governments, if there be need, measures for the protection of the common interests of farmers, and it is under the subsection designated "f," article 9 of the treaty referred to, that it is proposed to instruct the American delegate to offer a resolution inviting the adhering Governments to participate in an international conference on the subject of steadying the world's price of the staple agricultural products.

If the invitation thus extended is accepted, a conference consisting of delegates or members named by each of the adhering Governments will meet in Rome to consider the advisability of formulating a convention for the establishment of a permanent international commerce commisson on merchant marine and on ocean freight rates, with consultative, deliberative, and advisory powers.

Hearings were held on the resolution, and the testimony taken developed the following facts:

That of the entire ocean freight traffic, seven-ninths consist of bulk traffic, the greater proportion of which is the staples of agriculture.

That two-ninths of the total ocean freight traffic consist of package traffic, including practically all manufactured articles.

That while the freight rate on package traffic can not be changed by the carriers without giving 30 to 60 days' notice to shippers, the rate on bulk traffic may be, and in fact is, changed without notice and fluctuates hourly.

That the domestic price of the staples of agriculture is governed by the export price, which fluctuates with the rise and fall of ocean freight rates on bulk traffic.

That the world's price of the staples of agriculture can not be steadied until a fixed rate can be established on bulk traffic the same as package traffic.

Independent of the abnormal conditions which now obtain, the ocean freight rates have increased within the past two years from 100 to 200 per cent and are controlled absolutely by a shipping trust which arbitrarily fixes the charge for carrying the staple commodities, and the burden of increased rates has been borne largely by the bulk traffic. The broad, international scope of the question is patent and it is one of primary importance to every agricultural nation in the world.

The following paper submitted by Mr. Lubin before the Committee on Foreign Affairs fully justifies the passage of this resolution:

INTERNATIONAL INSTITUTE OF AGRICULTURE—PROPOSAL FOR AN INTERNATIONAL CONFERENCE ON THE REGULATION AND CONTROL OF OCEAN CARRIAGE BY MEANS OF AN INTERNATIONAL COMMERCE COMMISSION FOR THE PURPOSE OF STEADYING THE WORLD'S PRICE OF THE STAPLES.

(By David Lubin, delegate of the United States International Institute of Agriculture, Rome, Italy.)

THE WORLD'S PRICE OF THE STAPLES—HOW IT IS ARRIVED AT—ITS BEARING ON THE ECONOMIC STATUS OF THE PEOPLE.

THE RESOLUTION.

The resolution concerning ocean freight rates on the staples passed by the permanent committee of the International Institute of Agriculture at its April meeting calls for "proposals which it may see fit to submit on this subject to the general assembly" (May, 1915).

In accordance therewith, and acting under the authority of letter (f) of article 9 of the treaty establishing the institute, which provides that it shall "submit to the approval of the Government, if there be need, measures for the protection of the common interests of farmers," I propose that the permanent committee introduce the following resolution to the general assembly for adoption.

The general assembly instructs the International Institute of Agriculture to invite the adhering Governments to participate in an international conference on the subject of the regulation and control of ocean freight rates on the staples of agriculture.

This conference shall consist of members appointed by each of the Governments adhering to the institute, and is to consider the advisability of formulating a convention for the establishment of a permanent international commerce commission on merchant marine and ocean freight rates. Said conference to be held in Rome during the fortnight preceding the next session of the general assembly of the institute in 1917.

In support of the above resolution I herewith submit the following paper:

TRANSPORTATION AND COMPETITION.

With the ever-increasing importance of transportation as a factor in the economic development and life of nations, governments everywhere are assuming the right to set aside the competitive system in so far as it concerns the regulation of rates in domestic carriage. Take the case of railways, for instance.

"It was at one time an axiom of law and of political economy that prices should be determined by free competition. But in the development of the railway business it soon became evident that no such dependence on free competition was possible, either in practice or in theory. It produces an uncertainty with regard to rates which prevents stability of prices, and is apt to promote the interests of the unscrupulous speculator at the expense of those whose business methods are more conservative." As a result of these difficulties "operation by private companies, under specific provisions of the Government authorities with regard to the method of its exercise, has been the policy consistently carried out in France," and "there has been both in the United Kingdom and in the United States a progressive increase of legislative interference with railways." (Encyclopædia Britannica, vol. 22, pp. 824, 825, 826.)

In recognition of these facts the United States established its Interstate Commerce Commission with ample power to control its railway traffic rates. In place of leaving the power of rate fixing in the hands of the railway companies, it has vested it in (a) the seven members of the Interstate Commerce Commission, (b) in the railway managers, and (c) in the United States courts, who together form the triune power governing the equities involved in the matter of rates.

SHIPPING RINGS AND MONOPOLIES.

Drawbacks similar to those formerly complained of in railway traffic are now seen to prevail in water carriage. As a result, the abuses alleged in the working of the present system of shipping rings and conferences are attracting the attention of the Governments. Important inquiries on the subject have been held in Great Britain and the United States. In Great Britain a royal commission was appointed which, in 1909, published its report. In the United States a movement is now on foot for extending the powers of the Interstate Commerce Commission to cover ocean carriage, both in the domestic and the foreign trade.

In pursuance of this movement resolutions were passed in February and June, 1912, by the United States House of Representatives, of which the following are excerpts:

"*Resolved*, That the Committee on the Merchant Marine and Fisheries be, and is hereby, empowered and directed to make a complete and thorough investigation of the methods and practices of the various ship lines, both domestic and foreign, engaged in carrying our over-sea or foreign commerce and in the coastwise and inland commerce.

"That said committee shall report to the House all the facts disclosed by said investigation, and what legislation, if any, it deems advisable in relation thereto."

This committee has recently published its report, in four volumes, entitled "Proceedings of the Committee on the Merchant Marine and Fisheries in the Investigation of Shipping Combinations under House resolution 587."

I have received these volumes through the courtesy of the chairman, Mr. J. W. ALEXANDER, who, in a letter of May 15, informs me that he would be pleased to receive my comments on the same. I therefore now purpose, in order to bring out more clearly the points in favor of my resolution, to comment on the evidence and findings of the committee as set forth in the report.

This report shows that the leading representatives of the commercial interests, and practically all the important navigation companies engaged in the domestic and foreign trade of the United States, gave testimony under oath at the committee's inquiries.

To begin with, the testimony brought out the following facts:

THE FACTS.

First. That the evils arising from former unrestricted competition in ocean carriage have driven the steamship companies to form understandings, conferences, and combinations.

Second. That these understandings, conferences, and combinations have led to the formation of great shipping trusts. These trusts control not only of lines directly owned by them, but also control, to a great extent, the traffic of the "tramp ships," all of which practically gives them a powerful and dangerous monopoly.

Third. That these monopolies give rise to and maintain excessive and unjust rates, and, by the use of "fighting ships" and by rebates to large shippers, tend also to bring forth other and dangerous monopolies—monopolies in buying and monopolies in selling.

As to the first point, the evils of unrestricted competition, the committee, in its "summary of evidence," says:

"Unrestricted competition, based on the survival of the fittest, tends to restrict the development of the lines and in the end must result in monopoly. * * * Competition in the steamship business was regarded as the demoralization rather than the life of trade; as the means of introducing uncertainty instead of certainty, and inefficiency instead of efficiency. * * *" (Vol. 4, pp. 295, 300.)

On the same point the report furnished the committee by representatives of steamship companies states:

"Competition has never established a reasonable rate nor maintained a stable rate. * * * Rate wars tend to the monopolization of trade by the larger shippers. Unless the warring steamship factions come to some agreement the result is more or less of a monopoly on the part of the most powerful carrier engaged in the conflict." (Vol. 2, p. 1363.)

THE EFFECT.

And now as to the second point, the effect of the understandings, conferences, and combinations entered into by the shipping rings. The American and British reports show that these rings are attaining greater and greater magnitude throughout the world as time goes along. Let me quote an example:

"Practically all the well-known lines connecting North Atlantic American ports with those of the United Kingdom, North Europe, and the Mediterranean are parties to numerous freight agreements covering in one way or another nearly every sphere of the American-European trade * * * over 40 regular trans-Atlantic lines are parties in their respective trades to at least 20 agreements involving the freight traffic, and the important lines are members of at least four main freight conferences. The four conferences referred to are the trans-Atlantic Freight Conference, the American Atlantic Conference, the Atlantic Conference, and the Mediterranean Conference." (Vol. 4, p. 59.)

Summarizing the evidence obtained, the committee states in its report:

"It is the almost universal practice for steamship lines engaging in the American foreign trade to operate, both on the inbound and outbound voyages, under the terms of written agreements, conferences, arrangements, or gentlemen's understandings, which have for their principal purpose the regulation of competition through either (1) the fixing or regulation of rates, (2) the apportionment of traffic by allotting the ports of sailing, restricting the number of sailings, or limiting the volume of freight which certain lines may carry, (3) the pooling of earnings from all or a portion of the traffic, or (4) meeting the competition of nonconference lines." (Vol. 4, p. 415.) "Steamship agreements and conferences are not confined to the lines engaging in the foreign trade of the United States. They are as universally used in the foreign trade of other countries as in our own." (Vol. 4, p. 416.)

RATE WARS.

"* * * The methods which have been adopted from time to time to eliminate competition show the futility of a weak line attempting to enter a trade in opposition to the combined power of the established lines when united by agreement. By resorting to the use of the 'fighting ship' or to unlimited rate cutting, the conference lines soon exhaust the resources of their antagonists. By distributing the loss resulting from the rate war over the several members of the conference, each constituent line suffers proportionately a much smaller loss than the one line which is fighting the entire group. Moreover, the federated lines can conduct the competitive struggle with the comfortable assurance that, following the retirement of the competing line, they are in a position to reimburse themselves through an increase in rates." (Vol. 4, p. 304.)

As showing the way in which the shipping rings absorb independent lines and control the ports, let me quote the testimony given before a "hearing" of the committee by one of the witnesses:

"Going back a good many years, there was an independent line from Baltimore to Rotterdam. * * * That line was absorbed and taken over by the Holland-American Line; and instead of Baltimore having an independent service, the Baltimore service has been forced out, and we are now dependent on the allotment from the central agency in New York, which says 'Baltimore can do this much business,' and we can not do any more." (Vol. 2, p. 1289.)

THE COMPLAINTS.

And now, finally, for the third point: The excessive and unjust rates and the granting of rebates.

On the question of excessive rise in rates Mr. J. W. ALEXANDER, the chairman of the committee, stated:

"The testimony before the committee seems to indicate that the ocean rates have gone up from 100 to 200 per cent in the last 12 months, or, anyway, within the last two years." (Vol. 2, p. 801.)

Summarizing certain phases of the evil arising from the formation of shipping rings, the committee states:

"A considerable number of complaints were also filed with the committee objecting to excessive rates, discrimination between shippers in rates and cargo space, indifference to the landing of freight in proper condition, arbitrariness in the settlement of just claims, failure to give due notice to shippers when rates were to be increased, refusal to properly adjust rates as between various classes of commodities, and the unfairness of certain methods, such as 'fighting ships,' deferred rebates, and threats to refuse shipping accommodations used by some conference lines to meet the competition of nonconference lines. * * * The conference lines so completely dominate the shippers with whom they deal that these shippers can not afford, for fear of retaliation, to place themselves in a position of active antagonism to the lines * * *." (Vol. 4, p. 417.)

On the question of rebates and the monopolies to which they give rise, Mr. HUMPHREY, a member of the committee, pointed out that the shipping conferences give "special rates to certain big interests in the United States, * * * among others to the Standard Oil, what is known as the Harvester Trust, and what we generally term the 'Steel Trust.'" (Vol. 1, p. 267.)

And now let us see from further evidence in the report how the case would stand if there were no shipping conferences, if there were no shipping trusts; let us see how it would stand under a régimé of open and unrestricted competition.

STABLE RATES.

On this head the contention is made that open competition with its constantly fluctuating rates prevents rational calculations of prices in buying and selling, whereas conferences secure stable rates which permit of such calculations. In its report the committee makes the following statements with reference to the advantages claimed for shipping conferences as against open competition.

"Such agreements, it is contended, are a protection to both shipper and shipowner. To the shipper they insure desired stability of rates. * * * Stability of rates over long periods of time removes the inconvenience which would exist if merchants and shippers were obliged to quote different propositions (prices) on nearly every consignment, thus eliminating what was formerly an undesirable speculative risk under the open competitive system." (Vol. 4, pp. 295, 297.)

"Prominent exporting firms * * * are convinced that the present condition of fixed rates and regular sailing opportunities places all merchants upon the same basis as regards their estimates on contracts, and produces much better results for the exporter and manufacturer than could be possible under the old order of things * * * (under unrestricted competition). * * * Nothing is regarded so detrimental to the export trade as uncertainty regarding sailings and violent fluctuations in freight rates." (Vol. 4, p. 298.)

Under the shipping conferences "the rates filed are only subject to change after an agreed period of notice, varying from 30 to 60 days. * * *." (Vol. 4, p. 64.)

THE DISCREPANCY.

And right here there seems to be a wide discrepancy between the statements just quoted from the committee's report and those contained in letters from the Chambers of Commerce of New York and of San Francisco. To facilitate the proposed work of the International Institute of Agriculture in publishing ocean freight rates on the staples, I wrote to some of the leading chambers of commerce in the United States, asking whether the data on current freight rates could be procured for regular publication in the institute's monthly bulletins. The Chamber of Commerce of New York, in a communication of December 11, 1913, replied as follows:

"* * * It would be extremely difficult to give any definite information in regard to freights that would be of value in publishing the world's price for cereals. * * * You no doubt are aware that freight rates, particularly for agricultural products, change almost daily and sometimes several times during the day, depending upon the demand or otherwise for freight room. Rates quoted to-day would be only for refusal for 24 hours, and they are constantly influenced by the fluctuating demand for room in the various steamers. * * * Frequently wheat has been carried between the United States and London free of any charge, being simply used for ballast in the steamers, and at other times the rate has advanced to 10d. and 12d. per bushel."

This statement was confirmed by the San Francisco Chamber of Commerce, which, in a letter of April 3 says:

"Rates fluctuate from day to day, and a rate reported to-day might be twice as high or half as low to-morrow."

A similar statement is contained in the report submitted to the Committee on the Merchant Marine and Fisheries by the representatives of the steamship lines running between New York and foreign countries, which says:

"Ocean freight rates vary not merely from month to month, but from day to day and from hour to hour, especially with reference to the great staples which are traded in on the exchanges." (Vol. 2, p. 1373.)

Thus, in one instance, we are told that the conferences fix rates which can only be changed on 30 or 60 days' notice; whereas the other statement claims that rates fluctuate from day to day and from hour to hour; that "wheat," for instance, "has been carried between the United States and London free of any charge, being simply used for ballast in the steamers, and that at other times the rate has advanced to 10d. and 12d. per bushel." How, then, can we reconcile these two and conflicting statements?

THE STAPLES EXCLUDED.

An explanation is seemingly at hand. The shipping conferences exclude the staples of agriculture from their fixed rates. These staples, as we are informed by the Chambers of Commerce of San Francisco and New York, are therefore left subject to sudden and violent fluctuations. Their exclusion from the fixed rates is clearly indicated by the following paragraph from the "Summary of Evidence" given in the committee's report, which states:

"The minimum rate agreement, however, does not cover the heavy bulk traffic, consisting of grain, flour, oil cake, cotton, and similar commodities, but is confined to the high-priced freight on which the shippers as well as the ship lines are anxious to have fixed rates equally applicable to all." (Vol. 4, p. 64.)

On this same head Mr. Franklin, vice president of the International Mercantile Co., in his evidence before the committee, says:

"The representatives of the various lines running to Liverpool meet and discuss their rates. * * * These rates are subject to change on certain notice; in some instances 30 days and in some instances 60 days. They cover only certain commodities; they do not cover the great bulk of traffic, which consists of grain, flour, oil cake, cotton, and other bulky commodities. They cover only miscellaneous traffic." (Vol. 1, p. 597.)

We thus see that the case stands as follows: The main freight traffic of a ship is classified under two headings, (a) the "package traffic" and (b) the "bulk traffic." Now it is to be noted that while fixed rates are given on the merchandise composing the "package traffic" unfixed rates apply to the "bulk traffic," which consists in the main of the staples of agriculture.

And the question arises: What proportion does the "package traffic" bear to the "bulk traffic"?

In the testimony given before the committee by the vice president of one of the shipping rings, the International Mercantile Marine Co., it was brought out that of every 9,000 tons of traffic about 2,000 tons are carried as "package freight" at fixed rates, and about 7,000 tons as "bulk freight" at unfixed rates, and, as just stated, this "bulk freight" embraces the staples of agriculture. (Vol. 1, p. 611.)

A SIGNIFICANT FACT.

We are thus brought face to face with a significant fact. On the one hand we see the importance attached in the inquiries on ocean carriage, both in Great Britain and in the United States, to the question of fixed rates for the "packing traffic." On the other hand we see the slurring over, the waiving aside of the question of unfixed rates for "bulk traffic," the traffic which consists mainly in the staples of agriculture. And yet, as is well known, the slightest change in the cost of carriage affects the price of the staples, not only the price of the quantity exported, but likewise so the price of the entire quantity for home use.

This slurring over, this waiving aside, this indifference, was noticeable alike in the American and in the British inquiry. And no wonder, for both the inquiries were mainly concerned with points touching ocean freight rates as they affect (a) the public carrier and (b) the shipper and merchant, whereas the economic influences resulting from the rates and conditions of the ocean carriage of the staples affect most keenly the producers and the consumers.

"GODFATHERS."

From the facts elicited at these inquiries it would seem as though there are "godfathers," so to speak, on the lookout for all the interests involved excepting for those of the staples. There is a godfather for iron, the Steel Trust; a godfather for agricultural implements, the Harvester Trust; a godfather for oils, the Standard Oil Trust; there is a godfather for the carriers, the Shipping Rings; a godfather for the commission men and the dealers handling the "package traffic," the chamber of commerce and the board of trade; but there is no godfather for the staples of agriculture, no godfather to represent the interests of the producer and of the consumer.

But the question arises: Would it have made any practical difference to the outcome if the interests of the producer and of the consumer had been represented at these inquiries? Let us see.

It seems to me that no matter how competent the testimony offered by a body representing the farmers or the consumers, no matter how honest the committee before which such testimony would be given, no matter how able the proposals for legislation which that committee might draft, it would all be ineffective unless the evidence given indicated the international bearing of the subject and unless the findings deduced therefrom recommended action on international lines. So long as the findings would fail to recommend international action, they must necessarily fall short of applying adequate means to the ends in view. That this is worthy of serious consideration will be apparent from the following:

WHOM DOES IT CONCERN?

In the case of "package traffic" the terms and conditions of ocean carriage mainly concern the carrier, the shipper, and the dealer. In the case of "bulk traffic," the traffic in the staples of agriculture, the terms and conditions of ocean carriage concern the economic welfare of the people everywhere.

To illustrate, under "package traffic," whether the rate on shipments of shoes or cutlery, for instance, be too low or too high, whether it be fixed or whether it fluctuate, whether the conditions be advantageous or disadvantageous, affects the carrier, the shipper, and the dealer.

But with "bulk traffic" the case is different. In the carriage of the staples of agriculture, whether the rate be too low or too high, whether it be fixed or whether it fluctuate, whether the conditions be advantageous or disadvantageous, concerns not merely the carrier, the shipper, and the dealer, but it concerns the economic condition of the people everywhere, as will be shown further on.

At this time it would be well to bear in mind that, while on the one hand "package traffic" comprises that class of merchandise which is bought and sold by private purchase and sale, by private contract, "bulk traffic," on the other hand, comprises in the main the staples of agriculture which are bought and sold in the world's bourses and exchanges at the world's price.

THE WORLD'S PRICE.

And what do we mean when we say the "world's price"?

We mean the price that is tendered and accepted in the world's bourses and exchanges, which we might call the world's auction rooms.

And how is this price arrived at?

The first factor in arriving at the world's price is the prevailing opinion as to the state of the world's supply. If the supply be above the normal, the price is expected to fall below the normal; if the supply be below the normal, the price is expected to rise above the normal.

By "supply" we do not mean the quantity produced or available in any one locality, in any one country; we mean the total world's supply. The supply in any given State may be above the normal, and yet if, at the same time, it be below the normal for the world, the price in that State should nevertheless be high. Or, vice versa, the supply in a given State may be below the normal, yet if the world's supply be above the normal the price in that State should be low.

But the supply is by no means the only factor in the formation of the world's price. There is another factor, and an important one—the cost of ocean carriage. If the average cost of ocean carriage be above the normal, it should correspondingly reduce the price paid to the producer below the normal. And, on the contrary, if the average cost of ocean carriage be below the normal, it should correspondingly raise the price paid to the producer above the normal.

Therefore calculations on rational lines for arriving at a knowledge of what the world's price ought to be should, first of all, take into consideration the status of the world's supply, and, secondly, the status of the cost of ocean carriage.

THE EFFECT OF FIXED RATES.

If there were fixed rates for ocean carriage of the staples, the Liverpool buyer would be able to make offers for given quantities of wheat, for instance, on a basis of rational calculations. But let us take the case as it stands at present. A shipper at Buenos Aires receives an order for wheat to be delivered in Liverpool at the ruling world's price, at, say, $1 a bushel; how much should he pay for that wheat at Buenos Aires? If the cost of delivery is, say, 10 cents a bushel, the world's price should then be 90 cents a bushel in Buenos Aires. If the cost of delivery is 30 cents, the world's price in Buenos Aires should then be 70 cents. But if he is to ship the wheat in 30 or 60 days' time, how is the shipper to tell what the cost of carriage will then be? As the rates for the ocean carriage of the staples are not fixed, how is he to know? He does not know.

As we have seen, the Chamber of Commerce of New York states that wheat is carried at one time free of charge as ballast and at another time at a charge of 10d. and 12d. per bushel; and the San Francisco Chamber of Commerce writes that "rates fluctuate from day to day, and a rate reported to-day might be twice as high or half as low tomorrow." Therefore the shipper must guess, and so must everyone else guess, so long as rates are unfixed. If the shipper wins on the guess, what he wins comes directly out of the pocket of the producer; if he loses, he tries hard to recoup himself in his next deal, and also out of the producer's pocket.

But this is only the beginning of the mischief. The confusion arising out of the system of unfixed rates for ocean carriage of the staples and the consequent uncertainty in price determining lead to economic evils so far-reaching as to affect the people everywhere.

A comprehensive grasp of the significance of this evil may be obtained by the consideration of the following:

PRIVATE SALE AND PUBLIC SALE.

In the case of "package freight," of chairs, stoves, shoes, etc., the rise or fall in the rates of ocean carriage on the same hardly affects their home price or their foreign price. If, for instance, the cost of ocean carriage on pianos were to advance from $5 to $20 each, it need not necessarily follow that owing to the $15 advance in freight rates all the pianos in the exporting country would decline by $15 or advance by $15 in the importing country, for the "package traffic" merchandise is sold by private contract—by private sale. But with the "bulk freight," with the staples of agriculture, the case is quite different. Being sold on the world's bourses and exchanges, at the world's price, it necessarily follows that a rise in ocean freight rates at one or more leading ports of an exporting country, by reducing the price on the quantity exported must necessarily reduce the price on the remaining quantity in the home market, for the buyer on the bourses or exchanges, whether he buys for export or for home use, pays the same price.

We can thus see how sensitive to change is the world's price and the home price of the staples when influenced by unfixed rates for ocean carriage. Were there fixed rates for the carriage of the staples, subject, say, to 30 or 60 days' notice of change, as is the case with the "package traffic," it would then settle the major evil in the question before us, the evil of constant and unnecessary price disturbances.

RAISE AND LOWER THE PRICE AT WILL.

But apart from such disturbances, under the present system of unfixed rates there is yet another point which calls for our consideration.

Under present conditions the chief directors of a few of the larger shipping rings, by federating their efforts, are in a position to raise and lower, by previous arrangement, the prices of the staples in any and all of the principal ports of the world. Acting under exclusive and advance knowledge of the rates they will charge they could lower the price of the staples by raising the cost of carriage and then, directly or indirectly, buy them in the bourses. They could then raise the price of the staples by lowering the cost of carriage, when they would sell. They could thus, at will, and by arrangement, lower the price of the product and buy, then raise the price and sell, and pocket the difference.

But the economic loss occasioned by such raising and lowering of prices at will would be very much greater than the amount the directors of the shipping rings might pocket, for raising or lowering the cost of carriage means raising or lowering the price of the staples on the home market directly, and raising or lowering the world's price indirectly.

Besides this species of mischief, there is, however, yet another within the power of the federated shipping rings; it is within their power, as we have seen from the case of Baltimore, to make and unmake ports, and through this to raise or lower the economic status of the nations. And this power is the more dangerous since such directors of shipping rings are irresponsible and free to act on the lines indicated. They are not expected to be guided by altruistic motives nor by high and statesmanlike political considerations.

"PACKAGE TRAFFIC" AND "BULK TRAFFIC."

Moreover, the fact that the "package traffic," representing 2,000 out of every 9,000 tons, enjoys fixed rates, whilst the "bulk traffic," the traffic in the staples, the traffic that represents 7,000 out of every 9,000 tons, is carried at unfixed rates, is in itself a terrible indictment of the present mode of procedure. Here we see that the price of the annual world's production of the staples, the value of which we may roughly estimate at a hundred billion dollars a year, and which represents the foodstuffs and the raw material for clothing and for house furnishing of all the people of the world, is permitted to be battledored and shuttlecocked through the action of the federated shipping rings.

We are thus forced to the conclusion that it is possible under this system for a few powerful directors of federated shipping rings to exert more effective economic control over the nations than can be exerted by any president, emperor, king, or prince; and so long as these federate shipping rings have it in their power to dictate at will the rise and fall in price of the world's food products, of the world's raw materials for clothing and for furnishing, so long do they, in reality, usurp a power which does not belong to them, a power which they should not have.

As matters stand at the present time, the unfixed rates for ocean carriage tend to convert the bourses and exchanges into price storm centers, storm centers which constantly give rise to waves of violent price disturbances, reacting at times in every direction.

Now, what harm do these price disturbances do?

What harm do they not do?

Unfixed rates of ocean carriage for the staples disturb, impede, and throw out of gear the whole mechanism of exchange.

FREE PLAY.

Right here we may aptly borrow the figure of the factory given by President Wilson in his book, The New Freedom. Here is a workshop; the overhead and underneath shafting, the journals, the pulleys, and the belts are all lined out, true, straight, trim, taut, and oiled, and all is well. But if the shafting be sprung or the journals unoiled, the whole mechanism will be thrown out of gear.

It is just so in the industrial world. The law of competition should be permitted full and free play with no interference to impede its operation. But experience has made it plain over and over again that in the world of industry there is just one field in which competition, if allowed to operate, leads in the end to the "reductio ad absurdum" of the whole competitive system. The field that I refer to is that of transportation; competition in transportation impedes and interferes with the free play of competition in other and important fields.

This fact has been brought home so clearly to the American people that they have enacted laws excluding the railway carriers from the domain of competition by placing the regulation and control of rates in the hands of the Interstate Commerce Commission. And the same reasoning that holds good for the regulation and control of railroad rates by an Interstate Commerce Commission would, as was shown before, likewise hold good for the regulation and control of ocean carriage through an International Commerce Commission.

The manner, now arbitrary, now fortuitous, in which the rates for ocean carriage of the staple are fixed; the lightning-like rapidity with which they are made to change; the gravity of the economic disturbances to which such sudden changes give rise; the far-reaching interrelated nature of their effects; the reaction produced by changes of rates in the ports of one nation on prices in the ports of another nation show clearly that if there is reason for placing domestic carriers under national regulation and control, there is yet stronger reason why ocean carriers should be placed under international regulation and control. If this contention be admitted, it then follows that my resolution for an international official conference to consider this matter is in order.

THE SITUATION.

And now let us briefly review the situation as made manifest by the British and American inquiries. We may summarize it as follows:

There are, at present, two modes of conducting the traffic business of ocean carriage:

(a) Through unrestricted competition;

(b) Through shipping rings and conferences.

In the final analysis, however, it would seem that unrestricted competition in ocean carriage is, in reality, but a mere hypothesis, for, as has been shown, such unrestricted competition invariably resolves itself down into a monopoly.

And again, if we examine the shipping rings and conferences which are, at present, the normal condition, we shall see that this condition also is but another name for monopoly.

We are thus brought face to face with the fact that both unrestricted competition and shipping rings alike lead to monopoly in the business of ocean carriage.

And what about this monopoly? In the American report we find the following:

"All monopolies are liable to abuse, and in our foreign carrying trade the monopoly obtained by the conference lines has not been subjected to any legal control." (Vol. 4, p. 304.)

And on the same head the British report says:

"All monopolies are liable to abuse to a greater or less extent unless they are strictly limited, either by the nature of the case, by legislation, or by some form of supervision." (Report of the Royal Commission on Shipping Rings, vol. 1, p. 98.)

And now it will be interesting to note the measures proposed by the American and by the British committees for holding in check this "monopoly," for curbing this "abuse."

BRITISH AND AMERICAN RECOMMENDATIONS.

On the one hand, the British commission offers the following recommendation:

"Shippers and merchants in a given trade should form themselves into an association, so that they might be able to present a united front to the conference when any controversy arose." (Report of the Royal Commission on Shipping Rings, vol. 1, p. 85.)

The American committee, on the other hand, recommends:

"That navigation companies, firms, or lines engaged in the foreign trade of the United States be brought under the supervision of the Interstate Commerce Commission as regards the regulation of rates, the approval of contracts entered into with other water carriers, with shippers, or with American railroads." (Vol. 4, p. 419.)

Thus, as we see, the British recommendation is for unofficial, the American for official, action, and both recommendations view the question purely from the national standpoint.

So far as the "package traffic" is concerned, these recommendations might be adequate. But would they cover the needs of the case were the "bulk traffic," the staples of agriculture, under consideration? I do not think so; for as the import, export, and home prices of the staples are governed by the world's price the formation of which is influenced by the cost of carriage to the principal market centers of the world, and as any one nation is unable to regulate and control the terms and conditions of ocean carriage in the principal world's ports, therefore all attempts to regulate or control ocean carriage of the staples by any one nation must be inadequate.

INTERNATIONAL REGULATION AND CONTROL.

It would therefore seem to me that the nations should consider the advisability of establishing an international commerce commission for the regulation and control of ocean carriage. The influence of such international regulation and control, extending to the principal ports of the world, would supplement the world's official crop reports in guiding the formation of the world's price on an equitable basis. The first division of this work is already being performed; the crop reports now given out by the institute, under the auspices of the nations, are the official and authoritative summary of the world's supply. When this work would be supplemented by that of the international commerce commission it would then permit of rational calculations anywhere as to what the home price of the staples should be in its relation to the world's price.

And right here it may be apposite to relate an incident in the upbuilding of the institute pertinent to the subject.

Some eight years ago I called on Mr. James Wilson, the then Secretary of Agriculture, in an endeavor to win him over to the needs for an official international crop-reporting service. Mr. Wilson then expressed the opinion that such a service would be of no economic value to the United States. He claimed that the Department of Agriculture had its own crop-reporting service, which was sufficient for the needs of the American people, and that there was no call to enter on some new work which might serve the interests of other nations.

Subsequently, however, Mr. Wilson saw the matter in the light in which it was presented to him. He saw that all the crop reporting that the United States might do would be inadequate for the end in view; that the crop reports of one nation only are inadequate as a basis for arriving at the world's price, for the world's price is based on the world's supply; and in order to have the official reports of the world's supply it is necessary that crop reporting be done by all the nations of the world, and that the reports, and the world's summary of the same, be given out officially at regular intervals under international treaty. When Mr. Wilson saw this, he then favored the International Institute of Agriculture for this work.

AN INTERNATIONAL COMMERCE COMMISSION.

Similarly, in the case of ocean carriage, action by a nation, limited to the regulation and control of the "package traffic" within its own country, can be had through a national institution like the Interstate Commerce Commission. The jurisdiction of such a commission might even be extended to embrace the ocean carriage of a nation at home and abroad; but if all this is intended to influence the equitable relation between the home price and the world's price of the staples it will surely fall far short of accomplishing what is intended. For, as has been shown, one of the principal factors in arriving at the world's price of the staples is a knowledge of the world's supply, and in arriving at a knowledge of what their home price should be in relation to their world's price the leading factor would be the fixed rates for their ocean carriage. And just as the official report of the world's supply may only be had by means of an international crop-reporting service, so regulation and control of the ocean carriage of the staples may only be had through the medium of an international commerce commission.

Such an international commerce commission could be instituted by the nations under a treaty which should provide for its mode of representation and procedure. If it were granted powers similar to those of the Interstate Commerce Commission of the United States, provision might then be made for it to work in conjunction with a branch of The Hague tribunal, especially constituted and empowered to adjudicate on points of law which might arise out of the commission's functions and decisions. But if its powers were limited to those of a consultative and advisory body, its delegates could then sit in session together with the representatives of the carriers of the shipping interests. The question whether the proposed international commerce commission should be granted powers to act, or whether its functions should be limited to those of a consultative and advisory body, may properly come before the conference called for in my resolution.

FIXED RATES FOR BULK TRAFFIC.

And now it is in order to review some of the objections likely to be raised to fixed rates for "bulk traffic."

The shipowner, for instance, is likely to say: "The unit of transportation by water is the total capacity of a ship. We can not cut off so many feet, as the railroad can, and leave them in New York if we do not want to use them." (Vol. 2, p. 1256.)

It would appear to me that this objection is more seeming than real, for a train of cars can not profitably be run unless there is freight for it, any more than a ship can be run without freight. If you are running a railway you must have freight to fill your cars or get out of business.

"But," it may be asked, "would not such a system of fixed rates overlook the character of the service rendered? Here, for instance, is a costly liner which makes the trip from New York to Liverpool in five days, and here are slower boats, the tramps and the sailing vessels; would the fixed rates apply equally to all?"

And the answer is: The fixed rates could be established according to the quality of the service. Rates could be fixed for first-class, second-class, and third-class service.

The next point that might be raised is that "bulk freight" is a physical necessity for a ship, without which it can not sail, for "the ship must be loaded down to its marks." This being the case, the carrier must be left free to hunt up this "bulk freight" wherever he can get it, and secure it sometimes at a high price, sometimes at a low price.

I believe this objection is also only seemingly valid. The fact is the "bulk freight" either has to be shipped or it does not have to be shipped. If it does not, there will be no use running after it; if it does, then it will come of its own accord.

At this point the carrier is likely to interrupt, saying, "This is all nonsense, for we certainly would have no shiploads if we did not run after the freight, and run after it on the 'give-and-take' method."

And here the carrier is correct: it is all nonsense so far as conditions are to-day. But would not conditions be different under the proposed international commerce commission, under the proposed fixed rates? With no fixed rates the shrewd shipper of "bulk freight" knows well that at certain times the carrier is bound to tag after him. But with fixed rates for the season the shipper's game would be at an end. He would then always be glad enough to rush to the shipping office and "book" room for freight at the earliest moment possible; all of which would tend to promote the natural and steady flow of freight toward the ships.

THE DIVISION OF LABOR.

"But," says the objector, "would not this proposal to single out the ocean carrier by subjecting him to international control place him at a disadvantage? Would it not materially interfere with his earning power? Would it not reduce his profits?"

I do not think so. I think it can be shown that the adoption of the proposal would be advantageous not only to the producers and the consumers, but also to the carriers.

"How?"

Let us see. By the term "civilization" do we not really mean that cumulative state of progress rendered possible by the division of labor? The savage does everything by himself. He is his own carpenter, his own tailor, his own architect, his own carrier. But, as we know, such work is far inferior to that accomplished under the division of labor.

And this division of labor takes place not only in the handicrafts, but also in the field of commerce, in the field of government, and in the field of science. It is, in fact, but another term for "economies." In short, specialization of functions, division of labor, renders effort more effective and more economical. This being so, why not extend the system of the division of labor to the regulation and control of ocean carriage? If the specialization of functions, the division of labor, is beneficial, in what field can it be more profitably employed than in this important one of ocean carriage, a field which concerns not only the shipowners but the governments and the people everywhere?

Fortunately the channels through which the division of labor could be realized in the regulation and control of ocean carriage can readily be made available.

CHANNELS AVAILABLE FOR THE SERVICE.

First of all there could be the proposed international commerce commission, consisting of delegates who should be experts on the subject of ocean carriage. They should be in close official relationship with those departments and bureaus in the various governments which deal, directly and indirectly, with the questions of internal carriage in their relation to foreign carriage.

In the second place there is the International Institute of Agriculture, which could be officially authorized to place itself in communication in the several adhering countries with (a) the chambers of commerce and boards of trade, and with (b) the national agricultural organizations, all with the end in view of gathering information toward the synchronization of incoming and outgoing cargoes, said information to be compiled and regularly transmitted to the international commerce commission.

In the third place, a branch of The Hague Tribunal could be constituted and empowered to adjudicate on points of international law which might arise out of the commission's functions and decisions.

It is not difficult to see that all this, when once in operation, would be likely to bring about two important results.

THE PLAY OF FORCES.

First, by promoting the synchronization of incoming and outgoing cargoes it would tend to remove the uncertainties and perplexities which now beset the ocean carrie's business. In short, the focusing of information under the proposed system would make it possible to replace the present unfixed rates for the staples now abnormally low, now again abnormally high, by fixed average rates.

Second, such fixed average rates replacing the present uncertainties, violent fluctuations, and consequent losses would tend toward the more equitable formation of the world's price of the staples, and by steadying that equitable price would promote the economic interests of the people everywhere.

In other words, the adoption of the proposed system would set in motion a play of forces which, beginning in the township with the farmer and his product, working upward through the several channels indicated, thence through the international commerce commission, would tend to normalize the ebb and flow of the economic currents throughout the world of commerce and industry.

THE INTEREST OF THE PRODUCER.

And now we may expect the producer to intervene. "May not unfixed rates in reality mean low rates? Has it not been shown that

under unfixed rates the carrier is often compelled to transport the staples as ballast free of any charge? Does not this system thus provide the lowest rate? And is it not likely that all this may profit the producer?"

Let us see. If the shipper were to give the producer his share of the difference between the price he actually received and the price he ought to have received whenever the staples were carried as ballast, then the above remarks might to some extent be justified. But how is the shipper, buying as he does in the wheat pit, to hunt up and identify the original owner of the product? And even if the shipper could hunt him up, what would induce him to give back part of his gains to the producer? Nothing that I know of. There is not even a remote chance that the producer will profit by the levy which the shipper raises on the carrier whenever he can compel him to carry freight free as ballast.

The producer's interests can not be served by abnormally low freight rates any more than by abnormally high freight rates; but they can be served by the fixed average rates which the adoption of the proposal here advocated would permit. Such fixed published rates would make it possible for the producer anywhere to arrive at a just approximation of what his home price ought to be in its relation to the world's price, and this would insure to him the best possible results.

But supposing some farmer, working, say, 160 acres of land, were to ask: "Of what value would the adoption of this proposal be to me, since I neither export my product nor sell it to exporters?"

The answer is a simple one: the home price is derived from the world's price, and the world's price is influenced by the cost of ocean carriage. Let the cost of ocean carriage fluctuate through unfixed rates, and it causes the world's price to fluctuate, which, in turn, causes fluctuation of the home price. Steadying the cost of ocean carriage steadies the world's price and steadies the home price of the staples, thus benefiting the farmer who neither exports nor sells to exporters as well as the farmers who export.

THE GOVERNMENTS.

Let us now inquire how the proposal for fixed rates under an international commerce commission would be received by the Governments.

It seems likely that it would be favored by the Governments of the exporting nations, the nations which have the staples of agriculture for sale. But how about the importing nations, the nations that are compelled to buy?

Had this question been asked some 25 years ago we might have expected the statesman of that day to have given some such answer as the following:

"We are not here as champions of altruism, nor for promoting doctrinaire theories as to equitable distribution. We know what we want. We want foodstuffs and raw materials at the very lowest price at which it may be possible for us to obtain them. The lower our influences can depress the world's price of the staples the better it is for us, the more abundant will be the food of our people and the cheaper will be the raw materials for our factories."

But, with the progress of our times, the statesman of to-day is likely to reason differently; he is likely to answer on this wise:

"We can not afford to force prices in the exporting countries below the normal. Our investments in those countries, the need we have of them as buyers of our manufactured goods, are sufficient inducements to warrant us in using our efforts to influence commerce in the staples along perfectly just and equitable lines, and this both at home and abroad."

THE STATESMAN.

But how will the case stand with those nations which possess a powerful merchant marine? Let us see what the statesman in such a country would have been likely to say some 25 years ago.

"We are not concerned with prices and their equities in foreign countries. In order to conserve and increase our national strength we are primarily concerned in the preservation and development of our merchant marine. We can not therefore afford to do anything that would be likely to hamper its freedom or subject its movements to international regulation."

But in our day the answer is likely to be different. The modern statesman is likely to reason:

"While a powerful merchant marine is essential to the well-being of a State, there is another consideration of far greater importance, and that is the well-being of all the people in that State, the well-being of its men, of its women, of its children. Our people must have work; they must eat and wear clothes and furnish their dwellings, and all of this is influenced by stability and equity in the price of the staples. Now, while the merchant marine may force prices in certain markets below their due level, it by no means follows that the products thus lowered will reach the consumers, the people of our State, at that low level. But it is certain that the deteriorating influences set going by the unfixed rates for ocean carriage, with the speculation they give rise to, will adversely affect not only the producer, but also the consumer."

There is yet another phase of the question which the statesman will, no doubt, bear in mind when considering the merchant marine, and that is the need of preserving the economic stability of the colonial possessions of the buying countries. The mother country may be a buyer of the staples; the colonies are almost always sellers. The lamb's gentle bleat will be likely to meet with a sympathetic response from its dam.

THE PROTECTIONIST.

But what will be the opinion of the statesman in a protection country which is neither an extensive exporter nor an importer of the staples?

Twenty-five years ago it is quite likely that such a statesman would have said:

"Yes; I see the wanton waste caused by design or fortuity in forcing the world's price to deflect from the line of the normal through the influences exercised by unfixed rates for the ocean carriage of the staples. It is a grievous injury to many, no doubt. But thanks to our system of protection, and thanks to our independence from the influences exercised by the exporting and importing markets, we are not affected by the evil trend this imparted. Protection gives us our own special normal, our own price, independent of the world's price."

But the modern statesman is likely to reason:

"Protection is but another name for an artificial barrier. We have the artificial barrier, it is true, but for all that, and above and beyond it, the world's price rules here as it does in every other part of the world. We have the world's price, first of all, and on top of that the artificial enhancement which protection gives to our producers, and which comes out of the pockets of our consumers. It thus follows that we are fully as much interested in maintaining the world's price at its normal level as are the exporting or importing nations."

SUMMARY AND CONCLUSION.

In summing up my argument in favor of the resolution, I wish to say that just as the regulation and control of the world's reports on the production of the staples required official international action, so the regulation and control of the terms and conditions for their ocean carriage also requires official international action.

Without such international action there can be no guaranty for equitable and fixed rates in the carriage of the staples. The absence of these equitable and fixed rates must necessarily give rise to disturbances throughout the economic world by forcing values to deflect from the line of the normal.

In concluding my arguments in favor of the adoption of the resolution, I wish to say that there seem to be three ways of disposing of the question before us. One would be to leave matters alone, to let the problems solve themselves. Another would be to live in the hope that the carriers may presently become so wise and disinterested that they will solve the question of their own accord and set matters right. But if in this matter, as in all others, adequate means are essential to the attainment of rational ends, we are forced to set aside both of these ways. This leaves the third way, that of action on the lines of the resolution submitted, the working out of the system indicated therein.

An impartial review of the subject must lead the statesman to the conclusion that this question can not be solved by action on empyrical lines. The problems of ocean carriage as they affect any one port, or all the ports of any one country, are, after all, but phases and fractions, portions of the question when it is considered as a whole. Viewed as a whole the problems transcend the limits of any one country; they are interrelated and concern all the countries of the world.

The time has passed when the statesman could dismiss this question with a wave of the hand. Population everywhere is increasing by leaps and bounds, and so is popular education. All this is equivalent to saying that wants are increasing. And it is clear that the highest aim of good statesmanship is to see that the demands arising out of these increased wants are not stupidly and unjustly frustrated by causes which have their root in inequities in the formation of the world's price of the staples.

Mr. FLOOD of Virginia. Mr. Speaker, I yield three minutes to the gentleman from Indiana [Mr. CLINE].

Mr. CLINE. Mr. Speaker, I am in favor of the resolution for the moral effect it will have on the subject matter. I am in favor of it for the same reason that action by a great government has had on other problems in which other nations are interested. I realize that there is wide distinction between the Interstate Commerce Commission fixing rates and the almost impossibility of having an international commerce commission. But I want to call the attention of the committee to the fact that we have been able in the transportation of boxed manufactured goods, which constitutes two-sevenths of our foreign merchandise, to fix the rate for 60 days upon transoceanic shipment. I want to put the proposition up to these gentlemen here why we can not fix the rates on the other five-sevenths. A man that manufactures shoes in Boston and sells them in Liverpool or London or in Brussels has the rate fixed for 60 days at which he may ship the shoes. Why can not the men that export wheat and cotton have the rate fixed in some way?

Of course, I understand that there are many economical features entering into the shipment of agricultural products—the amount produced in other countries, the distance exported for shipment, the avenue through which the shipment is to be made; but no man has assigned a reason in this discussion why you can not fix the rate on agricultural products as you can on manufactured products. Another feature of the proposition is that the farmer is not concerned about the extremely low rates or the ordinary rate that the gentleman from Illinois speaks about.

Mr. GOODWIN of Arkansas. Will the gentleman yield?

Mr. CLINE. No; I can not, I have not the time. I want to call attention to the fact that it is not the farmer who gets the low rate. It is the elevator man and the shipper and not the farmer who get the low rate. There can be no doubt but that the International Institute of Agriculture has greatly widened the field of information for all the nations that adhere to it, consisting of 56 in this international agreement. It has widened the field of information by publishing the amount of agricultural products weekly, the demand for them in the different sections of the country, and giving information upon which our own people are interested.

I recognize another feature, and that is to establish effectually a standardization of rates we must have an agreement of some kind between the great shippers of this country and the people to whom the grain is shipped. I recognize that transcontinental freight rates are largely fixed and controlled by the Interstate Commerce Commission. Competition gradually determined closely what the rate should be. When you induct into the problem transoceanic commerce you come in contact with economic conditions that affect not only ourselves but our customers abroad. The adoption of this resolution can not do us any harm. This Congress should show that its purpose is to regulate, if it can be done, ocean freight rates, as far

as possible, for the products of the farm that constitute one-half of our export trade.

The SPEAKER. The time of the gentleman from Indiana has expired and all time has expired.

Mr. FITZHENRY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon this matter.

The SPEAKER. The gentleman from Illinois asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

The SPEAKER. The question is on the motion to suspend the rules and agree to the resolution.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended and the joint resolution was passed.

ADJOURNMENT.

Mr. UNDERWOOD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 4 minutes p. m.) the House adjourned until to-morrow, Wednesday, September 2, 1914, at 12 o'clock noon.

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. LEWIS of Maryland, from the Committee on Labor, to which was referred the resolution (H. Res. 604) requesting the Secretary of Labor to transmit to the House of Representatives information concerning public aid for home owning and housing of working people in foreign countries, reported the same without amendment, accompanied by a report (No. 1122), which said resolution and report were referred to the House Calendar.

Mr. ASHBROOK, from the Committee on Coinage, Weights, and Measures, to which was referred the bill (S. 6039) for the coinage of certain gold and silver coins in commemoration of the Panama-Pacific International Exposition, and for other purposes, reported the same with amendment, accompanied by a report (No. 1126), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. LOGUE, from the Committee on Public Buildings and Grounds, to which was referred the bill (H. R. 9584) to authorize the Secretary of the Treasury of the United States to sell the present old post office and the site thereof in the city of Jersey City, N. J., reported the same with amendment, accompanied by a report (No. 1127), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, private bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. HAY, from the Committee on Military Affairs, to which was referred the resolution (H. Res. 598) directing report made by Maj. Eli A. Helmick to the War Department relative to the purchase of supplies be furnished the House of Representatives, reported the same adversely, accompanied by a report (No. 1123), which said bill and report were laid on the table.

Mr. ANTHONY, from the Committee on Military Affairs, to which was referred the bill (S. 543) to correct the military record of John T. Haines, reported the same without amendment, accompanied by a report (No. 1125), which said bill and report were referred to the Private Calendar.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H. R. 18587) granting a pension to Mary Shields, and the same was referred to the Committee on Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. KELLY of Pennsylvania: A bill (H. R. 18629) for the establishment of a land-bond bureau in the United States Treasury, the establishment of a farm-loan bureau in the Department of Agriculture, and to reduce the rate of interest on farm loans; to the Committee on Banking and Currency.

By Mr. CULLOP: A bill (H. R. 18630) to make it unlawful to ship in commerce between the States any grain or seed for the purposes of sale or barter for use in agriculture which are falsely labeled or branded, or falsely represented, and to fix a penalty for the violation of this act; to the Committee on Interstate and Foreign Commerce.

By Mr. KINKEAD of New Jersey: A bill (H. R. 18631) to increase the limit of cost of the United States post-office building at Bayonne, N. J.; to the Committee on Public Buildings and Grounds.

By Mr. HOBSON: A bill (H. R. 18632) to encourage the development of the American merchant marine and to promote commerce and the national defense; to the Committee on the Merchant Marine and Fisheries.

By Mr. GLASS: A bill (H. R. 18633) to amend section 1 of the act of May 30, 1908, relating to emergency currency; to the Committee on Banking and Currency.

By Mr. JOHNSON of Kentucky: Joint resolution (H. J. Res. 331) relating to the awards and payments thereon in what are commonly known as the Plaza cases; to the Committee on the District of Columbia.

By Mr. HULL: Joint resolution (H. J. Res. 332) to enable the Department of Agriculture, through the Bureau of Soils and any other bureau, to locate and report the soil areas in Southern States that are adapted to the successful production of cattle and hogs; to the Committee on Agriculture.

By Mr. EDMONDS: Joint resolution (H. J. Res. 333) authorizing the President to temporarily suspend the dealings in futures of foodstuffs; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADAIR: A bill (H. R. 18634) granting an increase of pension to William W. Jones; to the Committee on Invalid Pensions.

By Mr. DICKINSON: A bill (H. R. 18635) for the relief of the estate of Henry McCarty, deceased; to the Committee on War Claims.

By Mr. DUPRÉ: A bill (H. R. 18636) for the relief of Anaise F. Zeringue and the estate of Mathilde C. Zeringue; to the Committee on War Claims.

By Mr. GUDGER: A bill (H. R. 18637) granting a pension to Joseph H. Bryson; to the Committee on Pensions.

By Mr. KEATING: A bill (H. R. 18638) granting an increase of pension to John M. Morgan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18639) for the relief of John Burk; to the Committee on Military Affairs.

By Mr. NEELEY of Kansas: A bill (H. R. 18640) granting a pension to George W. Norris; to the Committee on Pensions.

By Mr. RUSSELL: A bill (H. R. 18641) granting an increase of pension to Ezra A. Bristol; to the Committee on Invalid Pensions.

By Mr. WHITE: A bill (H. R. 18642) granting an increase of pension to Clark C. Jones; 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. AUSTIN: Petition of L. C. French, Ruth Craft, and others, of Knoxville, Tenn., urging Federal legislation for woman suffrage; to the Committee on the Judiciary.

By Mr. BAILEY: Petition of J. Blumenthal's Sons, of Altoona, Pa., protesting against any additional tax on tobacco; to the Committee on Ways and Means.

By Mr. BELL of California: Petition of the Knights of the Maccabees of the World, of Pomona, Cal., favoring the Hamill civil-service retirement bill; to the Committee on Reform in the Civil Service.

By Mr. BRUCKNER: Petition of the Central Federated Union, favoring the passage of the seamen's bill; to the Committee on the Merchant Marine and Fisheries.

By Mr. DERSHEM: Petition of the Woman's Christian Temperance Union of Milroy, Pa., favoring national prohibition; to the Committee on Rules.

By Mr. DONOVAN: Petition of the Connecticut State Medical Society, relative to mental examination of arriving immigrants; to the Committee on Immigration and Naturalization.

Also, petition of the Connecticut Leaf Tobacco Association, against increased taxes on cigars; to the Committee on Ways and Means.

By Mr. GALLIVAN: Petition of Ward 19 Democratic Club, of Boston, Mass., protesting against manipulation in prices of foodstuffs and the exportation of same to foreign countries; to the Committee on Interstate and Foreign Commerce.

By Mr. HAMILL: Memorial of the Socialist Party of Hudson County, N. J., relative to prohibition of the exportation of foodstuffs, etc., for use during European war; to the Committee on Foreign Affairs.

By Mr. LONERGAN: Petition of the Woman's Christian Temperance Union of East Hartford, Conn., favoring the passage of the Hobson-Sheppard bill for national prohibition; to the Committee on Rules.

Also, petition of the executive committee of the Connecticut Deeper Waterways Association, of New Haven, Conn., favoring the passage of the pending rivers and harbors bill; to the Committee on Rivers and Harbors.

By Mr. MAGUIRE of Nebraska: Petitions of various business men of Elk Creek, Nemaha, and Verdon, all in the State of Nebraska, favoring passage of House bill 5308, relative to taxing mail-order houses; to the Committee on Ways and Means.

By Mr. J. I. NOLAN: Protest of the San Francisco Retail Cigar Dealers' Association, against any increase in the revenue tax on cigars and tobacco products; to the Committee on Ways and Means.

Also, resolutions of the San Francisco Labor Council, protesting against the passage of the Hobson nation-wide prohibition resolution; to the Committee on Rules.

Also, resolutions of the Board of Supervisors of San Francisco, Cal., favoring the passage of House bill 5139, providing pensions for superannuated civil-service employees; to the Committee on Reform in the Civil Service.

By Mr. REILLY of Connecticut: Memorial of the Connecticut Deeper Waterways Association, favoring the passage of the rivers and harbors bill; to the Committee on Rivers and Harbors.

Also, memorial of Guilford Grange, No. 81, Patrons of Husbandry, favoring national prohibition; to the Committee on Rules.

By Mr. STEVENS of California: Petition of C. A. Cary and 20 other citizens of Los Angeles County, Cal., favoring national prohibition; to the Committee on Rules.

Also, individual petitions of Martha Harries and 120 other citizens of Los Angeles, Cal., favoring national prohibition; to the Committee on Rules.

Also, letters from the Labor Council of San Francisco, Cal., against national prohibition; to the Committee on Rules.

Also, letters from the Labor Council of San Francisco, Cal., against Government printing on envelopes; to the Committee on Printing.

Also, telegram from various retail cigar dealers of San Francisco, protesting against increased revenue tax on cigars and tobacco; to the Committee on Ways and Means.

Also, petitions of sundry citizens of Los Angeles, Cal., favoring national prohibition; to the Committee on Rules.

By Mr. WATSON: Petitions of sundry citizens of Prince George County, Va., asking for an investigation of the Milliken bill in regard to the establishment of a personal rural credit system; to the Committee on Banking and Currency.

Also, petition of sundry citizens of Prince Edward County, Va., asking for investigation of bill relative to a personal rural credit system; to the Committee on Banking and Currency.

By Mr. WILLIAMS: Petitions of 25 members of the Empire State Club of Chicago, Ill., relative to House joint resolution 282, for due credit to Dr. F. A. Cook for his polar efforts; to the Committee on Naval Affairs.