

A bill (H. R. 15755) granting a pension to Dorothy H. Volk; Committee on Pensions discharged, and referred to the Committee on Invalid 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. SINNOTT: A bill (H. R. 15829) fixing the taxable status of lands received in exchange for lands formerly embraced in the grants to the Oregon & California Railroad Co. and the Coos Bay Wagon Road Co.; to the Committee on the Public Lands.

Also, a bill (H. R. 15830) to amend section 3 of an act entitled "An act to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes," approved October 20, 1914; to the Committee on the Public Lands.

By Mr. DENISON: A bill (H. R. 15831) to authorize the Secretary of the Treasury to sell a portion of the Federal building site in the city of Duquoin, Ill.; to the Committee on Public Buildings and Grounds.

By Mr. CLARK of Missouri: A bill (H. R. 15832) to provide additional terminal facilities in square east of 710 and square 712 for freight traffic; to the Committee on the District of Columbia.

By Mr. MADDEN: A bill (H. R. 15833) providing for the investment of the Postal Savings System reserve in United States Government bonds and other securities; to the Committee on the Post Office and Post Roads.

By Mr. ACKERMAN: A bill (H. R. 15834) authorizing the accounting officers of the Treasury to adjust certain accounts of certain diplomatic and consular officers; to the Committee on Foreign Affairs.

By Mr. PORTER: A bill (H. R. 15835) for the acquisition of embassy, legation, and consular buildings and grounds; to the Committee on Foreign Affairs.

By Mr. WINSLOW: A bill (H. R. 15836) to amend the transportation act, 1920; to the Committee on Interstate and Foreign Commerce.

By Mr. CROWTHER: A bill (H. R. 15837) amending section 97 of the act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911; to the Committee on the Judiciary.

By the SPEAKER (by request): Memorial from the Legislature of the State of Washington, asking for appropriations necessary to continue Federal aid in the construction of rural post roads; to the Committee on Appropriations.

#### PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DONOVAN: A bill (H. R. 15838) granting a pension to Susan Fuller; to the Committee on Invalid Pensions.

By Mr. HARDY of Colorado: A bill (H. R. 15839) granting an increase of pension to Maria Manuela Lobato; to the Committee on Invalid Pensions.

By Mr. HASTINGS: A bill (H. R. 15840) granting a pension to James J. Davis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15841) granting a pension to Robert Ross; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15842) granting an increase of pension to Joseph B. Antoine; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15843) granting an increase of pension to Joshua Gage; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15844) granting an increase of pension to Price Cochran; to the Committee on Invalid Pensions.

By Mr. HAUGEN: A bill (H. R. 15845) for the relief of James T. Farrill; to the Committee on Military Affairs.

By Mr. HOEY: A bill (H. R. 15846) granting permission to Mrs. R. S. Abernethy, of Lincolnton, N. C., to accept the decoration of the bust of Bolivar; to the Committee on Foreign Affairs.

Also, a bill (H. R. 15847) granting a pension to Sarah A. Jennings; to the Committee on Pensions.

By Mr. IGOE: A bill (H. R. 15848) granting a pension to Margaret Daley; to the Committee on Pensions.

By Mr. LINTHICUM: A bill (H. R. 15849) granting an increase of pension to Mary Crosson At-Lee; to the Committee on Invalid Pensions.

By Mr. SLEMP: A bill (H. R. 15850) for the relief of Francis Graves Bonham; to the Committee on Military Affairs.

By Mr. ASHBROOK: Joint resolution (H. J. Res. 454) to pay A. W. Young for money improperly refunded by him to the Post Office Department; to the Committee on Claims.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5150. By Mr. BABKA: Petition of Central States Census Supervisors' Association, requesting the passage of House bill 13630; to the Committee on the Census.

5151. By Mr. BURROUGHS: Petition of Mrs. Margaret S. Noyes, on behalf of the Hampton (N. H.) Monday Club, indorsing the Smith-Towner bill; to the Committee on Education.

5152. Also, petition of Mrs. Arven Blanchard, on behalf of Woman's Christian Temperance Union of Center Sandwich, N. H., indorsing the Sheppard-Towner bill; to the Committee on Interstate and Foreign Commerce.

5153. Also, petition of Mrs. Lena T. Beardsley, corresponding secretary, on behalf of Derry Woman's Club, indorsing the Sheppard-Towner bill; to the Committee on Interstate and Foreign Commerce.

5154. Also, petition of Mrs. Lena T. Beardsley, corresponding secretary, on behalf of Derry Woman's Club, indorsing the Smith-Towner bill; to the Committee on Education.

5155. By Mr. GALLIVAN: Petition of East Boston League of Women Voters, favoring House bill 10925; to the Committee on Interstate and Foreign Commerce.

5156. Also, petition of Local No. 1120, of the International Longshoremen's Association of Boston, Mass., indorsing Senate bill 4606; to the Committee on the Merchant Marine and Fisheries.

5157. Also, petition of Loose-Wiles Co., of Boston, Mass., favoring a gross sales tax; to the Committee on Ways and Means.

5158. Also, petition of Miss Ellen F. Mason, of Boston, Mass., favoring the passage of House bill 14854 and Senate bill 4503; to the Committee on Agriculture.

5159. Also, petition of James P. Parker, of Boston, Mass., urging an appropriation for the administration of the Naval Reserve Force; to the Committee on Appropriations.

5160. Also, petition of W. B. Kihner, of Dorchester, Mass., and L. R. Devoto, of Roxbury, Mass., favoring increased compensation for inspectors of customs; to the Committee on Appropriations.

5161. By Mr. IGOE: Petition of 290 citizens of St. Louis, Mo., protesting against the passage of the so-called health and medical bills, particularly House bills 7, 2023, 2155, and 5724, and Senate bills 454, 813, 814, and 1017; to the Committee on Interstate and Foreign Commerce.

5162. By Mr. MOONEY: Petition of Central States Census Supervisors' Association, requesting the passage of House bill 13630; to the Committee on the Census.

5163. By Mr. O'CONNELL: Petition of Retail Dry Goods Association of New York City, favoring a daylight-saving law, known as the Edge law (S. 3670); to the Committee on Interstate and Foreign Commerce.

#### SENATE.

SATURDAY, January 22, 1921.

(Legislative day of Tuesday, January 18, 1921.)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

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

The VICE PRESIDENT. The Secretary will call the roll. The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Gore	Lenroot	Sherman
Ball	Gronna	Lodge	Shields
Borah	Hale	McCormick	Simmons
Brandegee	Harris	McCumber	Smith, Ariz.
Calder	Harrison	McKellar	Smoot
Capper	Hedin	McLean	Sterling
Coff	Henderson	Moses	Sutherland
Culberson	Hitchcock	Nelson	Townsend
Curtis	Johnson, Calif.	New	Trammell
Dial	Jones, N. Mex.	Overman	Underwood
Dillingham	Jones, Wash.	Owen	Wadsworth
Edge	Kendrick	Page	Walsh, Mass.
Elkins	Kenyon	Phipps	Walsh, Mont.
Fernald	Keyes	Pittman	Warren
Fletcher	King	Polindexter	Williams
France	Kirby	Robinson	Willis
Gooding	La Follette	Sheppard	

Mr. HARRISON. I desire to announce that the Senator from Oregon [Mr. CHAMBERLAIN] and the Senator from South Dakota [Mr. JOHNSON] are absent from the Senate because of illness.

I also desire to announce that the Senator from Kentucky [Mr. BECKHAM], the Senator from Virginia [Mr. SWANSON], and the Senator from Rhode Island [Mr. GERRY] are detained on official business.

The VICE PRESIDENT. Sixty-seven Senators have answered to the roll call. There is a quorum present.

#### MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, communicated to the Senate the intelligence of the death of Hon. CHARLES F. BOOHER, late a Representative from the State of Missouri, and transmitted the resolutions of the House thereon.

The message also announced that the Speaker of the House had signed the following enrolled bills, and they were thereupon signed by the Vice President:

S. 793. An act authorizing the issuance of patent to the Milk River Valley Gun Club;

S. 2379. An act to provide for the distribution of certain public lands withdrawn and improved under the provisions of the act of Congress approved June 25, 1910 (36 Stat. L., p. 847), as amended by the act of August 24, 1912 (37 Stat. L., p. 497), and which are no longer needed;

S. 3994. An act validating certain applications for and entries of public lands, and for other purposes; and

S. 4519. An act to authorize the Louisville & Nashville Railroad, its successors and assigns, to construct and maintain a bridge across the Alabama River at or near a point approximately 4 miles from the city of Montgomery, Ala.

The message further announced that the House had agreed to the concurrent resolution (S. Con. Res. 38) directing the method of counting the electoral votes for President and Vice President of the United States and declaring the result.

#### COUNT OF ELECTORAL VOTES.

The VICE PRESIDENT. The House of Representatives have concurred in Senate concurrent resolution 38, providing for a joint session of the two Houses for the purpose of canvassing the electoral votes for President and Vice President of the United States. The Chair appoints as tellers on the part of the Senate the Senator from Massachusetts [Mr. LODGE] and the Senator from Alabama [Mr. UNDERWOOD].

#### PETITIONS AND MEMORIALS.

Mr. McLEAN presented memorials of the Garden Club of Hartford; the Kalmatheon Club, of West Haven; and the Bunker Hill Literary Club, of Waterbury, all in the State of Connecticut, remonstrating against the enactment of legislation commercializing the national parks, which were referred to the Committee on Commerce.

He also presented a petition of sundry citizens of Waterbury, Warren, Naugatuck, Morris, Bantam, Washington, and Watertown, all in the State of Connecticut, praying for the enactment of legislation establishing a bureau of veteran reestablishment in the Interior Department, which was referred to the Committee on Finance.

He also presented a petition of the Connecticut Daughters of the American Revolution, of Bridgeport, Conn., praying for the enactment of legislation to provide for the promotion of physical education in the United States, which was referred to the Committee on Education and Labor.

He also presented resolutions of American Legion Post, No. 29, of Greenwich; Harry W. Congdon Post, No. 11, American Legion, of Bridgeport; Torrington Post, No. 38, American Legion, of Torrington; Clifford R. French Post, No. 22, American Legion, of Thomaston; the American Legion National Executive Committee, of Stamford; Howard G. Hilliard Post, No. 60, American Legion, of Clinton; and the American Legion Post No. 89, of East Haven, all in the State of Connecticut, favoring Senate bill No. 4357, providing for medical, surgical, and hospital services and supplies for discharged soldiers, sailors, marines, and Army and Navy nurses; House bill No. 13558, to improve facilities and service of the Bureau of War Risk Insurance; House bill No. 10835, fixing compensation of National Army officers who incurred disability while in the service; and House bill No. 14157, providing for adjusted compensation for ex-service men, which were referred to the Committee on Public Health and National Quarantine.

Mr. ELKINS presented a resolution of the Chamber of Commerce of Martinsburg, W. Va., favoring the enactment of legislation to provide relief for ex-service men, which was referred to the Committee on Military Affairs.

He also presented a resolution adopted by the members of the Church of the Brethren of Old Furnace, W. Va., protesting against compulsory military training, which was referred to the Committee on Military Affairs.

He also presented a petition of sundry citizens of the city of Clarksburg, W. Va., praying for the enactment of legislation to create a department of education, which was referred to the Committee on Education and Labor.

Mr. LODGE presented a resolution adopted by the Military Order of the Loyal Legion of the United States, at Boston, Mass., favoring the passage of legislation restricting the immigration of aliens into the United States, which was referred to the Committee on Immigration.

He also presented a resolution adopted by the Board of Aldermen of the City of Chelsea, Mass., remonstrating against the enactment of legislation restricting the immigration of aliens into the United States, which was referred to the Committee on Immigration.

Mr. HARRIS presented a telegram in the nature of a petition from Ivan E. Allen, chairman senate appropriation committee, of Atlanta, Ga., praying that an appropriation be made for cooperative work with the States for the use of their respective boards or departments of health in the prevention, control, and treatment of venereal diseases, etc., which was referred to the Committee on Appropriations.

He also presented a petition of the Carroll County Trade Board, of Carrollton, Ga., praying for the enactment of legislation for the relief of veterans of the World War, which was referred to the Committee on Military Affairs.

He also presented resolutions adopted by the County Commissioners of Taylor County, at Butler, Ga.; the Chamber of Commerce of Dublin, Ga.; and the Commissioners of Roads and Revenues of Lowndes County, Ga., favoring the enactment of legislation to continue distribution of Federal aid to rural post roads in the respective States through the Bureau of Public Roads, which were referred to the Committee on Post Offices and Post roads.

Mr. CAPPER presented a resolution of the Farmers' Educational and Cooperative Union of America, Pontotoc Branch, of Ada, Okla., favoring the enactment of Senate bill No. 4561 providing for the levying, collection, and payment of taxes upon contracts for the future delivery of grain, etc., which was referred to the Committee on Agriculture and Forestry.

#### REPORTS OF COMMITTEE ON MILITARY AFFAIRS.

Mr. WADSWORTH, from the Committee on Military Affairs, to which was referred the bill (S. 4889) authorizing the Secretary of War to furnish free transportation and subsistence from Europe to the United States for certain destitute discharged soldiers and their wives and children, reported it favorably with an amendment and submitted a report (No. 712) thereon.

Mr. CAPPER, from the Committee on Military Affairs, to which was referred the bill (H. R. 567) for the relief of John Chick, reported it without amendment and submitted a report (No. 714) thereon.

#### REDUCTION OF THE ARMY.

Mr. WADSWORTH. I am instructed by the Committee on Military Affairs to report back favorably without amendment the joint resolution (H. J. Res. 440) directing the Secretary of War to cease enlisting men in the Regular Army of the United States, except in the case of those men who have already served one or more enlistments therein, and I submit a report (No. 713) thereon. I ask for the immediate consideration of the joint resolution.

The VICE PRESIDENT. Is there any objection?

Mr. ROBINSON. The Senator is asking unanimous consent for the immediate consideration of the joint resolution?

Mr. WADSWORTH. Yes; so that the incident may be closed.

Mr. ROBINSON. What is the joint resolution? I listened attentively and could not hear one word the Senator said.

Mr. WADSWORTH. It is to reduce the Army, by the same method proposed in the Senate joint resolution, to an enlisted strength of 175,000.

Mr. ROBINSON. Has the Senate's action been concurred in by the House?

Mr. WADSWORTH. The House passed their own joint resolution.

Mr. ROBINSON. A different measure?

Mr. WADSWORTH. It crossed the Senate joint resolution.

Mr. ROBINSON. Oh, very well.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution, and it was read, as follows:

*Resolved, etc.* That the Secretary of War be, and he hereby is, directed and instructed to cease enlisting men in the Regular Army of the United States until the number of enlisted men shall not exceed 175,000: *Provided, however,* That nothing contained herein shall be held to prohibit the reenlistment of those enlisted men who have had one or more enlistments and who desire to reenlist in the Regular Army.



Mr. WALSH of Montana. I wish to inquire of the Senator from New York whether, since the joint resolution was acted on by the Senate, the House Committee on Appropriations has had the matter under consideration, or has the Senator been advised as to that matter?

Mr. WADSWORTH. I have no personal knowledge of it. I have seen something to that effect in the newspapers. The House itself passed this joint resolution, I think, on the same day we passed ours.

Mr. WALSH of Montana. I saw in the press something to the effect that the House Committee on Appropriations were disposed to make an appropriation for an Army of only 150,000. Is the Senator advised about that?

Mr. WADSWORTH. I have no advice other than what I saw in the newspapers.

Mr. WALSH of Montana. This is an application to concur in the action of the House?

Mr. WADSWORTH. Yes; in effect.

Mr. McKELLAR. I will say to the Senator from Montana that it is a unanimous report from the committee. We thought the recruiting ought to be stopped at once, and as both Houses have agreed to 175,000, we thought it ought to be done immediately. It is a unanimous report of the committee.

The joint resolution was reported to the Senate, without amendment, read the third time, and passed.

#### FORT BUFORD MILITARY RESERVATION LANDS.

Mr. MYERS, from the Committee on Military Affairs, to which was referred the bill (S. 4686) to extend the provisions of section 2455, Revised Statutes, to the lands within the abandoned Fort Buford Military Reservation, in the States of North Dakota and Montana, asked to be discharged from its further consideration and that the bill be referred to the Committee on Public Lands, which was agreed to.

#### BILLS AND JOINT RESOLUTIONS INTRODUCED.

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

By Mr. PHIPPS:

A bill (S. 4899) to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended and supplemented, and for other purposes; to the Committee on Post Offices and Post Roads.

By Mr. ROBINSON:

A bill (S. 4900) to amend section 5 of the act approved March 2, 1919, entitled "An act to provide relief in cases of contracts connected with the prosecution of the war, and for other purposes"; to the Committee on Mines and Mining.

By Mr. ASHURST:

A bill (S. 4901) granting certain public lands to the city of Phoenix, Ariz., for municipal purposes; to the Committee on Public Lands.

By Mr. CALDER:

A bill (S. 4902) for the relief of Antti Merihelmi; to the Committee on Claims.

By Mr. TOWNSEND:

A bill (S. 4903) to authorize the construction and maintenance of a bridge across Detroit River, within or near the city limits of Detroit, Mich.; to the Committee on Commerce.

#### WAR CONTRACTORS' RELIEF.

Mr. ROBINSON submitted an amendment proposing to add a new proviso to section 5 of the act approved March 2, 1919 (40 Stat. L., p. 1274), entitled "An act to provide relief in cases of contracts connected with the prosecution of the war, and for other purposes," providing for a liberal interpretation of that section, and also that the unexpended portion of the appropriation carried in the act be continued available for the purposes named therein until all claims covered in the act shall be finally settled or disposed of, intended to be proposed by him to the urgent deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

#### SPEECH BY SENATOR JONES OF WASHINGTON ON THE MERCHANT MARINE.

Mr. McKELLAR. Mr. President, on the occasion of the recent meeting of the National Merchant Marine Association convention, Senator WESLEY L. JONES, of Washington, made a notable speech on the subject of our merchant marine, a speech that ought to be read by every patriotic American citizen. There is no better posted man in this country on the subject of our merchant marine than is Senator JONES. His work as chairman of the Commerce Committee in respect to this great enterprise has been untiring, courageous, and effective. In this speech he gives plain facts that ought to be understood by every

business man, especially, in the country. We should look at shipping conditions exactly as they exist. We should not mislead ourselves. We should not be deterred in the building up of a great American merchant marine by intimidation, competition, threats, British propaganda, sentiment, or by any other consideration of any kind, nature, or description, but all stand together for a merchant marine that will be second to none on the seas. The United States is entitled to it. Her export trade demands it, the American people want it, and we are going to have it.

The president of the International Mercantile Co., which Senator JONES charged with having an agreement to conduct its business in the interests of the British Government and British trade, stated that what Senator JONES said was unfair. Senator JONES quoted the agreement, and it was not denied. Those of us who have served with him know that Senator JONES is not an unfair man. The American Senate should stand behind Senator JONES to a man in this matter.

I ask for unanimous consent that this speech be placed in the RECORD.

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

SPEECH BY SENATOR WESLEY L. JONES, OF WASHINGTON, BEFORE THE NATIONAL MERCHANT MARINE ASSOCIATION CONVENTION, AT THE WASHINGTON HOTEL, WASHINGTON, D. C., JANUARY 20, 1921.

"I shall not discuss the need of an adequate merchant marine. I assume that every red-blooded American wants one.

"What must we do to have it? We must believe in ourselves. One of the greatest factors toward success is confidence. The letter 't' may stand between us and success. The more of us who say 'We can't,' the more likely we are to fail. If we all say 'We can,' and act on that, we will succeed. There is nothing that is attainable through human effort that this people have not the ability, capacity, strength, and power to do. The task that confronts us is a hard one. It will take money, time, and effort. There will be failures and setbacks and financial losses, but the goal is worth all it may cost.

"We have passed an act to aid in securing a permanent merchant marine. It may not be perfect. Some think we should not have passed some of its provisions. Some think it should contain others. Every suggestion that is offered now was fully considered in framing the merchant marine act of 1920, and that act represents the mature will and judgment of the majority of Congress without regard to party. Every American should stand behind it until it has had a real and fair test. If it does what we all want, then the majority is vindicated and the minority should rejoice. If it fails under the test, the minority is vindicated and the majority will join in changing it.

"Our principal competitor for the world's carrying trade is Great Britain. She will do everything possible to keep us off the sea. Her citizens have vast and far-reaching business connections with our people. She has been so long dominant in shipping that her citizens control many of the great financial, industrial, and transportation interests in this country. They will use and are using this power to defeat our efforts to build up an American marine. Their attacks will be most insidious where that is the wisest course to follow—bold and daring where that is best—but they will always keep in view the one great thing, success for British trade and shipping.

"I am not criticizing Great Britain. I admire the way she looks after British interests. What I would like to see is for our people to take a leaf out of her book, and I appeal to every American citizen and the American Government to look after American interests and put them first, just as Great Britain and Englishmen put British interests first.

"We fight their battles in many ways. Every man who discourages American enterprise from going into shipping, every newspaper that uses its columns to discredit our efforts and our laws to build up an American marine, gives aid and encouragement to our competitors. Some act unwittingly; some, I fear, purposely. There are those more versed in theory than in practice who urge that those who are most experienced and have the best facilities can do the carrying trade the cheapest and should therefore be permitted to do it. This is plausible and appealing. If accepted and followed it means no American marine.

"Many of our people are beginning to talk this way now. I see editorials along this line in some of our leading papers. Men who ought to know better are urging it. An American Army officer spoke to a class in our War College not long ago. The whole burden of his address was our inability to compete with Great Britain on the sea. He closed his lecture with a quotation from one of the professors in one of our great colleges to the effect that we should have Britain do our water

carrying because she can do it cheapest. Several of this class went to the Far East filled with this idea. They talked it on the boat. They belittled their own country's efforts to build up a merchant marine. They are doubtless doing this now wherever they are.

"We can not build up a merchant marine that way. We did not do it before the war, and it has cost us hundreds of millions of dollars—if not billions of dollars—and kept the world's civilization trembling in the balance for months. The time for plain speaking is here. There are great interests that ought to be American and that are thought to be American that are doing more to thwart American efforts to establish our merchant marine than any other agencies. Masquerading under American names, they are used to destroy or hinder American interests.

"The Chamber of Commerce of the United States is supposed to represent, stand for, and promote American interests, and yet a short time ago a magazine called the Nation's Business, and bearing on its front the legend 'Published by the Chamber of Commerce of the United States,' printed an article in a most conspicuous way that could have no other effect than to discredit what we have done and to discourage further efforts to build up our merchant marine. When I read it it occurred to me that some influence must be at work in the United States Chamber of Commerce to lead to the repeal of the merchant marine act of 1920. I wrote to the president of the chamber and asked him, 'Has your board of directors or your organization been giving consideration to any proposals or suggestions looking to the repeal of the merchant marine act of 1920? If so, by whom were they submitted and what consideration has been given to them? If any such suggestions were submitted, was public discussion invited with reference to them, or were they to be considered secretly and confidentially?'

"He did not answer these questions, although he stated that the chamber did not publish the magazine and was not responsible for what the editor allowed to go in it. If it has no control over the magazine, it is strange for the chamber to allow it to go out to the world that it publishes the magazine.

"In the next issue of this magazine was another article extolling a proposal of the Chamber of Commerce of the United States which was urged upon the Commerce Committee of the Senate, at the time of the formulation of the merchant marine act of 1920, by a Mr. Myrick, vice chairman and counsel of the ocean transportation committee of the Chamber of Commerce of the United States, an unusual proposition which was not adopted in terms by the committee, but which can be put in operation now under the act if it is at all practicable, and if the United States Chamber of Commerce has any faith in it, it should go to work and put it in force. I submit that the Chamber of Commerce of the United States would do a great thing for the country and be far truer to its great name if it would get behind and uphold the law which Congress has passed. I appeal to the patriotic men and chambers of commerce that make up this great organization to see to it that it is not made the agency to serve British interests and undermine American efforts and laws. British interests can have no more effective agency to promote their welfare than to have a great magazine published by the Chamber of Commerce of the United States, but edited in such a way as to serve their purposes intentionally or ignorantly.

"Great business interests, supposed to be American, are subordinating American interests to British interests. British shipping interests and the British Government are pulling strings behind the scenes and Americans are stifling American shipping and thwarting American efforts to build it up before an unsuspecting public and within the very machinery of the Government itself. A short time ago two great American lawyers, addressing an educational gathering, argued vigorously against a policy of discriminating duties. They had nothing to say against the discriminations practiced against us, but they deemed it a terrible thing for us to defend ourselves or put ourselves in a position where we could defend ourselves against such practices. They appeared before that audience as Americans. The audience probably never thought of the fact that one of them was the attorney for a great French shipping company and the other the attorney for a great American company bound by a solemn agreement to prevent injury to British trade and British shipping.

"A short time ago a reputable gentleman of Newark, N. J., told me of his experience in attempting to establish a shipping line between Newark and England. He applied to the Shipping Board to buy or charter Government ships for this purpose. His application was referred to the Shipping Board's representative in New York, and he said he was opposed to it. On being pressed for his reasons, he said that the establishment of such a line would injure the business of British lines sailing out of

New York. This American citizen, acting as an agent of the United States Shipping Board, and thus using his power to protect British shipping interests, was a former employee of the International Mercantile Marine Co., which entered into an agreement in 1903 whereby it bound itself, for a period of 20 years, to follow no policy that would injure British shipping or British trade. Let these three paragraphs of this agreement indicate its nature and its consequent influence on American trade, American shipping, and the conduct of American citizens:

"An agreement made the 1st day of August, 1903, between the commissioners for executing the office of Lord High Admiral of the United Kingdom of Great Britain and Ireland, and the board of trade (for and on behalf of His Majesty's Government) of the first part; the International Mercantile Marine Co. (formerly known as the International Navigation Co.), being a corporation incorporated and registered under the laws of the State of New Jersey, in the United States of America, which company is hereinafter referred to as 'The American Co.' of the second part; and the Oceanic Steam Navigation Co. (Ltd.); Frederick Layland & Co. (1900) (Ltd.); the British & North Atlantic Steam Navigation Co. (Ltd.); the Mississippi & Dominion Steamship Co. (Ltd.), of the third part.

"10. This agreement shall have effect for 20 years from the 27th of September, 1902, and shall continue in force thereafter subject to a notice of 5 years on either side (which may be given during the continuance of this agreement, provided that His Majesty's Government shall have the right to terminate this agreement at any time if the association pursue a policy injurious to the interest of the British mercantile marine or of British trade.

"12. In case any difference as to the intent and meaning of this agreement, or in case of any dispute arising out of this agreement, the same shall be referred to the Lord High Chancellor of Great Britain for the time being, whose decision, whether on law or fact, shall be final.

"In brief the International Mercantile Marine Co., organized under American law and claiming to be an American company, obligates itself to pursue no 'policy injurious to the interests of the British mercantile marine or of British trade,' and in case of any dispute arising out of the agreement, whether of law or of fact, the Lord High Chancellor of Great Britain is to decide such dispute, and his decision is final.

"Furthermore, it is significant that while the British Government may cancel the agreement on 5 years' notice the shipping company can not do so, but is absolutely bound for the 20-year period, no matter what conditions may arise.

"The International Mercantile owns the American line, which flies the American flag, and, in addition to its regular fleet, controls approximately 40 vessels leased from the Shipping Board, which also fly the American flag, but are all subject to the terms of this contract, and therefore are actually operated in the interest of the British Government and British trade.

"The agreement of 1903 was supplemented by agreements of 1910 and of 1919.

"In the agreement signed in 1919, after the war was over, it is expressly stated that the first principal agreement—referring to the 1903 agreement—and the second principal agreement—referring to the 1910 agreement—shall, 'save as expressly varied by this agreement, remain in full force.'

"Those excerpts from the agreement of August, 1903, do not leave the question open to doubt as to where the International Mercantile Marine Co. stands as regards British interests. The question that then naturally arises in the popular mind is, 'Where do British shipping interests center in the United States?' The answer is that they center almost entirely in the port of New York, where their large terminal investments are located, and from which port most of their tonnage on this side of the Atlantic sails. Consequently, much of what helps the port of New York benefits British shipowners. A monopoly of export freight sent through the port of New York spells greater profits for these British owners. It follows then that the British shipping men are in accord with the eastern trunk line railway officials who seek to cancel the present equalization of export freight rates from Central Freight Association territory to Gulf and South Atlantic ports.

"The proof of that accord is at hand. On April 9, 1920, there was a meeting of the Chamber of Commerce of the State of New York, at which a committee of five representatives of North Atlantic port commercial organizations was appointed to confer with the Trunk Line Association with a view to conducting the fight before the Interstate Commerce Commission for the elimination of the existing equalization of export rates from Central Freight Association and Illinois classification territory to North Atlantic, South Atlantic, and Gulf ports. The present equalization, for the first time, establishes the principle that American foreign commerce may best be developed and extended by the establishment of new foreign trade routes by the United States Shipping Board, as is specifically provided in the merchant marine act, and in furtherance of this movement that every American export shipper should have the right, without discrimination by the railroads, to choose the port through



which his business can be handled most expeditiously and economically.

"The chairman of the committee named was Delos W. Cooke, designated as representing the Chamber of Commerce of the State of New York. A fact that was not mentioned is that Delos W. Cooke also is the American director of the great Cunard Line, which is British owned and flies the British flag.

"Now, the Chamber of Commerce of the State of New York, as its list of officials reveals, is made up of international bankers and the heads of great railroad and steamship companies. Philip A. S. Franklin, a vice president of this chamber of commerce, is the president of the International Mercantile Marine Co., the same American company which entered into the agreement already referred to by which it agreed to pursue no policy injurious to British trade.

"In reviewing this sequence of happenings, can any sane man doubt that this principle necessarily underlying the establishment of an American merchant marine is being sacrificed to a group devoted to furthering 'the interests of the British mercantile marine or of the British trade'?"

"These facts should command the attention of every friend of an American merchant marine. They show us what influences are at work to prevent our building up a marine, in addition to those business and commercial difficulties that of themselves are great in the development and establishment of a great enterprise like this. We need the same unity of action and purpose now that moved us in the conduct of the war. The task to do now is more difficult than the task of winning the war and requires equal, if not higher, patriotism."

Mr. JONES of Washington. Mr. President, in the address I referred to an employee of the Shipping Board and the action he was alleged to have been taking in New York in the way of diverting commerce from American ships to British ships. The gentleman's name is Mr. J. F. Andrews. Upon what I considered very reliable information, I stated that he had been formerly employed by the International Merchant Marine Co. The president of that company, Mr. Franklin, states that he was never in the employ of that company, and I have no reason to doubt that statement. I accept it as true. However, I desire to say that other information, which I think is absolutely reliable, has come to me from a Senator confirming what I stated with reference to the action of this employee of the Shipping Board. I have asked the chairman of the Shipping Board to investigate the employee's conduct, and I hope that action will soon be taken, in accordance with what may be found to be the facts.

I ask unanimous consent that as a part of my remarks I may place in the Record the three agreements of the International Mercantile Marine Co. with the British Government to which I referred in the address.

The PRESIDING OFFICER (Mr. SPENCER in the chair). If there is no objection, it is so ordered. The Chair hears no objection.

The agreements referred to are as follows:

[Copy of an agreement, dated 1 Aug., 1903, between the Admiralty and the board of trade and the International Mercantile Marine Co., and the Oceanic Steam Navigation Co. (Ltd.), Frederick Leyland & Co. (1900) (Ltd.), The British & North Atlantic Steam Navigation Co. (Ltd.), the Mississippi & Dominion Steamship Co. (Ltd.), the Atlantic Transport Co. (Ltd.), and the International Navigation Co. (Ltd.)]

An agreement made the 1st day of August, 1903, between the commissioners for executing the office of lord high admiral of the United Kingdom of Great Britain and Ireland and the board of trade (for and on behalf of His Majesty's Government) of the first part, the International Mercantile Marine Co. (formerly known as the International Navigation Co.), being a corporation incorporated and registered under the laws of the State of New Jersey in the United States of America, which company is hereinafter referred to as "The American Co." of the second part, and the Oceanic Steam Navigation Co. (Ltd.), Frederick Leyland & Co. (1900) (Ltd.), the British & North Atlantic Steam Navigation Co. (Ltd.), the Mississippi & Dominion Steamship Co. (Ltd.), the Atlantic Transport Co. (Ltd.), and the International Navigation Co. (Ltd.) of the third part.

Whereas the party of the second part owns a controlling interest in the shares of the International Navigation Co. (Ltd.) which owns a majority of the shares of the other companies parties of the third part;

And whereas the term "The Association" hereinafter used means the parties hereto of the second and third parts and also includes any other company, corporate or unincorporate, partnership, body, or person, whether British, American, or other foreign which by any arrangement is admitted to or brought under the control of the association or any of its constituent parts for the time being;

And whereas the parties hereto of the third part are hereinafter referred to as "The British companies included in the association";

And whereas in the month of September, 1902, an agreement substantially to the effect of the provisions hereinafter contained was negotiated and made by and between His Majesty's Government and the American company acting on behalf of the association;

And whereas it is considered desirable that such agreement as last aforesaid shall be embodied in a formal instrument to be executed not only by the American company, but also by the British companies included in the association.

Now these presents witness that in consideration of the stipulations hereinafter contained on the part of the American company and the

British companies included in the association the parties of the first part hereby undertake as follows:

1. The British companies included in the association shall, so long as the stipulations on their part and on the part of the American company hereinafter contained are duly observed, continue to be treated as heretofore on the same footing of general equality with other British companies in respect of any services, naval, military, or postal, which His Majesty's Government may desire to have rendered by the British mercantile marine: *Provided*, That nothing in this agreement contained shall extend to vessels of uncommercial speed which His Majesty's Government may specially require to be constructed and which are primarily designed for service in time of war.

And these presents also witness that in consideration of the undertaking herebefore contained on the part of the parties hereto of the first part, the American company and the British companies included in the association hereby agree as follows:

2. The British companies included in the association shall be, and continue to be, British companies qualified to own British ships, and a majority, at least, of their directors shall be British subjects.

3. No British ship in the association, nor any ship which may hereafter be built or otherwise acquired for any British company included in the association, shall be transferred to a foreign registry (without the written consent of the president of the board of trade, which shall not be unreasonably withheld), nor be nor remain upon a foreign registry. Nothing shall be otherwise done whereby any such ship would lose its British registry or its right to fly the British flag.

4. British ships in the association, and ships that may hereafter be built or otherwise acquired for any British company included in the association, shall be officered by British subjects, and as regards their crews shall carry the same proportional number of British sailors of all classes as His Majesty's Government may prescribe or arrange for in the case of any other British line engaged in the same trades.

5. Subject to the existing agreement between the Admiralty and the Oceanic Steam Navigation Co. (Ltd.), and without prejudice to the provisions therein contained, the American company and any British company included in the association shall sell or let on hire at any time during the continuance of this agreement to the Admiralty when required so to do by the Admiralty any British ship in the association and any ship hereafter to be built or otherwise acquired for any British company included in the association which the Admiralty may from time to time select. The terms of purchase or hire, if not otherwise agreed on, shall be similar to those contained in the existing agreement aforesaid.

6. At least a moiety of the tonnage built and at least a moiety of the tonnage otherwise acquired for the association in each successive period of three years (commencing from the date of this agreement), including a reasonable proportion of the faster classes of vessels, shall be built or acquired as the case may be for British companies included in the association and shall be registered as British ships. There shall not be reckoned in ascertaining the moiety of the tonnage so built or otherwise acquired: (a) Vessels of the exceptional class referred to in article 1 which may be constructed by special arrangement with the Government of the United States of America; (b) any vessels not already in the association purchased for the association from owners other than British subjects or American citizens or subjects or companies or bodies subject to a British or American jurisdiction, provided that such last-mentioned vessels are existing ships which have been running for at least two years prior to the contract for purchase and have not been built or acquired, directly or indirectly, for the association.

7. If at any time hereafter any British company (not being a party hereto) or any British partnership, body, or person shall be admitted to or brought under the control of the association or any of its constituent parts for the time being, then and in every such case subject and without prejudice to any agreement then existing between such company, partnership, body, or person and His Majesty's Government and subject and without prejudice to any agreement which may be made in view of such admission or inclusion between the American company or other person or body acting for the association, on the one hand, and His Majesty's Government, on the other hand, all the provisions of these presents shall inure for the benefit of and bind such company, partnership, body, or person, as the case may be, in like manner as if such company, partnership, body, or person had been a party hereto of the third part and had been comprised in the expression "The British companies included in the association" as used in this agreement, and except with the consent of His Majesty's Government no such British company, partnership, body, or person as aforesaid shall be admitted to or brought under the control of the association or any of its constituent parts for the time being otherwise than upon the terms specified in this clause.

8. If at any time hereafter during the continuance of this agreement any other company whether corporate or unincorporate partnership body or person, whether British, American, or other foreign shall be admitted to or brought under the control of the association or any of its constituent parts for the time being, the association shall give notice thereof to His Majesty's Government and shall furnish all such particulars with regard to terms, parties, or otherwise as the Government may reasonably require.

9. The American company and the British companies, included in the association, and any British company, partnership body, or person hereafter admitted to or brought under the control of the association or any of its constituent parts for the time being will forthwith and from time to time do and cause to be done all such further acts and execute or cause to be executed all such further documents and take all such steps as may be necessary to give full legal and binding effect to this agreement.

And these presents lastly witness that it is hereby mutually agreed as follows:

10. This agreement shall have effect for 20 years from the 27th September, 1902, and shall continue in force thereafter, subject to a notice of five years on either side (which may be given during the continuance of this agreement), provided that His Majesty's Government shall have the right to terminate this agreement at any time if the association pursue a policy injurious to the interests of the British mercantile marine or of British trade.

11. This agreement shall be construed and take effect as a contract made in England and in accordance with the law of England. The American company hereby irrevocably appoints the chairman for the time being of the British committee of the association or if there be no such chairman then each and every British company in the association to be the agent or agents in England of the American company for the purpose of accepting service on behalf of the American company of any process notice or other document in respect of any matter arising out

of this agreement and service of any such process notice or document on such chairman or company as aforesaid shall be deemed to be good service on the American company. Any notice or document sent by registered post addressed to the American company at No. 22, Old Broad Street, London, or to the registered office of any British company in the association shall also be deemed to have been duly served on the American company.

12. In case of any difference as to the intent and meaning of this agreement or in case of any dispute arising out of this agreement the same shall be referred to the Lord High Chancellor of Great Britain for the time being, whose decision whether on law or fact shall be final.

As witness the hands and seals of two of the before-mentioned commissioners and the seal of the board of trade, parties hereto of the first part, and the corporate seals of the parties hereto of the second and third parts.

Completed by,

Admiral Lord Walter Kerr and Rear Admiral W. H. Day, on behalf of the admiralty; Mr. C. W. Balfour, on behalf of the board of trade; Sir Clinton Dawkins, on behalf of International Mercantile Marine Co.; Mr. Bruce Ismay, on behalf of the Oceanic Steam Navigation Co.; Mr. Wilding and Mr. Glynn, on behalf of Frederick Leyland & Co.; Mr. Wilding and Mr. Richards, on behalf of the British & North Atlantic Steam Navigation Co. and the Mississippi & Dominion Steamship Co.; Mr. Torrey and Mr. May, on behalf of the Atlantic Transport Co.; and Mr. Wilding and Mr. Willett, on behalf of the International Navigation Co.

An agreement made the 1st day of October, 1910, between the commissioners for executing the office of Lord High Admiral of the United Kingdom of Great Britain and Ireland and the board of trade (for and on behalf of His Majesty's Government) of the first part the International Mercantile Marine Co. (formerly known as the International Navigation Co.), being a corporation incorporated and registered under the laws of the State of New Jersey in the United States of America of the second part and the Oceanic Steam Navigation Co. (Ltd.), Frederick Leyland & Co. (Ltd.) (formerly known as Frederick Leyland & Co. (1900) (Ltd.)), the British & North Atlantic Steam Navigation Co. (Ltd.), the Mississippi & Dominion Steamship Co. (Ltd.), the Atlantic Transport Co. (Ltd.), and the International Navigation Co. (Ltd.) of the third part. This agreement is supplemental to an agreement made between the same parties on the 1st day of August, 1903 (hereinafter called "the principal agreement"), and the definitions of terms therein contained apply to this agreement whereby it is agreed between the parties hereto, as follows:

1. The *Oceanic*, *Majestic*, and *Teutonic* being British ships in the association and any ship built subsequent to the date of the principal agreement or otherwise acquired for any British company included in the association which may be considered by the Admiralty suitable for employment as armed cruisers or commissioned auxiliaries shall be sold or let on hire to the Admiralty in the manner and subject in all respects to the conditions referred to in the principal agreement, save and except that the purchase price or rate of hire (as the case may be) of any such vessel shall be fixed at the time of every such sale or letting on hire by mutual agreement between the parties or in default of agreement by arbitration as hereinafter provided.

2. Any vessel covered by the principal agreement which His Majesty's Government may require to hire for purposes other than employment as an armed cruiser or commissioned auxiliary shall be let on hire to the Admiralty when so required during the currency of the principal agreement upon the terms of the usual charter party for a transport under the regulations of His Majesty's transport service at such rate of hire as may be settled at the time of hiring by mutual agreement or in default of agreement by arbitration as aforesaid.

3. If and whenever the parties fail to agree upon the purchase price or rate of hire of any vessel the same shall be referred to the arbitration of two arbitrators in accordance with the provisions of the arbitration act, 1889, or any then existing statutory modification thereof. One of such arbitrators shall be appointed by the Admiralty and the other by the association, and every arbitrator or umpire appointed in any such reference is to be a person of commercial experience with knowledge of mercantile affairs.

4. Save as expressly modified by this agreement the terms of the principal agreement shall remain in full force and effect.

As witness the hands and seals of two of the before-mentioned commissioners and the seal of the board of trade, parties hereto of the first part, and the corporate seals of the parties hereto of the second and third parts, the day and year first before written.

Signed, sealed, and delivered by Vice Admiral Sir F. C. B. Bridgeman, K. C. B., K. C. V. O., and Rear Admiral Sir J. R. Jellicoe, K. C. V. O.; C. B., being two of the commissioners for executing the office of lord high admiral of the United Kingdom of Great Britain and Ireland, in the presence of

F. R. BRIDGEMAN. [L. S.]  
J. R. JELICOE. [L. S.]  
A. C. RICHARDS,  
Admiralty Clerk.

The seal of the board of trade was hereunto affixed by the direction of the president of the board of trade, in the presence of

SYDNEY BUXTON,  
R. J. LISTER,  
Librarian, Board of Trade.

The seal of the International Mercantile Marine Co. was hereunto affixed in the presence of

E. C. GRENFELL, Director.  
C. R. JEEVEE, Assistant Secretary.

The common seal of the Oceanic Steam Navigation Co. (Ltd.) was hereunto affixed in the presence of

I. BRUCE ISMAY, Director.  
ALEX' R. KERR, Secretary.

The seal of Frederick Leyland & Co. (Ltd.) was hereunto affixed in the presence of

H. B. ROPER, Director.  
GEORGE GOLDSWORTHY, Secretary.

The seal of the British & North Atlantic Steam Navigation Co. (Ltd.) was hereunto affixed in the presence of

HAROLD A. SANDERSON, Director.  
WM. S. TENNANT, Secretary.

The seal of the Mississippi & Dominion Steamship Co. (Ltd.) was hereunto affixed in the presence of

HAROLD A. SANDERSON, Director.  
WM. S. TENNANT, Secretary.

The seal of the Atlantic Transport Co. (Ltd.) was hereunto affixed in the presence of

CHARLES F. TORREY, Director.  
FRED W. MAY, Secretary.  
JAMES F. HORNCASTLE, Secretary.

The seal of the International Navigation Co. (Ltd.) was hereunto affixed in the presence of

I. BRUCE ISMAY, Director.  
HAROLD A. SANDERSON, Director.  
WM. S. TENNANT, Secretary.

THE ADMIRALTY COMMISSIONERS AND THE BOARD OF TRADE AND THE INTERNATIONAL MERCANTILE MARINE CO. AND OTHERS—AGREEMENT.

[Dated 2d September, 1919.]

An agreement made the 2d day of September, 1919, between the commissioners for executing the office of lord high admiral of the United Kingdom of Great Britain and Ireland and the board of trade (for and on behalf of His Majesty's Government) of the first part, the International Mercantile Marine Co. (formerly known as the International Navigation Co.), being a corporation incorporated and registered under the laws of the State of New Jersey in the United States of America of the second part, and the Oceanic Steam Navigation Co. (Ltd.), Frederick Leyland & Co. (Ltd.), formerly known as Frederick Leyland & Co. (1900) (Ltd.), the British & North Atlantic Steam Navigation Co. (Ltd.), the Atlantic Transport Co. (Ltd.), and the International Navigation Co. (Ltd.), all of whom are hereinafter referred to as the British companies, of the third part.

Whereas this agreement is supplemental to two agreements (hereinafter called the first principal agreement and the second principal agreement), dated, respectively, the 1st day of August, 1903, and the 1st day of October, 1910, and both made between the parties hereto of the first and second parts and the parties hereto of the third part and the Mississippi & Dominion Steamship Co. (Ltd.), which last-named company has since the date of the second principal agreement been finally liquidated and the whole of its assets transferred to the British & North Atlantic Steam Navigation Co. (Ltd.); and

Whereas the respective articles of association of the British companies included in the association parties hereto of the third part are to be modified so as to give effect to the provisions of this agreement. Now, it is hereby agreed by and between the parties hereto as follows:

1. No person shall henceforth be a director, managing director, managing agent, manager or person to carry on or manage the business of any such British company and having the usual powers of a director (all of whom are hereafter in this agreement included in the term "director") unless his appointment shall be acceptable to the board of trade.

2. The management and operation of the steamships and the general business of each of the British companies shall be carried on and controlled by the directors so approved, who, in addition to the powers and authorities by the articles or by-laws conferred on them, shall exercise all such powers and do all such acts as may be exercised or done by the company and are not by statute required to be exercised or done by the company in general meeting, provided, however, that the right to dispose of the profits of the company shall be and remain in the shareholders to be exercised by them in general meeting.

3. All provisions of the articles or by-laws of the British companies in conflict with this agreement shall, so long as this agreement shall remain in force, be deemed to be superseded, and this agreement shall be ratified and confirmed in general meeting by each of said companies. The American company undertakes to vote its shares in such meetings in favor of such ratification and confirmation.

4. In consideration of the obligations undertaken by the British companies under this agreement:

First. None of the British companies shall be regarded as "a foreign-controlled company" as to the building, purchasing, chartering, and operating of vessels and the acquisition of shares and securities in and of other British steamship companies, and the disposal of all such vessels, shares, and securities, and as to the basis on which it is at liberty to conduct its business and carry on and develop its undertaking.

Second. There shall be no discrimination as against any of the British companies, and each of such companies shall be treated on a footing of equality with other British steamship companies which are free from "foreign control" as to any facilities, advantages, and opportunities afforded for the carrying on and development of similar businesses and undertakings and otherwise: *Provided*, That if the British companies shall give notice for the termination of the principal agreements the provisions contained under this second head shall cease to be operative as from the date upon which such notice is given.

5. The first principal agreement and the second principal agreement shall, save as expressly varied by this agreement, remain in full force. This agreement shall expire or be terminable in the same manner as the principal agreements.

As witness the hands and seals of two of the before-mentioned commissioners and the seal of the board of trade, parties hereto of the first part, and the corporate seals of the parties hereto of the second and third parts, the day and year first before written.

Signed, sealed, and delivered by Rear Admiral Sir O. de B. Brock and Rear Admiral Sir W. C. M. Nicholson, being two of the commissioners.



for executing the office of Lord High Admiral of the United Kingdom of Great Britain and Ireland, in the presence of

O. DE B. BROCK,  
W. C. M. NICHOLSON,  
W. H. SYKES,  
Temporary Administration Assistant, Admiralty.  
J. C. BOARDMAN,  
Secretary to Deputy Chief of Naval Staff, Admiralty.

The seal of the board of trade was hereunto affixed by the direction of the president of the board of trade in the presence of

A. C. GEDDES,  
F. C. STARLING,  
Librarian, Board of Trade.

The seal of the International Mercantile Marine Co. was hereunto affixed in the presence of

P. A. S. FRANKLIN,  
President.  
E. C. GRENFELL,  
Director.  
C. R. JEEVES,  
Assistant Secretary.

The common seal of the Oceanic Steam Navigation Co. (Ltd.) was hereunto affixed in the presence of

HAROLD A. SANDERSON,  
Director.  
ALEXANDER KERR,  
Secretary.

The seal of Frederick Leyland & Co. (Ltd.) was hereunto affixed in the presence of

CHARLES F. TORREY,  
Director.  
GEORGE GOLDSWORTHY,  
Secretary.

The seal of the British & North Atlantic Steam Navigation Co. (Ltd.) was hereunto affixed in the presence of

H. CONCANON, Director.  
PERCY A. GRIFFITHS,  
Assistant Secretary.

The seal of the Atlantic Transport Co. (Ltd.) was hereunto affixed in the presence of

CHARLES F. TORREY,  
FRED. W. MAY,  
Directors.  
G. WARDEN, Secretary.

The seal of the International Navigation Co. (Ltd.) was hereunto affixed in the presence of

H. CONCANON,  
A. B. CAUTY, Directors.  
PERCY A. GRIFFITHS,  
Assistant Secretary.

#### COMPENSATION OF UNITED STATES EMPLOYEES.

The Senate resumed the consideration of the bill (H. R. 5726) to fix the compensation of certain employees of the United States.

The VICE PRESIDENT. The pending question is on the amendment of the Senator from Georgia [Mr. SMITH].

Mr. KING. Let the amendment be reported.

The VICE PRESIDENT. The Secretary will read the amendment.

The READING CLERK. On page 2, line 9, after the word "clerks," insert the words "or employees in the District of Columbia," so the proviso as amended will read:

Provided further, That the provisions of this act shall not apply to persons enlisted in the military or naval branches of the Government nor to the employees in the Philippine Islands, Porto Rico, Guam, the Virgin Islands, the Territory of Hawaii, the Territory of Alaska, and the Panama Canal Zone, nor to members of the National Home for Disabled Volunteer Soldiers employed at or in connection with said homes, nor to persons holding appointments as postmasters, assistant postmasters, rural carriers, postal clerks, carriers in the City Delivery Service, or railway mail clerks, or employees in the District of Columbia.

Mr. JOHNSON of California. Mr. President, the amendment is little understood. The amendment will have the effect of destroying the bill. If that is the design, of course, it should be agreed to, but if the bill is a just bill the amendment ought to be defeated, because it proposes to take out of the bill a class comprising almost one-half of those affected by it. I ask that the amendment be defeated.

The VICE PRESIDENT. The question is on agreeing to the amendment. [Putting the question.] The Chair is unable to decide.

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

The yeas and nays were ordered.

Mr. NEW. Mr. President, may the pending amendment be stated?

The VICE PRESIDENT. The pending amendment will be stated.

The READING CLERK. On page 2, line 9, after the words "railway mail clerks," it is proposed to insert the words "or employees in the District of Columbia."

The VICE PRESIDENT. On the question of agreeing to the amendment the yeas and nays have been ordered.

The reading clerk proceeded to call the roll.

Mr. KENDRICK (when his name was called). I have a general pair with the Senator from New Mexico [Mr. FALL], which I transfer to the Senator from California [Mr. PHELAN] and vote "nay."

Mr. McCUMBER (when his name was called). I have a general pair with the senior Senator from Colorado [Mr. THOMAS]. He being absent from the Chamber, I withhold my vote. If permitted to vote, I should vote "nay."

Mr. MOSES (when his name was called). I inquire if the junior Senator from Louisiana [Mr. GAY] voted?

The VICE PRESIDENT. He has not.

Mr. MOSES. I have a general pair with that Senator. In his absence I withhold my vote. If at liberty to vote, I should vote "nay."

Mr. POMERENE (when his name was called). I have temporarily a general pair with the senior Senator from Iowa [Mr. CUMMINS]. I do not know how he would vote if present, therefore I withhold my vote. If at liberty to vote, I should vote "nay."

Mr. SHERMAN (when his name was called). I have a general pair with the junior Senator from Virginia [Mr. GLASS], and therefore withhold my vote.

Mr. STERLING (when his name was called). I have a general pair with the senior Senator from South Carolina [Mr. SMITH]. In his absence I withhold my vote.

Mr. WILLIAMS (when his name was called). I have a general pair with the senior Senator from Pennsylvania [Mr. PENROSE], who is not in the Chamber, but I understand that if he were present the Senator from Pennsylvania would vote as I am about to vote. I vote "nay."

The roll call was concluded.

Mr. HARRISON (after having voted in the negative). I have a general pair with the junior Senator from Oregon [Mr. McNARY], but I understand if he were present he would vote as I have voted. So I let my vote stand.

Mr. JONES of New Mexico. I have a general pair with the Senator from Missouri [Mr. SPENCER]. In his absence I withhold my vote.

Mr. OWEN. I have a pair with the Senator from New Jersey [Mr. EDGE], whom I do not see in the Chamber. If I were at liberty to vote, I should vote "nay."

Mr. DILLINGHAM. I inquire if the Senator from Maryland [Mr. SMITH] has voted?

The VICE PRESIDENT. He has not.

Mr. DILLINGHAM. Then I am unable to vote, having a general pair with that Senator.

Mr. JONES of Washington. The Senator from Virginia [Mr. SWANSON] is necessarily absent on business of the Senate, and during his absence I promised to pair with him. I understand, however, that I can transfer my pair with the Senator from Virginia to the Senator from Nebraska [Mr. NORRIS]. I therefore do so and will vote. I vote "nay."

Mr. MOSES. In view of the announcement which has been made by the junior Senator from Mississippi [Mr. HARRISON], I transfer my pair with the junior Senator from Louisiana [Mr. GAY] to the junior Senator from Oregon [Mr. McNARY] and will vote. I vote "nay."

Mr. FERNALD. I have a general pair with the junior Senator from South Dakota [Mr. JOHNSON]. In his absence I withhold my vote. If permitted to vote, I should vote "nay."

Mr. KNOX. I transfer my pair with the senior Senator from Oregon [Mr. CHAMBERLAIN] to my colleague, the senior Senator from Pennsylvania [Mr. PENROSE], and will vote. I vote "nay."

Mr. WALSH of Montana. I have a pair with the Senator from New Jersey [Mr. FRELINGHUYSEN]. In his absence I withhold my vote.

Mr. SUTHERLAND (after having voted in the negative). I have a pair with the senior Senator from Kentucky [Mr. BECKHAM], who is absent from the Senate on official business. I am advised that were he present he would vote as I have voted. I therefore allow my vote to stand.

Mr. HARRISON. I desire to announce that the Senator from Oregon [Mr. CHAMBERLAIN] and the Senator from South Dakota [Mr. JOHNSON] are absent from the Senate because of illness.

I also desire to announce that the Senator from Kentucky [Mr. BECKHAM], the Senator from Virginia [Mr. SWANSON], and the Senator from Rhode Island [Mr. GERRY] are detained on account of official business.

Mr. CURTIS. I desire to announce that the Senator from Missouri [Mr. SPENCER] is necessarily absent from the Senate. If he were present, he would vote "nay."

I also desire to announce that the Senator from Indiana [Mr. WATSON] is paired with the Senator from Delaware [Mr. WORTCH].

The result was announced—yeas 12, nays 49, as follows:

#### YEAS—12.

Brandegee	Gore	Phipps	Trammell
Dial	Heflin	Ransdell	Underwood
Fletcher	King	Sheppard	Warren

## NAYS—49.

Ashurst  
Ball  
Borah  
Calder  
Capper  
Coff  
Culberson  
Curtis  
Edge  
Elkins  
France  
Gooding  
Gronna

Hale  
Harris  
Harrison  
Henderson  
Johnson, Calif.  
Jones, Wash.  
Kellogg  
Kendrick  
Kenyon  
Keyes  
Kirby  
Knox  
La Follette

Lenroot  
Lodge  
McCormick  
McKellar  
McLean  
Moses  
Nelson  
New  
Overman  
Page  
Pittman  
Poindexter  
Robinson

Shields  
Simmons  
Smith, Ariz.  
Smoot  
Sutherland  
Townsend  
Wadsworth  
Walsh, Mass.  
Williams  
Willis

## NOT VOTING—35.

Beckham  
Chamberlain  
Cummins  
Dillingham  
Fall  
Fernald  
Frelinghuysen  
Gay  
Gerry

Glass  
Hitchcock  
Johnson, S. Dak.  
Jones, N. Mex.  
McCumber  
McNary  
Myers  
Newberry  
Norris

Owen  
Penrose  
Phelan  
Pomerene  
Reed  
Sherman  
Smith, Ga.  
Smith, Md.  
Smith, S. C.

Spencer  
Stanley  
Sterling  
Swanson  
Thomas  
Walsh, Mont.  
Watson  
Wolcott

So the amendment of Mr. SMITH of Georgia was rejected.

The VICE PRESIDENT. The bill is in the Senate and is still open to amendment.

## TREATY WITH GERMANY AND RELATIONS WITH RUSSIA.

Mr. KING. Mr. President, an article in yesterday's newspapers, written by that able journalist, Mr. David Lawrence, calls attention to a question intimately related to the treaty of Versailles. Reference is made to the conditions in Europe and the possible union of European nations to promote their own trade, though it would be accomplished by discrimination against the United States. The issues involved in the Versailles treaty are not settled in our country, and each day brings additional evidence of the unwisdom of not ratifying the treaty with Germany. We are clamoring for greater export trade, for increased commercial facilities with Europe and the rest of the world, and yet we opposed a plan which would have hastened Europe's rehabilitation and greatly increased our foreign trade.

During the recent campaign it was contended by many that our country should be isolated, that it had nothing in common with Europe, and that its traditional policy forbade any sort of union between the United States and other nations.

The work of President Wilson in attempting to secure a lasting and a just peace was not understood, and his fine humanitarian sentiments were entirely misinterpreted. He sought the peace of the world, and wished to establish not only cordial relations between all nations, but he endeavored to provide a plan for their future conduct, which would prevent war and the international conflicts which the old order of world government and world relationship produced.

The American people, in my opinion, failed to appreciate the nature of the covenant of the league and the issues which were involved in its adoption or its rejection, and they are now seeking to obtain benefits which its provisions would have brought to this Nation.

There were Republicans and Democrats who opposed the covenant of the league or any union between the United States and Europe; they asserted that this Nation was so powerful that it was not interested in the rest of the world, commercially or otherwise, and that its prosperity was not dependent upon what occurred in other lands; but, Mr. President, since the election our Republican friends and those who opposed the league have discovered that we are related to the world, and that the prosperity of the United States is dependent upon the prosperity of other nations.

Mr. BORAH. Mr. President, did I understand the Senator to say that the Republican Senators have discovered the fact that we were related to the other nations of the world?

Mr. KING. No; we have discovered that fact.

Mr. BORAH. Oh, the Democrats.

Mr. KING. The American people have discovered, as many of my Republican friends upon the other side of the Chamber have now discovered, that we are so related to the world that our prosperity in part depends upon their prosperity.

Mr. BORAH. Mr. President, that is a discovery which was made years and years and years ago, and which no one has ever denied or disputed outside of an insane asylum.

Mr. KING. I am very glad to find that the Senator had been converted from a position which I think the majority of the American people believe he assumed during the pre-election campaign.

Mr. BORAH. The Senator from Utah must not presume, because he has made a discovery, that it is a new discovery to the Senator from Idaho.

Mr. KING. Mr. President, the Senator from Utah discovered many years ago what the Senator from Idaho has now discovered and everybody else ought to have discovered—that our prosperity is connected with the peace and with the prosperity of other nations, and that when we attempt isolation for this country we cut off the fountains not only of domestic productivity, in part at least, but we dry up the streams of commerce and trade which bring prosperity to the American people.

Mr. FRANCE. Mr. President—

Mr. KING. I yield to the Senator from Maryland.

Mr. FRANCE. I should like to ask the Senator if he has also discovered that our prosperity is more or less involved in the prosperity of Russia?

Mr. KING. Mr. President, the Senator from Maryland leads me away from the field into which I was about to enter for a moment or two; but I shall reply to the Senator from Maryland as frankly, but briefly, as I can.

I presume that the question the Senator intended to ask was why we did not resume diplomatic and commercial relations with the Russian soviet government, because, as I have followed the political activities and senatorial activities of my distinguished friend for the past few weeks, the belief has been developed that he is desirous that the United States should recognize the dictatorship of Lenin and Trotsky in Russia, recognize the bolshevik government not only as a de facto but as a de jure government, and that we should enter into diplomatic relations with Russia.

Mr. FRANCE rose.

Mr. McCORMICK. Mr. President, will the Senator yield for a question?

Mr. KING. If it is agreeable to the Senator from Maryland, who rose first, I shall be glad to yield.

Mr. FRANCE. Mr. President, I merely rose to ask the Senator from Utah where he had made that most extraordinary discovery? That is something which I myself have not discovered.

Mr. KING. Does the Senator refer to my allusion to the suggestion that he desired that the United States should enter into diplomatic or consular relations with Russia?

Mr. FRANCE. I will say to the Senator that I have never made any such suggestion, either upon the floor of the Senate or in any other place; and if the Senator will do me the honor of reading the resolution which I introduced on the 26th, I think, of last February, he will see that my purpose was not the recognition of the soviets at all, but rather the establishment of friendly trade relations with the Russian people—something which can be done without any recognition whatever of the de facto government of Russia.

Mr. KING. I apologize to the Senator if I have misconceived his attitude; but let me ask the Senator from Maryland if he does not know, in view of the conditions prevailing in Russia, that there can be no trade with Russia except through the soviet dictatorship? It is absolutely meaningless to say that we will trade with Russia unless we trade with the soviet government. The soviet government, in effect, has interdicted trade and traffic between Russian people, as individuals and communities, and other nations. They have said that all trade must be through the soviet government, and that is the reason why the soviet leaders are so anxious to secure trade relations, though in name or theory only, with the United States, because they entertain the view that as a proximate sequence recognition of the de facto government of the soviet or bolshevik government of Russia will take place.

Mr. FRANCE. Mr. President—

Mr. KING. I yield.

Mr. FRANCE. I rise merely to say that I do not wish to trespass upon the time of the Senator.

Mr. KING. I shall be very glad to have the Senator make any statement that he desires apropos of the question just suggested.

Mr. FRANCE. I shall take occasion in the near future, however, to discuss this whole question of the opening up of trade with Russia. As a matter of fact, it would be perfectly feasible for us to sell goods to Russia without any recognition of the soviets as the de facto government of Russia. The soviet government could buy, as the agent for the Russian people, materials which we have for sale for cash without our recognizing the soviet government at all. I will say to the Senator, for his information—and I know that he desires to receive all possible information on this most important subject—that a great many very prominent Russians who are entirely opposed to the bolshevik régime are thoroughly convinced that the opening up of trade with Russia would not tend to strengthen the bolsheviks, but that, on the contrary, the opening up of trade would tend to bring about in Russia a greater conformity on the part of the Russians to the practices



of the other nations with which the Russians would trade. The whole development of affairs in Russia has been in the direction of an abandonment of the theories of communism in order that the actual facts of the situation might be met; and it is on the theory that Russia isolated can indulge in fantastic theories of government, but that Russia dealing with the other nations would tend to conform to the principles and practices of other nations, that many of those who oppose the communistic régime are in favor of the opening up of trade with Russia.

I thank the Senator for yielding to me. I have trespassed this much upon his time only because I did not wish it to appear in the Record that I had advocated the recognition of the present de facto government in Russia, which I have not done. My resolution very carefully avoided the suggestion that we should at this time recognize any particular government there.

Mr. KING. Mr. President, if any Americans desire to trade with Russia they ought to have the fullest opportunity, and if any of the Russian people desire to trade with the United States full opportunity should be accorded them to sell their commodities in our markets, subject of course to such tariff laws and regulations as now exist, but I think the Senator from Maryland—and I say this with full appreciation of his great knowledge upon this question—does not fully appreciate the power of the dictatorship of Russia over the lives and the commercial and business relations of the people.

Why, Mr. President, it is impossible to trade with Russia, because Russia has nothing to ship in payment for the commodities which she might obtain from other nations.

Mr. McCORMICK. Mr. President, will the Senator yield on that point?

Mr. KING. I yield.

Mr. McCORMICK. Are there no other States in Europe which have nothing to give in exchange for products shipped to them?

Mr. KING. Mr. President, there are other States of Europe that are bankrupt, and the people within their borders are starving. I hope the Senator from Illinois, by his question, does not seek to imply that we should deal with the peoples of those other countries and their Governments as we should now deal with the soviet government of Russia. So far as I am concerned, I rejoice in the charities of the American people in behalf of the starving people of Europe. I should be glad to see American people make capital investments in Europe, for the purpose of enabling the starving peoples to obtain some of our surplus products, and thus save their lives, as well as to furnish a market for products of which we have a surplus.

Mr. President, as I was about to say, it is impossible to trade with Russia. England has attempted it. Norway and Sweden have attempted it. Finland, lying upon her borders, has attempted it. The Czechoslovakian Republic has attempted it, and many other nations of Europe. They found that the representatives of Russia who were admitted to the confines of their territories immediately plotted for the overthrow of their Governments.

Instead of being interested in trade, they were interested in a propaganda which looked to the overthrow of what they denominated the capitalistic Governments of Europe.

Mr. Krassin and Mr. Kameneff and others have been in England, and Lloyd-George, desiring, as he did, to extend the trade of Great Britain, and if possible to find a market in Russia for the products of Great Britain, engaged in protracted negotiations with those men, and attempted to find some basis by which there could be trade relations established between the people of Great Britain and the people of Russia. But finally he was compelled to order them from Great Britain. They attempted to corrupt labor organizations of Great Britain, as well as the press, and the editor of the Herald, the radical labor organ of Great Britain, confessed that a large sum of gold had been placed with him. Of course, it was for the purpose of influencing his paper in behalf of Russia and to induce it to support in Great Britain policies which would result in the overthrow of law and order.

One would suppose that Sweden, Norway, and Denmark would have entered into trade relations of considerable proportions with the Russian people, if trade were possible. But, Mr. President, in each of those nations the authorities at various times ordered the deportation of the representatives of the soviet government. The soviet representatives ostensibly sought trade, but it was soon discovered that they were sent into those nations to carry on a propaganda for their overthrow and to use those States as the base of operations against other States. They invaded Belgium and Holland and attempted to make

Holland a base of operations against nations upon this side of the Atlantic. The records are full of efforts made by the nationals of European countries to enter into trade relations with Russia, and they disclose the failures attending such efforts.

The Senator from Maryland says he wants the American people to trade with Russia and the Russian people to trade with the United States. I agree with him in that statement. What is there to restrain them from trading? Americans are at liberty to ship their products to Russia, so far as the United States is concerned, and if there are individuals there or representatives of the soviet government who desire to purchase them, there are no reasons why the sales should not occur. The only inhibition to exporting from the United States to Russia relates to munitions of war. The Senator's constituents, or any American, may ship to Russia commodities of any character or description, outside of munitions of war, and there are no restrictions imposed by the Government of the United States against that trade.

Mr. FRANCE. Mr. President, there is a restriction of the most binding character, a restriction which prevents payment by Russians for the goods which they purchase, and that restriction consists in the refusal of the United States mints to mint gold which may be of Russian origin, and that restriction has, to my knowledge, held up the sales of enormous quantities of goods to Russia. I have not as yet informed myself as to the practice of the mint with reference to gold which is brought to it, but I had never been informed that it was the practice of the mint to search the title of every piece of gold brought to it. I can conceive that such a practice as that would lead to endless difficulty. For example, suppose a miner comes from Seattle with some gold bullion, bringing that to the mint, say, in Philadelphia, to have it minted. Is it incumbent upon that mint to inquire as to how that miner came into the possession of that gold, to search the title of the mine from which the gold was produced, before that gold is minted? It seems to me that if that is the practice of the mint it would be impossible ever to mint any gold without an exhaustive search of the title, not only of the title to the gold in the hands of the miner but the title of the mine from which that gold was taken.

As a matter of fact, it is true that Russian gold is available for the purchase of southern cotton, which the southern cotton growers are now holding at a great loss to themselves, much of which is deteriorating, I am informed, in the open weather.

The Russians have gold with which to pay for that cotton, provided the mints will accept their gold for minting. That gold is not gold which has been confiscated from the Russian people. That gold, I am informed—and there is no reason for believing otherwise—is the gold which was in the imperial treasury of the Czars at the outbreak of the war. The amount of that gold is variously estimated as being between \$750,000,000 and \$1,300,000,000 at the outset of the war. We have no knowledge as to what the amount of the gold is at present, but my point is that that gold is not gold which has been taken from the Russian people; it is gold that was in the imperial treasury.

We all know that the Russian people are in desperate need of goods. There are no nails in Russia, there are no woolen goods, there is no wool to speak of, there is practically no cotton, there are no cotton goods, there are no pencils, there are no papers; the commonest articles of life are wanting. They need at once 25,000,000 pairs of shoes. I assume that in such an emergency, even a de facto government would be justified in using the gold in the imperial treasury, that is, in the treasury which was the imperial treasury, for the buying of those things so desperately needed by the people. Even our own Government, during the period of the war, actually went to the Argentine, through an agent, to purchase sugar for our people, because our people needed that sugar so desperately during the war.

It seems to me that even a de facto government would have the right, without committing any crime, to use gold that was in the governmental treasury in such an emergency as that which exists in Russia for the purchase of goods for the people. It seems to me that any government or that any people, having goods to sell, would be perfectly justified, morally and legally, in selling for that gold which was in the imperial treasury and which belongs to the government, those articles which the people of that government so desperately need in a situation of unusual severity created by the war.

That, in a word, is the situation as I see it. It is a question as to whether our mints will now mint the Russian gold. I am not maintaining, I will say to the Senator, that we can indefinitely ship goods to Russia and receive gold in payment for those goods. I realize that trade must be reciprocal, and that there must be a return of goods ultimately in payment

for a shipment of goods. But I do believe that the first shipment should be made for gold, which is available, and the title to which is clear enough for all practical purposes.

Mr. KING. Mr. President, a great judge in Great Britain recently had before him a lawsuit which involved the question, in part, which has just been discussed by the Senator from Maryland. A number of years ago some timber was purchased from Russia, and it was brought to the ports of Russia for shipment to Great Britain; but the war prevented the transportation of the timber. Recently the soviet government seized that timber and disposed of it to another person, and he shipped it to England, where the person who bought it originally from the owners immediately laid claim to it, and in the course of time it was brought before Judge Roche for determination, and he promptly held, as he should have held, that the soviet government's theft of the property and its disposition of it gave no title to its vendee, and the claimant, the man who had bought it from the Russian people themselves, was awarded the property.

As I apprehend the position of the Senator, it is that the Government of the United States ought not to question the title to any gold which may be brought to the mint for minting, and he inquires whether or not a miner in the West who took the product of his mines to the mint would be interrogated as to its ownership, or whether the Government would scrutinize with any particular care his title, to determine whether he was the owner or not. Mr. President, while I deny that there is any analogy or any comparison between the illustration which the Senator gave and the situation we are discussing, I have no doubt in the world but what if the mint at San Francisco or Philadelphia were advised that John Jones was about to present for minting a certain stock of gold, and that he had stolen it, or that his title was denied, the mints would be closed to the minting of that product, at least until the validity of the claim of the man who tendered it had been established.

Mr. FRANCE. Mr. President—

The PRESIDING OFFICER (Mr. SUTHERLAND in the chair). Does the Senator from Utah yield to the Senator from Maryland?

Mr. KING. I yield.

Mr. FRANCE. I was interested to know the date of that finding of the British court, because, as a matter of fact, while we have been opening our system to the poison of this propaganda, which has prevented our opening up trade with Russia, the British have been losing no time whatever, and while we were deporting from this country Mr. Martens, who was the purchasing agent of the soviet government, the British were sending Mr. Krassin back to Russia with a trade contract all ready to be signed by his government, and undoubtedly to-day, if there is a ship traveling from the Baltic ports to London, it is carrying Russian gold to London. The Londoner is not scrupulous about accepting Russian gold, and he is beginning a very active trade in Russia, and we are being isolated from Russia by this policy, dictated I know not by whom, but certainly by no friend of America, and by no man who wants to see friendly relationships existing between Russia and the American people. I would say that the British have already begun active trade relationships with Russia.

As to the title of materials coming from a foreign country, this desk before me is made of mahogany. Who knows in whom the title to that mahogany rested when it was imported into this country? Probably it came from Africa, the land of which, in all equity, belongs to the African people. It was taken from the African forests probably by an English syndicate, without any payment at all to the aboriginal peoples of Africa, and was imported into this country.

In whom did the title to that mahogany rest? In these gentlemen of the English syndicate, stripping the African forests of their valuable woods without paying the aboriginal peoples one dollar? Or did it inhere in the African peoples themselves? What payment have we made to them, pray, for these desks upon which we transact the business of the United States Senate? To search the title of woods and wools and cottons and hemp and flax coming from other countries in the great commerce which we should be carrying on with the world is perfectly impossible. We must sell where we can sell, and accept gold in payment, if we are to build up the trade of the American people; and as for me, I am old-fashioned enough to be for building that trade. I would not sit here idly and see Great Britain preempting those wonderful Russian markets while we are here meditating upon the crimes and evils of bolshevistic communism, something that practically does not exist in Russia, I will tell the Senator, because most of us have overlooked the fact that the very first thing which the bolshevistic communists did upon coming into power was to con-

front the stern facts which presented themselves in Russia to their administration. Mr. Lenin, of course, was a communist, but he had to face millions of Russian peasants, and he faced reality when they said, "We demand land for ourselves, in individual ownership"; and the first great act of this so-called communistic government was to establish the principle of individualism in land.

So that communism is very largely a matter of theory, and a careful examination of all that is going on in Russia will show that the theory of communism has been giving way before the actual facts of governmental administration, and that communism really in no great degree exists.

Mr. POINDEXTER. Mr. President—

The PRESIDING OFFICER (Mr. JOHNSON of California in the chair). Does the Senator from Utah yield to the Senator from Washington?

Mr. KING. I yield.

Mr. POINDEXTER. If what the Senator from Maryland says is true, then the communists of the United States and France and Italy, who are supporting the Government of Russia and indorsing it because they believe that it is furthering their principles, are being grossly deceived.

Mr. FRANCE. They are very largely deceived. As a matter of fact, we have all been very greatly deceived on the whole Russian question. I can say to the Senator from Washington, and I believe I can say it with some authority because I have been taking very particular interest in the question and have had an opportunity to talk with men coming from Russia, American business men and Russians who are not in favor of communism and bolshevism, men upon whose statements I feel that I can rely, that I am confident from what they have told me that we have been very greatly misled with reference to the whole Russian question, and, let me repeat, misled, whether by a sinister influence or not I can not say, but we have been misled, I know, and that misleading of us has redounded very greatly to the advancement of the trade and of the interests of the British Empire in Russia.

Mr. POINDEXTER. Well, Mr. President—

Mr. FRANCE. And it has been in the direction, if the Senator will allow me to finish, of isolating us from those great countries with which we would naturally be in friendly relationship. Russia and China are our natural friends and allies in Europe and Asia. I will say right here that I shall later discuss the question of the opening of trade with Russia, with a long look ahead to those difficulties which seem to be forming themselves for us in Europe and Asia, difficulties which would seem to indicate that the time will come in the next few years, if we do not formulate a wise policy now, when we shall find ourselves faced in war by Japan, with which will be allied some other of the European countries, and the way to avert that danger is for us to form a closer and more friendly relationship with Russia and China, who are anti-Japanese in all of their thinking and in all of their interests. This policy which I have alluded to, based upon misinformation, I will say to the Senator, has tended to isolate us from those peoples with whom we should be in friendly association.

Mr. POINDEXTER. The Senator from Maryland does not propose that the Government of the United States should carry on commercial transactions with Russia?

Mr. FRANCE. I am in favor of opening up trade with Russia at once.

Mr. POINDEXTER. That was not my question. Is the Senator in favor of the Government of the United States going into the business of buying and selling commodities in order to carry on trade with Russia?

Mr. FRANCE. Oh, not at all.

Mr. POINDEXTER. Then it would be left to private parties necessarily, if the Government does not do it, and it is now open to any private parties who want to trade with Russia. Why do they not trade with them?

Mr. FRANCE. The Senator from Washington was not in the Chamber when that question was brought up by the Senator from Utah, and I explained that it was owing to the fact that the mints would not accept Russian gold for minting. That is the chief obstacle at present. I would say that one obstacle after another has been presented to our opening up trade with Russia. I am quite confident, so far as my judgment goes, that I know why these obstacles have been so placed, but one obstacle after another has been placed in the way of our opening up trade with Russia. In the meanwhile, Great Britain has been trading quite actively with Russia.

Mr. POINDEXTER. If the Senator from Utah will allow me further—

Mr. KING. Certainly.



Mr. POINDEXTER. London is the great financial center of the world, and certainly if people desire to trade with Russia they could find, through some such great central exchange as that, a means of paying for the goods they buy and receiving payment for the goods they sell. I fail to see how any such question as a refusal to mint Russian gold could stop people from carrying on commercial transactions if they wished to do so.

Mr. MOSES. Mr. President—

Mr. KING. I yield to the Senator from New Hampshire.

Mr. MOSES. I wish to address a question to the Senator from Maryland. I wish to ask if there is any dark secret about the reason why these obstacles have from time to time been thrown in the way of trade with Russia?

Mr. FRANCE. Of course, we all wish the millenium were here, but it is not. Men will compete for trade and nations will compete for trade very much as they did before all of this doctrine of the new freedom was announced. Great Britain wants the Russian markets and Great Britain is leaving no stone unturned to secure those Russian markets, and she is formulating a policy here, there, and everywhere which would tend to exclude other nations from those markets, and we are, by the policy of this Government, being excluded. Does that answer the Senator's question?

Mr. MOSES. Does the Senator from Maryland wish to assert that the British Government is formulating the policy of the United States?

Mr. FRANCE. Yes; I wish to assert that the British Government exerts a very great influence.

Mr. MOSES. Upon the Government of the United States?

Mr. FRANCE. Upon the policy of our Government as it has been carried on during the last few years, particularly since the armistice.

Mr. MOSES. The Senator from Maryland has a notice of hearings to be given on a resolution introduced by him bearing upon the question, pending before a committee of the Senate of which I am a member. I sincerely hope that if the Senator will undertake to substantiate the charge of influence of the British Government upon the Government of the United States he will bring such substantiation before the committee having his resolution pending for consideration, if he is unwilling to give it in the open Senate now when the matter is under discussion.

Mr. FRANCE. I think I have stated enough facts to indicate that the policy of our Government has not been in the interest of the American cotton grower, of the American steel workers, and of the American shoe manufacturers, but that the policy has been in the interest of the advancement of the trade of other nations. I have not been in Europe, but I will say to the Senator that a witness will appear next week before the committee to which he refers, who, if he cares to go into the who's question, can make a statement to the effect that while the British newspapers were carrying this very propaganda, which our newspapers were copying, the British merchants were quietly adopting every means known to their wonderful genius for the promoting of trade with Russia. In other words, the British papers print news upon the horrors of bolshevism for our papers to copy, while the British merchants are sitting down with Mr. Krassin, the financial representative of the Russian Government, working out in detail plans by which English goods shall be shipped to Russia and Russian goods shall be shipped to Great Britain.

Mr. MOSES. But that is an entirely different matter from the charge which the Senator makes, that the British Government is influencing the policy of the Government of the United States. What British merchants are doing, what the British newspapers are doing, does not necessarily affect the policy of the British Government and does not necessarily bring the policy of the British Government in contact or in influence with the policy of the Government of the United States. That is a matter of private enterprise or business ethics as interpreted by British merchants and by British newspapers. It is a far less serious proposal than that which the Senator from Maryland earlier advanced, namely, that the British Government is influencing the policy of the Government of the United States with reference to the Russian question.

If the Senator from Utah will permit me to trespass further upon his time, I wish to say that I am one of those Senators who have opposed the opening of trade relations with soviet Russia. It has not been at all because I wish to thwart the enterprise of American cotton growers or American manufacturers, but chiefly because I can not conceive how it will be possible to enter upon trade relations with the soviet government without permitting free entrance into this country of

citizens of the soviet republic, who will come here under the guise of commercial errands and who will make use of their presence here to carry on the propaganda of sovietism, a propaganda which I had the privilege of examining into in the course of the investigation of the so-called soviet ambassador to this country, a propaganda whose ramifications no Member of the Senate can follow to the end, a propaganda more insidious and dangerous to the welfare of the American Republic than any I have ever known, a propaganda which I have no intention, if my vote can prevent it, of bringing into this country under any guise whatsoever.

Mr. FRANCE. I wish to ask the Senator from New Hampshire—

The PRESIDING OFFICER. Does the Senator from Utah yield further to the Senator from Maryland?

Mr. KING. Certainly; but I hope I shall not lose the floor while these excellent speeches are being made.

Mr. FRANCE. Is the Senator from New Hampshire under the impression that our Government is less stable than the Government of the British Empire?

Mr. MOSES. By no means. What I am trying to bring to the Senator and other Senators and to the public, if I may, is the fact that with our widespread territory, with our great variations in racial type of population, it is of extreme danger to the peace and welfare of this country if we are to permit the propaganda to go on in the manner in which various investigations before congressional committees have shown it to be carried on in this country. If we open the door through trade relations for the free admission to this country of citizens of the soviet republic, who, I am confident, will take advantage of every opportunity not only to extend trade relations but to extend the propaganda of their peculiar belief, it will develop a wider trail of evils than those already shown.

Mr. FRANCE. The Senator has answered my question. I perceive very clearly that he has greater fear for the stability of his Government than British statesmen have for the stability of theirs.

Mr. MOSES. Mr. President, I object to that interpretation being put upon my remarks because I answered the Senator's question in the negative.

Mr. FRANCE. If I may be permitted to continue—

Mr. KING. Will the Senator also answer this question? As I understand his remarks, he would repeal the act of October, 1918, which prevents the entrance into the United States of those who would seek to overthrow our Government by violence and force, and which also requires the deportation from the United States of those who seek the overthrow of the United States by force and violence. If the Senator desires—and I think that is his position—the bolsheviks to come here—and the Senator knows that Lenin has denounced this Government as the apotheosis of capitalism and has declared that this Government must be destroyed—he ought to be advised of the fact that they come, not for the purpose of securing employment or becoming American citizens, but to preach sedition and attempt the overthrow of our Government by force and violence. Does the Senator want that act repealed?

Mr. FRANCE. I think that the whole question of immigration and deportation is an entirely different question from the one we are discussing. I say that the Senator from New Hampshire has already admitted that he has a greater fear for the stability of his Government than British statesmen have for the stability of theirs.

Mr. MOSES. Mr. President, may I once more state for the RECORD the fact that that is not my assertion, and that I make no such assertion. I answered the Senator with an emphatic negative in my first sentence, but I went on to say that I did not want to see the bolshevistic government engaged in tracing out and sending out the propaganda which I am sure will result from the free entrance into this country of soviet Russians.

Mr. FRANCE. Mr. President—

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

Mr. KING. I yield to the Senator from Maryland.

Mr. FRANCE. I desire to say that, following out the Senator's policy, we are losing the trade which Great Britain is seeking and which Great Britain is obtaining. Great Britain did not feel that the British Empire was in any danger of being undermined because her statesmen and the leaders of the British trade bodies went into session with representatives of Russia to make arrangements for the opening up of trade between Great Britain and Russia.

So far as the Senator's question is concerned, I will say this: Of course, I have been in a rather unique position, standing with a small minority on this side of the Chamber during the

World War, a minority which has believed that our Government has never been in any danger of being overthrown by a few agitators of communism and anarchy.

We have always had those amongst us, and I conceive that our Government has never been in any danger from them. I believe so thoroughly in the principles of our Government, in the principles of a government based upon the will of all the people freely expressed, that I have never had any anxiety whatever concerning this propaganda. I have never trembled or shivered or felt any trepidation whatever for fear that this great Republic, which has withstood the shock of the controversy and of civil war, and of war with the greatest military empire of all time, would be overthrown by a few theoretical anarchists or communists from Russia.

I do not advocate the repealing of the law to which the Senator from Utah has referred. I think we need a new immigration law which would provide that these people coming here should be instructed in our institutions. Many of them do not understand our form of government; they have been brought up under despotisms, and they think that all government is despotic. If they were informed as to the character and nature of our institutions they would become most desirable and useful citizens. I will say further that the Russians and Jews themselves form the finest kind of raw material for the making of American citizens, if the raw material be properly handled. I advocate immigration laws which will provide certain standards and I think laws should be enacted for the education of immigrants in our institutions before they are permitted to become citizens; but I can not too strongly emphasize the fact that while we have been suffering from a phobia, from a fear of Russia, which has led us to close the gates of our exports to Russia, the British have been receiving the Russians with open arms and have been entering upon negotiations for trading with Russia. I may say further that Russian gold, the gold which is supposed to be of faulty title, has been shipped from Moscow to London, where it is being minted and where it is tending to swell the coffers of the British Empire.

Now, if the Senator from Utah will yield a moment longer, I wish to say just one word further.

Mr. KING. I yield.

Mr. FRANCE. There is nothing anti-British in my system. Far from that, I commend the citizen of Great Britain; I commend his policy; I commend his courage; I commend his enterprise. While I do not believe in the imperial system, while I believe it is a system which is passing away, I feel an admiration and affection for the English people. So far from criticizing them, I am urging our Government to emulate them by the advancing of our interests in the same way and with the same skill, enterprise, and genius as that which has been displayed by the British in the advancement of their national interests.

Mr. KING. Mr. President, the statements which have been made by the Senator from Maryland have been so varied and have related to so many subjects that it would be impossible within the limits of reasonable debate to enter into a full discussion of all of them. Let me say, however, with respect to the attitude of the Senator from Maryland concerning immigration from Russia, that I think the American people share pretty generally the view of the Senator that the great mass of the Russian people are frugal and thrifty and that they do furnish the basis for a splendid commonwealth. I have said repeatedly, Mr. President, that the Russian was a wonderful composite, and that he possessed the elements out of which a mighty nation—progressive and enlightened—would arise. He seems to have the imagination, if I may be permitted that expression, of the French, and he has something of the philosophy of the German mind. Whenever a Russian is afforded opportunity for education, though taken from the humblest walks of life, he assimilates education and culture with a readiness that is amazing. The linguistic attainments of the Russians are marvelous. Men who are taken from the plow, men whose fathers were serfs and slaves, after a few years in the common schools and in the universities of Russia, have developed into world characters. Before the World War we sought and found music, literature, poetry, painting, and sound philosophy in Russia. In science Russia has made remarkable progress, and possesses the potentialities for world leadership. She has great metaphysicians, great philosophers, great thinkers, great writers. So the Russian people constitute the basis of a great government that will respond to progressive impulses and which in the end will be one of the dominant nations of the world.

I shall be glad to see coming to our shores, in reasonable numbers, genuine Russian people, but, Mr. President, it is not of that class that complaint has been made. It is not against that class that the act of 1918 was aimed.

That act was aimed against those who came for the purpose of seeking to overthrow by force and violence the Government

of the United States. There is no objection, let me say, to the Senator, urged against Russians coming to the United States if they do not come for the purpose of attacking the institutions of this country, but the Senator knows that Lenin and Trotsky and the military dictatorship of which they are the heads have started a world-wide propaganda to overthrow law and order and to establish a world-wide communism.

The Senator knows that Martens, the representative of the soviet government in the United States, has not confined himself while in our midst to efforts to build up trade between Russia and the United States, but he entered into all sorts of machinations against the integrity of this Government. He encouraged organizations that sought by force and violence the overthrow of the United States, and it was for that that he was deported.

The Senator knows that the Labor Department, including the Secretary of Labor and the Assistant Secretary of Labor, Mr. Post, have been sympathetic, indeed, too sympathetic, let me say to the Senator, with sinister alien elements that have operated in the United States. There are persons who should have been deported who have been permitted to remain in the United States by Mr. Post, the Assistant Secretary of Labor. I believe the President should have removed Mr. Post from his position months ago. There developed a controversy between the Attorney General's Department and the Labor Department. It amounted almost to a scandal because of the acute nature of the charges by one department against the officials of another department. In my opinion, the President should have determined which of these departments was right, and the head of the other department should immediately have resigned or made complete satisfaction.

Mr. FRANCE. Mr. President—

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

Mr. KING. I yield.

Mr. FRANCE. I merely rise to observe that the statements of the Senator with reference to Mr. Martens are in direct conflict with the statement of the Secretary of Labor in deporting Mr. Martens, because in that statement the Secretary of Labor practically exonerated Mr. Martens from the very charges which the Senator has now made against him. I may say further with reference to Mr. Post and Mr. Wilson, the Secretary of Labor, that personally I feel that as to the whole deportation question they were in the right and the Attorney General was in the wrong. So much did I believe that the Attorney General's office had not been properly conducted, particularly under the administration of Mr. Palmer during the days of the war, that I introduced a resolution for the investigation of the department of the Attorney General because of the scandalous conditions in that department which we were led to believe existed because of the charges of very responsible men against that department. While my resolution did not pass, it is very gratifying to me to know that during recent days the Judiciary Committee of the Senate has itself taken notice of those charges and has itself, I believe, investigated some of the activities of the Department of Justice. If I am mistaken in that, the Senator from Utah, who is a distinguished member of that committee, can correct me.

Mr. KING. The Senator is right. I am a member of the committee and of the subcommittee.

Mr. FRANCE. I only wish the investigation could be carried to a greater extent. I have information which I do not care to disclose here. Out of respect for the executive departments of the Government I would not care to give publicity to certain information which I have received through confidential channels as to the conduct of the business of that department.

I am not holding that the Attorney General is responsible for all of the evils, for all of the crimes, I may say, because crimes were committed by the agents of the Department of Justice—crimes, if not murders, I will say to the Senator. I am not holding up the Attorney General as personally responsible for all those acts, but I hope that the Judiciary Committee, before it is through, will thoroughly investigate that whole department and all of its activities, and I hope that when it has been investigated the findings will be laid before the American people and that the American people will see to it that such conditions shall never again prevail in this country. I hope to God they never shall prevail again, because such conditions as have prevailed in this country have never prevailed in any other country in the history of the world perhaps, except in Russia under the worst days of the Czar.

Mr. ROBINSON. Mr. President—

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

Mr. KING. I yield to the Senator from Arkansas.



Mr. ROBINSON. The Senate has just heard a most extraordinary statement. I have no quarrel with the Senator from Maryland when he makes the general declaration that conditions deserving of criticism have prevailed in this country; but I think the Senator from Maryland, when he makes the statement that he has information materially reflecting upon the administration of one of the executive departments of this Government, and that he will not divulge it to the Senate, transcends proper debate. No Senator ought to make a declaration of that kind and then withhold from the Senate or from the American people the facts upon which he bases it. If the Senator from Maryland knows of misconduct on the part of the Attorney General of the United States, or upon the part of the department of which the Attorney General is the head, he ought not to make a general declaration and withhold from the Senate and from the public full information concerning it.

Mr. FRANCE. Mr. President—

Mr. ROBINSON. I decline to yield for the present. I will yield to the Senator in a moment. Such a declaration is calculated—aye, it is designed—to prejudice the judgment of those who receive knowledge of it.

No officer of this Government has borne graver responsibilities, save the President himself alone, than the Attorney General of the United States since his entry upon the duties of that office. The present Attorney General of the United States was formerly a Member of the body at the other end of the Capitol. He is one of the ablest and most distinguished men of this Nation. Along with other representatives of the executive departments of the Government he has been repeatedly misrepresented, slandered, and libeled by individuals and associations of individuals, by newspapers and periodicals, who would penalize him for his loyalty to this Government, his loyalty to the American people, during the conflict recently closed. He is entitled to have the Senator from Maryland make an open and a frank declaration. It does no credit to a Senator of the United States to cast innuendoes and insinuations against the character and conduct of one charged with responsibility in a coordinate branch of the Government. The Senator from Maryland ought to tell the Senate what he meant when he declared a few moments ago that he had information of serious misconduct upon the part of this officer or his department, but that he would withhold it out of respect for somebody or something.

I do not desire, nor does any Senator desire, to shield any officer or agent of this Government who has knowingly violated his duty to the American people. If the Senator from Maryland has knowledge of facts or circumstances which prove malfeasance or nonfeasance in office on the part of the Attorney General, let him state in the open his charges.

Let him bring his proof, and give the Attorney General the opportunity that under the Constitution and the laws of the United States can not be denied to a common criminal—the right and opportunity of a hearing.

Mr. FRANCE. Mr. President—

Mr. ROBINSON. I yield to the Senator from Maryland.

Mr. FRANCE. I will say to the Senator that I introduced last spring a resolution for the investigation of the Department of Justice. This resolution was introduced on the 1st day of last June. It was introduced because evidence had come to me which I was unable to sift, but which led me to believe that grave misconduct had been going on upon the part of certain officials of the Department of Justice, whether with or without the direct knowledge of the Attorney General I was unable to say. This resolution has been sleeping on the files of the committee since last June. The preamble of this resolution sets forth the facts which I have intimated to-day. I will send a copy of it to the Senator. I acted in perfect good faith in this whole matter, in presenting this resolution—it was not a popular resolution—because I believed it to be my duty to call the attention of the Senate to certain charges which had been made. I could secure no action upon the part of the Senate, and we are now in the closing days of the present administration. Personally, I am too much absorbed with issues which are before us to spend the whole afternoon in discussing issues which are back of us. The Senate did not see fit to act upon my resolution, and so far as I am concerned the whole matter is closed. If the Senate had chosen to investigate the facts, I think sufficient evidence would have been forthcoming to justify all that I have said.

Mr. ROBINSON. Mr. President—

The PRESIDING OFFICER. Does the Senator from Utah yield further to the Senator from Arkansas?

Mr. KING. I yield to the Senator.

Mr. ROBINSON. We have just heard another remarkable statement from the Senator from Maryland. After having as-

persed the Attorney General, and having been challenged to make his charges frank and open and bring proof to support them, he now declares that because the Judiciary Committee of the Senate of the United States and the Senate itself have paid no attention to formal charges heretofore made by him, the whole incident is closed so far as he is concerned. I respectfully suggest to my friend from Maryland that it would be closed more honorably, more fittingly closed, if in abandoning his charges he would do so without making further innuendoes and insinuations against the Attorney General.

I have no fault to find with the conduct of the Senator from Maryland if, after he has failed to impress the Judiciary Committee of the Senate, which is in the control of his own political party, he sees fit to abandon his charges; but in beating the retreat he ought not to repeat his charges in general language while he is running away from them.

Mr. FRANCE. Mr. President—

Mr. ROBINSON. I yield to the Senator.

Mr. FRANCE. I desire to say here and now that I have abandoned no charges, nor do I beat any retreat on this subject. I am willing to stand by every word I have said, and I could say many words more if I chose to occupy the floor.

Mr. ROBINSON. There is no doubt about the Senator's ability to say many words. The difficulty about the Senator's use of words is that he never says very much when he consumes time in uttering words. The Senator has made a charge that brave men would not make unless they were willing to make it good.

Mr. FRANCE. Mr. President—

Mr. ROBINSON. The Senator has said on the floor of the Senate this afternoon that he has knowledge of facts—my attention was called to his statement by half a dozen Senators around me—that he will not divulge to the Senate because of his respect for somebody that gravely reflect upon the conduct of the Attorney General or of his department of the Government. The point I am making is that he ought either to retract that statement or tell the Senate what he means by it and bring his proof to sustain it. Instead of doing that, he interrupts me to declare that so far as he is concerned he is too busy a Senator to take any more time with the charges that he has made. The Republican Committee on the Judiciary would pay no attention to his charges, he says, and now he himself regards it as a closed incident.

Mr. FRANCE. Mr. President—

Mr. ROBINSON. I yield to the Senator from Maryland.

Mr. FRANCE. I know my very good friend from Arkansas does not desire to misquote me.

Mr. ROBINSON. Why, certainly not.

Mr. FRANCE. But he has misquoted me, and has quite materially misrepresented my position, due, of course, to the fact that I have not made myself clear.

Mr. ROBINSON. In what particular has the Senator been misquoted?

Mr. FRANCE. I did not, for example, say that the Judiciary Committee would not consider any charges which I might make.

Mr. ROBINSON. Oh, well, the Senator did say that the committee had taken no action regarding them.

Mr. FRANCE. I said it did not act upon the resolution which I introduced last June, and so far as I am concerned, I feel that it is fruitless for me to occupy an afternoon, or an afternoon and a morning, of the Senate in bringing forward charges which have been brought to me bearing upon this question, nor do I propose to do so. I will say to the Senator, however, that some of these facts are matters of common knowledge, even to those who are not privileged to be Members of the Senate, and many of these charges have been printed in a document signed by members of the American bar of good standing.

Mr. ROBINSON. Mr. President, of course the Senator will pursue any course that he chooses to pursue; but I repeat that if he wants to charge the Attorney General of the United States with misconduct in office, he ought not to do it by innuendo. So far as his statement is concerned, that I have misquoted him in these remarks as to what he said about the action of the Judiciary Committee, his last statement is not in conflict with anything that I have said, as I understand the matter. He offers a resolution involving these or other grave charges, presents it to the Senate, and has it referred to the Committee on the Judiciary. No action is taken. The session is nearing its close. He does not propose or ask that anything be done about it, but he rises in his place in the Senate and reflects upon an officer of the Government who is not here, and who can not come here to defend himself.

A Senator can not be taken to task, perhaps, in any other place for anything he says upon this floor. Therefore a Senator

ought to be careful as to what he says reflecting upon the character and conduct of other Senators.

Mr. FRANCE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Maryland?

Mr. ROBINSON. I yield.

Mr. FRANCE. I am sure the Senator from Arkansas, who knows me quite well, does not believe that I would take advantage of my privilege as a Senator to say anything on this floor, under the law which grants me immunity, which I would not say on a public platform before the American people. I have said these things here, and I have also said them where I can be held accountable for what I did say, and I am sure the Senator does not mean to charge me with taking advantage of my immunity as a Senator on this floor to say things which I would not feel at perfect liberty to say at any gathering of American people.

Mr. ROBINSON. Mr. President, so far as that is concerned, judging by what he says here, I think the Senator from Maryland is likely to say almost anything, anywhere, anytime.

The Senator has been totally unable to understand the trend of my remarks, if he thinks I am complimenting him for what he said or assumed to say here. I am either lacking in the power of expression, or the Senator from Maryland is lacking in the power of comprehension, if he does not understand that I am making the point that a Senator, who can not be taken to task anywhere else for what he says in the Senate, ought not to charge an officer of the Government, who is not a member of the Senate, and therefore can not reply, with misconduct in office, unless he does it frankly, fully, and from a sense of duty; and that is exactly what I understand the Senator from Maryland to have done.

Mr. FRANCE. Mr. President, I admit the charge of the Senator that I am lacking in comprehension. That undoubtedly is the difficulty, because it is beyond my power to comprehend how any Senator could arise upon this floor, without having investigated the charges which have been made by responsible people, and enter upon a general defense of the conduct of the Department of Justice of our Government during the last most trying months.

Mr. ROBINSON. Mr. President, I conclude the matter with this declaration, that the Senator's admission of his lack of comprehension reflects no credit upon his judgment in making a declaration which openly casts aspersions upon the Attorney General of the United States, and in the next breath announces his purpose to take no further interest or action looking to the proving of his charges. The whole purpose of my remarks has been to convince the Senator from Maryland that he ought not to indulge in any innuendo of that sort without standing ready to make good his charges.

Mr. KING. Mr. President, I started out this morning on a pacific mission. I intended to offer but a few remarks upon the necessity of ratifying the Versailles treaty at an early date and pursuing a foreign policy that will increase our foreign trade, but the Senator from Maryland led us into Russia and then stormed the Department of Justice, so that I have been unable to steer the course or reach the goal intended.

Mr. President, it will be impossible, I repeat, within the limits of debate, to discuss all the questions referred to by my friend, the Senator from Maryland, even if I had the opportunity at this time to do so; but as Senators know, the packers' bill must be voted on when we meet next Monday, so that to-day is practically the only period for general debate. The Senator from Wyoming [Mr. KENDRICK] is now waiting for the floor, and the Senator from Kentucky [Mr. STANLEY] is waiting for a chance to discuss that important measure. As soon as opportunity is offered I shall reply to the Senator from Maryland and present what I believe to be the facts in regard to the Russian situation. I take issue with the Senator upon many of the propositions advocated by him, and assert that his policy, if carried into effect, would mean an immediate recognition of the soviet dictatorship, which is cruel and inhuman, and does not speak for the Russian people.

Mr. President, before yielding the floor let me add a word concerning the Senator's defense of Mr. Martens and his implied if not direct condemnation of the Government in ordering his deportation. As I interpreted the Senator, he cordially indorses Mr. Post and the Secretary of Labor for their sympathetic administration of the law of 1918. I call the Senator's attention to the fact that the Secretary of Labor has held that Mr. Martens is a member of the communist organization affiliated with the Third Internationale, and therefore comes within the provisions of the law of 1918 and must be deported.

Mr. FRANCE. Mr. President—

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

Mr. KING. I yield.

Mr. FRANCE. The Senator has stated with perfect accuracy the position that was taken by the Secretary of Labor, that Mr. Martens did belong to such an organization; but, at the same time, the Secretary of Labor did exonerate Mr. Martens from any pernicious activities while in this country, as I think the Senator will note if he will read the statement of the Secretary of Labor at the time of the order for his deportation.

Mr. KING. Mr. President, I read the decision of the Secretary. The Senator may be right in his statement of the Secretary's findings, but my recollection is that the decision did not go that far.

But if the Secretary of Labor did acquit Mr. Martens and his staff of activity in the United States hostile to the peace and order of our Government, he closed his eyes to the facts, and condoned conduct which ought to have brought from him condemnation. In my opinion the Department of Labor, in its administration of the law for the deportation of aliens, declined to deport persons who violated the law, and whose conduct called for their deportation, but I acquit Mr. Caminetti, the Commissioner of Immigration, of being privy to this policy.

Reference has been made to the Attorney General. Speaking for myself, I believe that he is, as stated by my friend, the Senator from Arkansas [Mr. ROBINSON], a man of courage, ability, and integrity, one whose Americanism no man can question, and whose loyalty and devotion to the institutions of our country no one can challenge.

The Senator from Maryland [Mr. FRANCE] persists in insisting that Great Britain has not only entered into trade relations with Russia but that such relations have existed for an indefinite period to the benefit and profit of Great Britain. I take issue upon that proposition. The exports from Great Britain to Russia have been inconsequential. They have been so insignificant as to be unworthy of note.

Mr. BORAH. Mr. President—

The PRESIDING OFFICER (Mr. LENROOT in the chair). Does the Senator from Utah yield to the Senator from Idaho?

Mr. KING. I yield.

Mr. BORAH. There can be no doubt, I presume, whether the trade has been large or small, that Great Britain has signified her willingness to enter into trade relations with Russia.

Mr. KING. Mr. President, Great Britain by her conduct has said that any Englishman who desired to trade with Russia could do so, and our Government has said that any American who desires to trade with Russia is at full liberty so to do. Great Britain offers no impediments; neither does the United States. The obstacle to commercial relations with Russia and our country, as well as other countries, is not outside of Russia, but within Russia. The soviet dictatorship has refused to permit the Russian people to buy or sell, even though they had commodities to sell or means with which to buy.

Mr. BORAH. But, Mr. President, England has gone much further than that. I talked with a gentleman the other day who has been in Russia since 1917. He was a soldier there. He resides in the State in which the honored chairman who now presides [Mr. LENROOT in the chair] represents in part. He said that that trade was going on to a very marked degree, and that while officially England was not presuming to do more than the Senator states, as a matter of fact, the English merchant had ample and full protection from the English Government in all his dealings with Russia.

Mr. KING. Mr. President, I think I can prove to the Senator, when I can continue my remarks, that all the importations into soviet Russia during the past one or two years from all countries in the world do not equal the exports of the United States in one day.

Mr. BORAH. I presume that is true, but—

Mr. KING. And I shall prove to the Senator from Idaho that the subjects of Great Britain are trading with Russia to such a limited degree that it is not worthy of consideration.

Mr. BORAH. If they are trading at all, the principle is sacrificed.

Mr. KING. Mr. President, Americans could trade with Russia if they desired; Germans could trade with Russia if they desired; but Germany, right upon her borders, because of the perfidious course of the Lenin despotism and because Russia had nothing with which to pay for the products which the Germans could sell, was compelled to suspend negotiations for extensive commercial dealings.

Mr. BORAH. We are now speaking about a principle, as to whether we sacrifice a principle or not when we open up trade relations with Russia. If we only trade a dollar's worth the



principle is gone, and that is all there is in this debate, as I understand. Be assured that when the barrier is broken down and the so-called principle is abandoned, the amount of trade will be controlled by trade principles, and not by a question of morals.

Mr. KING. I do not know what the Senator means when he talks about "principle." The Government of the United States has announced repeatedly that the Senator from Idaho or any of the constituents of the Senator from Idaho or any other American can trade with Russia if he can find anybody in Russia to trade with. But the Government of the United States has said, as it should have said, that it will not recognize the soviet government so long as it pursues its present course and continues its propaganda and efforts to destroy the United States and all other governments which are founded upon what the soviets call "capitalism."

Mr. BORAH. I do not think there is any man connected with this Government, even including my friend the Senator from Utah, who thinks that the Government is going to be overthrown by propaganda from Russia.

Mr. KING. I agree that such propaganda will not destroy this Government.

Mr. BORAH. That is not what lies at the bottom of this refusal to trade with Russia at all. The soviet government may be a very bad government, and I think it is; but it is a great deal better than any other government Russia has ever had, and in the end, in my judgment, will prove the foundation upon which a sane, free form of government may be established. We did not decline to trade with the Czar or the Czar's government, and yet there never was a government so unfriendly and inimical to the theory of our Government as the Czar's government. We did not refuse to take his gold because no one knew how he got it, nor by what means he acquired it, and yet the methods which were followed by the Russian Government for 300 years were intolerable and indefensible from any standpoint of the principle of American Government.

Mr. KING. Mr. President, the Senator from Idaho and the Senator from Maryland, I believe, and I say it with all kindness, have astigmatism when they come to look at the Russian situation.

Mr. BORAH. It may be that we have astigmatism; but it might be possible, upon a thorough examination it will be found, that the astigmatism is located elsewhere.

Mr. KING. It is possible that that is true. I anticipated that the Senator would make that reply, because it is one which would naturally arise to an inexperienced debater, to say nothing of a debater of the splendid talents of my distinguished friend.

But, Mr. President, the Senator insists, as I understand him, that we have forbidden trade with Russia. That I affirm is not correct. There is no interdiction by the Government of the United States of trade between Americans and Russians. I repeat that the Senator from Idaho or any of his constituents or any other American may put his foot upon any ship that crosses the Atlantic, and under any flag, and can go to any of the ports of Russia, and if he can find any Russian there to buy his goods he can sell them. The Government of the United States offers absolutely no obstacle. If the vendor is willing to take Russian gold, whether it be honestly acquired by the soviet government or whether it be stolen, the Government of the United States offers no objection and interposes no obstacle. The transaction would be between two nationals, and the United States would have no concern. Neither would the United States Government prevent the American selling his goods to the soviet dictatorship and receiving from it any gold which it may have in its possession.

The Senator from Maryland [Mr. FRANCE] seems to proceed upon the theory that the Government of the United States is to be the vendor of all goods exported from its borders, and that it must be the instrumentality or the agency through which all trade activities are to be carried on.

The Government of the United States has no more to do with trade in Russia than it has to do with trade in Great Britain or Germany or France or any other nation to-day. I repeat, any American can trade with Russia if he wishes to, but Americans are unwilling to because of the risks to be encountered.

Why do not Americans trade with Russia? It is because they can find no buyers, because they can find no purchasers who can pay them, because Russia has nothing to export, and having nothing to export, she can not pay for products imported. Moreover, the duplicity and dishonesty of the soviet government make such relations impossible. The Senator says that Russia possesses gold. I shall not discuss that now, but will do so when I can secure the floor. She has perhaps between two and three hundred million dollars in gold. I stated a few

days ago that the soviet government had stolen Rumania's gold, which was valued at more than two hundred millions. It has confiscated gold that France had supplied Russia when she was fighting with the Allies against the Central Empires. All the gold and silver, in whatever form, whether jewelry or plate or otherwise, which the bolsheviks could discover have been confiscated by them, and millions have been used for propaganda and revolutionary operations. My information is that the Lenin government does not possess more than \$250,000,000 worth of gold and silver.

How long would \$250,000,000 of gold last if there were any considerable trade between Russia and the nations that are contiguous to her? If there are peoples near Russia who would sell their products either to the Russian people or the soviet government, and who, no doubt, would accept gold in payment, gold which comes from the soviet government, why does not the soviet government purchase from them and use its stolen gold in payment therefor? The gold is desired for other purposes than trade, and Lenin will not permit trade—until his tyranny is recognized as the government of Russia. It will be necessary to recognize the soviet government to trade with them, and through them with the Russian people, and if there should be commercial dealings, if they had anything to pay for the goods that they purchase, there is no certainty that such goods would ever reach the people for whom they were destined or who might profit thereby.

Mr. BORAH. Mr. President—

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

Mr. BORAH. I thought the Senator was through. I just wanted to say a word.

Mr. KING. I have not concluded what I have to say in reply to the Senator from Maryland, but I must yield to the Senator from Wyoming [Mr. KENDRICK], as he wishes to discuss the packer bill, and the time for considering that bill is limited.

Mr. BORAH. I will only detain the Senate a moment.

Mr. KING. Then I yield to the Senator from Idaho.

Mr. BORAH. I do not wish to delay the Senator from Wyoming. I only wish to say, for fear that some of my remarks may be not entirely clear in the running debate which took place with the able Senator from Utah, that I am in favor of opening up trade relations with Russia, and I am in favor of opening up trade relations with all the nations in the world, and of doing it just as speedily and promptly as we may. My reasons for that I can not state at this time. I simply wanted my position to be understood.

Mr. KING. I am in favor of opening up trade with all the countries of the world. We must send our products into all lands. Our prosperity depends upon our foreign commerce. I shall rejoice when we can send annually hundreds of millions of commodities to the Russian people and receive from them commodities essential to our development and prosperity. America's flag must be found in every sea and in every port. Our raw materials and manufactured products must find markets in every land. There is profound sympathy among the American people for the woes and sorrows of Russia. They are anxiously waiting for the day to dawn in that unhappy land; they sincerely desire that peace and liberty and prosperity shall be the portion of the inhabitants of that State, limitless in area and boundless in its possibilities.

I go further. I am desirous of opening the channels of trade with Germany. I have offered a resolution which calls for the ratification of the treaty, excepting therefrom the covenant of the league. If that course were taken, it would mean the immediate resumption of trade relations with Germany. I should like to see our ambassador and consular agents sent there, and an ambassador from Germany sent to the United States.

Mr. BORAH. Of course, when I said I was in favor of opening up trade relations with Russia, I meant to do all things that were essential and necessary to opening up trade relations with Russia.

Mr. KING. If the Senator means in that statement that he favors our recognizing the soviet government as the de facto and the de jure government and the receiving of an ambassador and other representatives from it, then I can not follow him. If the Senator only means that he favors trading with Russia, then I agree with him.

I should like to continue this discussion, but, as stated, it would be unfair to deprive Senators of their only opportunity of discussing the packers' bill, but when that measure is disposed of I shall ask the indulgence of the Senators, and shall submit further remarks upon the questions raised by the Senator from Maryland.

## MEAT-PACKING INDUSTRY.

Mr. KENDRICK obtained the floor.

Mr. KENYON. Mr. President—

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

Mr. KENDRICK. Certainly.

Mr. KENYON. I think there should be a larger attendance to hear the Senator from Wyoming. I therefore suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

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

Ashurst	Gronna	McCormick	Shields
Ball	Hale	McCumber	Simmons
Beckham	Harris	McKellar	Smith, Ariz.
Borah	Harrison	Myers	Smoot
Brandeggee	Heflin	Nelson	Stanley
Calder	Johnson, Calif.	New	Sterling
Capper	Jones, N. Mex.	Overman	Sutherland
Curtis	Jones, Wash.	Page	Swanson
Dial	Kellogg	Phelan	Trammell
Dillingham	Kendrick	Phipps	Underwood
Edge	Kenyon	Pittman	Walsh, Mass.
Elkins	Keyes	Poinexter	Warren
Fletcher	King	Pomerene	Willis
Gay	Kirby	Ransdell	
Gerry	La Follette	Robinson	
Gooding	Lenroot	Sheppard	

The PRESIDING OFFICER. Sixty-one Senators have responded to the roll call. A quorum is present.

Mr. KENDRICK addressed the Senate. After having spoken for some time,

Mr. SMOOT. Mr. President, will the Senator from Wyoming yield to me for a moment?

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

Mr. KENDRICK. I yield to the Senator.

Mr. SMOOT. Mr. President, I am obliged to leave the Chamber in a few moments to attend a meeting of the Appropriations Committee, and I desire to say that I hope when the Senate shall take a recess to-day it will be until Monday next at 10 o'clock. I do not make a motion to that effect at this time, but I simply wish to state if that is done I intend to address the Senate upon the packers' bill Monday morning.

Mr. KENYON. Mr. President—

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

Mr. KENDRICK. I yield to the Senator.

Mr. KENYON. In that connection, Mr. President, I desire to say that on Monday two hours, from 12 to 2 o'clock, have been allotted for speeches without limit, and after that hour the Senate will proceed under the five-minute rule. It will be manifestly unfair for one Senator to occupy the floor at 12 o'clock and speak until 2. There are a number of Senators who wish to speak on the bill, although they desire to speak only briefly, I understand.

Mr. SMOOT. I will say to the Senator that I have no intention of occupying more than a reasonable time.

Mr. STERLING. I do not know that I understand the suggestion of the Senator from Utah. Is it that the Senate shall take a recess at the conclusion of the remarks of the Senator from Wyoming?

Mr. SMOOT. No; I did not make that suggestion. I merely expressed a hope that when the Senate shall take a recess to-day it will be until 10 o'clock on Monday morning next. That will give us four hours in which to discuss the packers' bill before the five-minute rule shall apply, as the bill is to be voted on at 4 o'clock and no speech longer than five minutes can be made after 2 o'clock.

Mr. STERLING. I had expected to address the Senate at some time this afternoon after the Senator from Wyoming shall have concluded.

Mr. SMOOT. There is no intention of adjourning or taking a recess immediately after the conclusion of the remarks of the Senator from Wyoming.

Mr. STERLING. I thought it was the intention of the Senator to ask that the Senate adjourn or take a recess at that time.

Mr. KENYON. If the Senator from Wyoming will permit me, the Senator from Utah knows that it is impossible to get Members of the Senate to attend committee meetings at 10 o'clock, and it seems to me it would be a waste of time to have the Senate convene at 10 o'clock.

Mr. SMOOT. I do not think it will be a waste of time, but, on the contrary, I think it will result in a gain of time. However, I merely desired to express the hope that when the Senate takes a recess to-day it shall take a recess until 10 o'clock on

Monday, and then we will have four hours within which speeches may be made by Senators who desire to address the Senate on the bill, irrespective of the 5-minute rule.

Mr. KENDRICK. Mr. President, on May 21 last I discussed in detail the bill under consideration, and I do not propose at this time to enter into any extended analysis of it, other than to take up a few of the principal points in controversy. Before doing so, however, I wish to refer to certain remarks made by the Senator from Illinois [Mr. SHERMAN] in his speech delivered here on the 20th and 21st instant.

During his discussion of this measure on the 20th the Senator from Illinois, though not calling me by name, but evidently referring to me, took occasion to question whether the Senator from Wyoming was acting in harmony with good ethics in urging this legislation upon the floor of the Senate while maintaining his membership in the American Live Stock Association.

My conception of the principal duty that devolves upon a Member of the United States Senate is that of service to his people and his country. I have never doubted that the results of the enactment of the measure here proposed will be in the highest sense beneficial to the entire country, and I know that it represents the desires of literally thousands of small stockmen and ranchers in the producing States of the country. The fact that I have given my own life to the business of producing live stock and that I am a member of the American National Live Stock Association has served only to make me better aware of the needs of the unnumbered hosts of producers throughout the Union. I am happy to have the opportunity to speak for them here. The Senator from Illinois has chosen to speak not for this vast army of producers but for the limited number of powerful individuals who now control the destinies of the packing industry of the United States. As between my code of ethics and that of the Senator from Illinois in this matter, I am perfectly content to have the people for whom we respectively speak pass judgment.

The Senator intimates that my motive in actively advocating this bill is the hope of financial benefit. Yet the gentlemen who speak for the so-called big packers, in opposition to a degree of Federal supervision of this industry, are unanimous in their prediction that it will not bring financial benefit but disaster to ranchmen and stock growers. I am very glad to have the judgment of the Senator from Illinois that they have been wrong in this conclusion and that the legislation will, as I have always asserted, prove beneficial to the rank and file.

Not only producers but consumers, and I believe packers as well, will profit by the enactment of this bill, which will introduce responsibility where there is now only irresponsibility and establish confidence where there is now only suspicion.

The principle involved in the legislation is one of fair play, of justice and equity between men who are dealing in one of the most important products of the country, and I submit that one may well claim the right to the benefits that will inevitably follow from the enforcement of the rules of just dealing.

In a speech made yesterday the Senator from Illinois referred to a statement which he said I made at El Paso, Tex., during a recent convention of the National Live Stock Association. I will quote his words accurately. He said:

A Senator who is quite active in the Live Stock Association and somewhat intimately connected with the market committee of that association, which is the active instrumentality of the organization, made a public announcement at a meeting of the association held in El Paso that he would resign from the United States Senate in order to serve as a member of the live-stock commission.

Mr. President, the Senator from Illinois was not at El Paso, and I am not aware that any press association attempted to report my remarks. It is regrettable that the messengers of the packing-house interests should misquote the words used at that time, and more particularly should misinterpret the meaning of those words. It is lamentable, from my viewpoint, that a Senator of the United States should be willing to accept such a misinterpretation as the basis of any allusions upon this floor when he might easily have learned from me exactly what was said. No man who heard me at El Paso, not even the messenger who reported to the Senator from Illinois, believed then or believes now that I even intimated that I would resign my seat in this body for the purpose of receiving benefit from any other occupation or any other salary.

What I said at El Paso in an endeavor to impress upon my hearers my anxiety to have this proposed law enforced impartially and without prejudice to any interest was that I would be willing to sacrifice my seat in the United States Senate if by so doing I could bring to the people of this country the benefits to be derived from a law like this.

Mr. President, I have the highest regard for a seat in the United States Senate; I prize membership in this body above any other distinction that the people of my State or any other



State could possibly give me; and I believe that the people of the country understand that the majority of Senators do not enter public service for money making. That is all I wish to say on that phase of the question.

I desire now to consider some of the principal points of the bill before you, and I will do so briefly, in order that others may occupy the floor.

The great stockyards have become and are admittedly public utilities. There has been more than one decision of the Supreme Court of the United States that they are instruments of interstate commerce, and certainly no one will now deny that these vast marts of trade are clothed with a public interest as great as that which surrounds even the railroads. The manner in which these yards are managed affects in the most vital way the food supply of the country. The cost to the consumer, the quantity at his command, the price to the producer, are all dependent upon the conditions that exist in the stockyards.

Under the present system the public interest is in no way safeguarded, and the powerful private interests which have gained control of the markets are under no check. It has been the history of business in this country that irresponsible power over public utilities has always led to grave abuses. Such is the course of human nature, and the repeated investigations which have been made of this industry in the past have proved beyond all question that it has been no exception to the rule. Failure to recognize the fact that, like all other public utilities, these great markets should be subjected to supervision on behalf of the public will mean only that the abuses of the past may be easily repeated in the future.

Those who oppose this bill are insistent that there is no more reason for the establishment of Federal supervision over this industry than over any other, but such a statement does not take cognizance of the fact that this business is not comparable to any other. It has peculiar characteristics that take it out of the category of ordinary business. In the first place, though I recognize that mere size is not in itself an argument for special treatment, yet it is worthy of note that the volume of this business is larger than that of any other business in the country save only that of the railroads, and some representatives of the packing-house interests have stated that it is even larger than that of the railroads. More important, however, is the fact that it has been brought to such a high degree of concentration that it is dominated by a few men. The big-packers, so called, stand between hundreds of thousands of producers on the one hand and millions of consumers on the other. They have their fingers on the pulse of both the producing and consuming markets and are in such a position of strategic advantage that even if they do exercise it, as they claim, they have unrestrained power to manipulate both markets to their own advantage and to the disadvantage of over 99 per cent of the people of the country. Such power is too great, Mr. President, to repose in the hands of any men.

One of the considerations which, in my judgment, is generally overlooked is the fact that with the sole exception of the shipper, all the agencies operating in the stockyards are thoroughly organized.

The commission men have their local exchanges and, in addition to that, their national exchange, in which they formulate most complete and far-reaching rules for the conduct of the industry. We have seen since the beginning of the war one increase in commissions after another, and I may say that the man who pays these commissions has no opportunity to express his opinion as to their justice and equity, much less to control them. Not only that, but there is no one authorized to speak for him.

The scalpers and traders in the yard whose function—theoretically, at least—is to absorb the surplus shipments of stock to the markets also have their organizations. And we have good reason to believe that the packers are not without organization, too. Only the men who go to market with their product, the unnumbered hosts of producers, are without organization, and, in the very nature of things, they can not be organized.

Here I wish to say, Mr. President, that when the producers enter the market they find themselves under every sort of handicap as against the men in control of the yards. Take, for instance, the shipper from a remote section of the country. The moment he puts his stock on the cars and bills it to market his control over his property is virtually at an end. He consigns it to a commission firm, and becomes at once responsible for the payment of enormous fixed charges, while at the same time, because of the peculiar character of his product, he faces heavy loss through shrinkage. When he reaches the market he must sell, and sell at once. He is under a compelling necessity to accept whatever price is offered, because refusal to sell only entails greater loss. If, for instance, he should elect to go to

another market, he must pay additional freight charges, additional yardage charges, he must sustain additional shrinkage in the weight and condition of his stock, and in the end he finds that he faces the same buyers in that other market. All the conditions of the industry combine to put the shipper at the mercy of the buyer. He is not like the producer of wheat, for example, who can store his product. Live stock once shipped to market can not be stored. It must be sold. It can not be held for a better price, for every day's delay in sale entails additional loss. So it is that the unorganized shipper, dealing with highly organized marketing agencies, is sorely in need of some sort of governmental supervision that will guarantee him fair play.

Those who have watched the development of this industry will perhaps have but little anxiety about the man who ships trainloads of live stock. He may be expected to take care of himself, and no sympathy need be wasted on him. He is, fortunately I believe for the country, becoming fewer in numbers each year; but it is about the man who ships a single carload or the man who ships even a single animal that we are concerned in this proposed legislation—the man who is absolutely dependent upon the integrity of the market, the man who can not afford a loss.

Mr. President, it has been strongly protested that there should be no meddling on the part of the Government with a complex business like this. Anyone who has given sober thought to the methods of regulation proposed by the pending bill, however, will not be in the least disturbed by that sort of a statement, for there is no provision in the bill that assumes to give the Government the power to manage any phase of this business whatsoever. Neither does the bill provide for Government ownership, as has been so widely proclaimed throughout the country. The bill is intended to regulate only the trading in the stockyards and to prevent discrimination through the abuse of power. It goes this much further in that it gives to the commission to be created the power to fix the rates that may be charged for commissions, the rates that may be charged for yardage, and the rates that may be charged for feed in the yards.

To illustrate the necessity of such authority being conferred, I wish to point out the fact that, as heretofore stated, within the last few months commissions have been almost doubled, until there has arisen all over the country a protest against the increases. Another incident will indicate the need of reform in reference to feed charges. On recent shipments of cattle that came to my personal attention the shipper was charged in transit from \$40 to \$58 per ton for hay fed to his cattle, although all along the route there were countless thousands of tons that could not be sold for enough to pay freight charges to market. At a time when every farm product in the country is tobogganing in price, we find the fixed charges going up. It is easy enough to understand why the producers of the country are discouraged by such conditions, particularly since there is no agency whatever authorized to maintain just and fair relations between the operators in the yards and the men who constitute the chief pillar of the market, the men who produce and ship their live stock in. Under the present system the commission man to whom consignments are made is the only agent the shipper has, and constitutes his only protection, but unfortunately during the period when the Department of Agriculture under war legislation exercised supervision, several instances were found in which commission men had not fulfilled their trust and by unfair and even dishonest charges had levied an unjustifiable toll upon the shippers.

The object of this bill, Mr. President, is to give to all men who have to deal with the markets a court to which they may appeal for redress of grievances, to set up a governmental body which shall guarantee the rights to which they are now entitled. It is not proposed to give them any special privileges, nor is it proposed to limit the legitimate operations of the packer. This bill does not forbid a single act that is not prohibited by law to-day. It provides only for simple machinery to enforce fair dealing, and I can not understand why any man should oppose it unless for some reason he dreads publicity.

A great deal has been said in the discussions on the floor of Congress and in the press of the country against establishing new bureaus. Mr. President, those of us who propose this legislation assume to say, and have no fear of disproof of the statement, that the great markets of this country have been for years and years controlled and dominated by a self-appointed group of men; and between men acting in that way in their own selfish business interest, and men who are appointed by the Government, by the people of the country, for the interest of the rank and file, there can be no choice whatsoever between a limited group of men who speak for themselves only

and a limited group of men who speak for all the agencies of the market, and all who deal in the market, including the producers and the consumers as well.

A great deal has been said about the cost of this commission. One of the men who at this time represents a packing house told me that he knew of two different firms in the yards that had accumulated within 12 months' time a million dollars each by questionable methods of trading in those yards. I assume to say here and now that the majority of the men having to do with the agencies of the markets are honorable, straightforward, honest men; but many of the abuses that creep into that situation they are unable and powerless to correct themselves if they would, simply because of the law of competition. They are the victims, and not the causes, of many of these abuses. Without some one to speak for the public, without some one to correct the abuse, it never will be corrected; and for every penny expended in the supervision of those markets there will be a dollar returned to the producers and consumers of the country.

Mr. POMERENE. Mr. President—

The PRESIDING OFFICER (Mr. PHIPPS in the chair). Does the Senator from Wyoming yield to the Senator from Ohio?

Mr. KENDRICK. I yield to the Senator.

Mr. POMERENE. If it will not interrupt the course of the Senator's argument—

Mr. KENDRICK. Not in the least.

Mr. POMERENE. I should be obliged to the Senator if he would point out what the questionable practices are by means of which these men made these vast sums of money. Also what does the Senator conceive to be the disadvantages to the public from the packers owning the yards; and what are the special advantages which he would expect to be derived from their being owned publicly, or in some other way than under the control of the packers?

Mr. KENDRICK. Mr. President, I shall be very glad to explain the first point, in reference to the questionable practices. I am glad to have a concrete example given by the very man who called my attention to the fact; and I testify here to the fact that there are many men connected with the market agencies it is proposed to supervise who have a real understanding of this situation, and who, whenever it is brought to their attention clearly, never hesitate at all to admit that some instrumentality of the Government must be called into play to correct this situation.

The question asked by the Senator involves this sort of an abuse: As stated a few moments ago, the scalpers and traders of the yards are supposed to serve a useful purpose by absorbing the surplus that is shipped in on an excessive run to market. That is to say, they buy the product and carry it over until there is less of congestion in the yard, ordinarily a period of anywhere from two to three days, when there would be a demand for the product, and they then call upon their commission men to resell it to the packing houses or the killers.

In this case this friend of mine pointed out that that practice had come to be abused by reason of the fact that through connivance between some of the commission men and the scalpers it was practically impossible for the legitimate buyers, the men who wanted the product to kill, to obtain it at the first opportunity. For instance, the packer might be willing to pay the demanded price, but these speculators would be permitted by the commission men to buy at practically the same price, or even less, and within two or three hours after it was bought they would submit it for resale; and every turn meant an unnecessary profit for the middleman and an unnecessary commission that must be paid by either the producer or the consumer of the product. In other words, instead of facilitating the trade of the yards, they were acting as an impediment, and the product changed hands in a way that would involve two commissions, which might under legitimate circumstances be entirely reasonable and regular; but under such circumstances as those, of course, it imposes an increased burden and an unnecessary one.

In reply to the question the Senator has asked with reference to the ownership of the stockyards, let me say that I, for one, have never seriously objected to the packers owning an interest in those stockyards; and I call attention here and now to the fact that there never has been a bill introduced in this body by me, there never has been a word uttered here by me, to indicate that in any way, under any circumstances, it was my intention, or the intention of those who joined with me in proposing this legislation, to penalize the packers or punish them for anything they have done in the past or might do in the future.

I want to point out, further, that failure to join hands and meet this situation squarely and bring it to a final conclusion, in order that there might be order where there is now disorder, in order that there might be peace where there is now a public clamor, has already in my judgment involved a serious loss in dollars and cents, or is likely to involve it, through the sale of these yards. As long as the packers do not control and dominate the yards to their own advantage and to the detriment of the shippers, there is no reason under the sun why they should not have an interest in those yards if they care to do so; and I am willing to say also that I have never had any desire to prevent the packers from entering any other line of business that might attract them. Indeed, I might be persuaded to doubt the constitutionality of the recent decree so far as it related to that particular matter. But I may add that there never has been a contest between entrenched privilege and popular rights that the effort has not been made to transform the Constitution into a bulwark of privilege. Why, at this very moment when the farmers of the country are clamoring for credit and should have every legitimate accommodation that may be extended to them, the functioning of the Federal farm loan system has been suspended because a corporation interested in the profits derived from private loans is endeavoring by testing the constitutionality of the Federal farm loan act to prevent the Government from coming to the assistance of the farmers. Had it not been for this appeal to the courts the farm loan system would have been enabled to put millions at the disposal of the farmers and thousands of them would have been saved from real distress.

Mr. STANLEY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from Kentucky?

Mr. KENDRICK. I yield to the Senator.

Mr. STANLEY. Under what clause of the Constitution does the Senator claim that Congress would have a right to prevent the packers of meat from engaging in the manufacture or sale of some other product?

Mr. KENDRICK. The Senator from Wyoming just made the statement—the Senator from Kentucky evidently did not hear it—that he was not altogether convinced that it was constitutional.

Mr. STANLEY. To prohibit it?

Mr. KENDRICK. No.

Mr. STANLEY. I misunderstood the Senator. I understood him to say he thought it was.

Mr. KENYON. Mr. President—

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

Mr. KENDRICK. I yield to the Senator from Iowa.

Mr. KENYON. I do not want to see the Senator from Wyoming led further than I believe he intends to go. If the control of other business—competing business, substitutes for the products of the packer—tends to monopoly and is in interstate commerce, then there is a right to regulate it. I do not think the Senator from Wyoming intends to go so far as to state that that proposition is unconstitutional.

Mr. KENDRICK. I am glad the Senator called my attention to that, because I did not intend to convey that meaning.

Mr. STANLEY. Mr. President, the handling of these outside commodities would have to be an integral part of some restraint of trade, it would have to enter integrally into the control of commerce, before you could reach it under the commerce clause of the Constitution, whether it tended to monopoly or not.

Mr. KENYON. If the whole scheme and plan enters into interstate commerce, then you go further; if there is a tendency to monopoly, then Congress has the right to control it.

Mr. KENDRICK. Concluding my statement in answer to the question of the Senator from Ohio [Mr. POMERENE], I want to say that I have not been one of those who have opposed or objected to the packers having an interest in the yards. What I object to is their domination of the yards. I insist it ought to be an entirely uncontrolled market, in which every man meets every other man as nearly as possible on a complete equality, and therein lies the whole question. Undoubtedly the control of the yards in the early days involved the prevention of the building of other packing houses. I think that is generally agreed. It also resulted in discrimination. There are many records, I believe, to that effect, showing discrimination in the management of the yards, the favoring of one commission man over another, by the distribution of locations within the yards, for, of course, there is a great advantage in buying and selling to be gained by a commission man from occupying a favorable location where the buyers can see the stock to advantage. This power to exercise favoritism and to show discrimination has



been abused in the past, and in the very nature of things it will be abused in the future unless there is some supervisory authority, greater than any of the agencies involved, which is interested in maintaining justice. Domination of the yards by a private agency which could profit from discrimination is not to be tolerated, but as long as no particular private group has sufficient power to dominate the situation there is no reason why such a group should not have an interest in the yards. The trouble in the past has been that the big packers have dominated the markets to the disadvantage of the producer and consumer. My aim in this legislation is to see established an instrumentality of the whole people which through the power of publicity will protect the yards against the arbitrary and unjust exercise of power.

Mr. KING. Mr. President—

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

Mr. KENDRICK. I yield.

Mr. KING. I have not had the pleasure of hearing all of the remarks of the Senator, having been called from the Chamber. My understanding is that the court has recently entered a decree which compels the packing companies to dispose of their holdings in the yards, in part or in whole. Am I right in regard to that?

Mr. KENDRICK. Yes; I think so.

Mr. KING. And this bill has for its object, has it not, the confirmation of the view the courts have taken?

Mr. KENDRICK. It has the purpose of crystallizing that decree into legislation.

Mr. KING. In the opinion of the Senator, would he permit the packers to have some other than an ordinary interest in the yards, and does he not think it would be injurious to the packers if they had more?

Mr. KENDRICK. I have never opposed that, Mr. President, and I would not now.

Mr. KENYON. Will the Senator permit me to say further, in answer to the Senator from Utah, that the decree, which is a consent decree, separates the yards from the packers. But it has never been agreed just how that shall be done. The packers, by their counsel, maintain that there is no law to compel them to give up the stockyards. This bill brings the law up to what the packers practically agreed to.

Mr. RANSDELL. Mr. President—

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

Mr. KENDRICK. I yield.

Mr. RANSDELL. I understood the Senator from Ohio to indicate in his question that this bill would provide for public ownership of the yards. Perhaps I misunderstood him. I would like to say that that is not contemplated in the bill at all. Section 13 provides that the packers must dispose of their interests within two years, and then it contemplates that any private person or corporation may engage in the stockyard business, but must obtain registration from the commission created by the bill. But it will not be public ownership. Perhaps I misunderstood the Senator.

Mr. POMERENE. Mr. President, I think the Senator did misunderstand me. I indicated no preference for either one scheme or the other. What I asked of the Senator from Wyoming was this, What were the disadvantages to the public which were derivable from packer owned and controlled yards, and what would be the advantages if the packers ceased to own these yards and they were owned or controlled by some other body? That was the main purpose of my question.

Mr. RANSDELL. I do not wish to interrupt the speech of the Senator from Wyoming, but it seems to me that one could readily understand that if one were both buyer and seller he could work on his own interest very well, and if the packers owned and controlled the yards and sold to themselves, there might be a good deal of collusion unless they were remarkably honest people.

Mr. KENDRICK. The Senator from Louisiana has described the situation very well. The suspicion that discrimination is practiced is, in one way, just as bad as discrimination.

Mr. President, we have had many direful predictions as to what may happen if this bill should become a law. It has been stated that it would upset the business, and even that it would actually destroy this industry.

Fortunately for us we have a very good precedent for this legislation. Until a few years ago in Canada the buyers and slaughterers of live-stock products went to the country for their supplies, as they originally did in this country. Finally the markets were concentrated much as they have been in this country. With that concentration came suspicion and distrust

about the methods of the market. The demand for reform arose, the protest originating with the live-stock association.

Within a few short months after the protest was made the Canadian Parliament enacted a law, quite analogous to that here proposed, placing the industry under the supervision of the minister of agriculture and establishing a system of Government licenses for the agencies in the yards.

We had extensive hearings in our committee, as the Senator from Louisiana [Mr. RANSDELL] will remember, and we had witnesses from all over this country. It was declared by nearly every witness who came before our committee that if we should enact a license bill it would place the whole industry under bondage and destroy legitimate business. Nearly every witness who testified before our committee, at least the great majority of them, where they were questioned on that point, admitted that some legislative action ought to be taken, but they objected to the licensing.

In deference to that objection, so as to avoid even the appearance of imposing any unfair condition upon the industry, the licensing system then proposed was abandoned and this commission was provided as a substitute. But in Canada the licensing plan was made operative. The Canadian measure gives the minister of agriculture the power to fix commissions, to regulate charges of other kinds in the yards, and in a general way to supervise the methods employed in those markets.

In discussing the effect of the legislation within the last 10 days with the minister of agriculture, Dr. Tolmie, one of the most capable and efficient ministers of agriculture, I think, serving any Government to-day, he told me that that one of the salutary effects of this legislation was to bring confidence to the markets, and he assured me business is now proceeding in an orderly instead of a chaotic way. Confidence is a thing that our markets have never known from the time they were initiated down to the present time. I believe without any question in the world that it is due largely to the condition I have described, of complete and full organization on one side and of an equally complete lack of organization on the other.

Mr. RANSDELL. Mr. President, I would like to know if under the Canadian system the packers are permitted to dominate and control the stockyards.

Mr. KENDRICK. Mr. President, I have not the details of the Canadian plan before me, but I was told by Dr. Tolmie that there had resulted from the law general good understanding and confidence in the markets. That would indicate, from my viewpoint, that there has been no domination of their markets since the enactment of the law.

Mr. RANSDELL. May I ask, further, if the law permits the minister of agriculture to manage and control the situation in the marketing of cattle?

Mr. KENDRICK. That is undoubtedly the intention of the law, as I understand it.

Mr. PITTMAN. Mr. President—

The PRESIDING OFFICER. Does the Senator yield to the Senator from Nevada?

Mr. KENDRICK. I yield.

Mr. PITTMAN. Does all the stock which goes into these large centers go into these yards?

Mr. KENDRICK. I should say, in answer to that question, that practically all the stock is shipped directly to the yards. Many, many thousands of animals are shipped from the yards to the country, because they are unfit to go to the slaughter pens, and are afterwards returned to the yards for slaughter.

Mr. PITTMAN. If a stock raiser were shipping a carload of cattle to Kansas City, or to Chicago, or to St. Louis, would those cattle have to go into the stockyards in those places? What I am trying to get at is this, whether these yards are essential to the stock raiser. Are they essential to the marketing of his stock?

Mr. KENDRICK. Mr. President, I am convinced from close study of that situation that it is the most economical way the business could be handled. I do not believe there is a doubt in the world but what the large owner or large producer of live stock would, perhaps, profit more by having the buyer come to him in the country; but the multitude of smaller owners might be, and probably would be, overlooked in the remote sections of the country, and might not in that way have as ready a sale as they do by going into the markets. I consider the concentration that has come about entirely too great. I believe we would have very much more economical handling of the products if the yards or markets were distributed more widely over the country, always, of course, with a view to the sufficiency of the supply to keep the market going. Of course, you can understand a duplication of shipments enters into it largely, where live stock are shipped from one section of the country over long distances by rail and then, after being

slaughtered, the product of the live stock is reshipped back, in many cases, to the point of origin. But it is a matter of fact that under the present system practically all the live stock sold in interstate commerce for slaughter are sold in the stock-yards.

Mr. SHEPPARD. Mr. President, may I ask the Senator if, under this bill, it will be optional with the seller as to whether he will effect any particular sale through a stockyard?

Mr. KENDRICK. There is nothing arbitrary in the bill at all.

Mr. PITTMAN. Mr. President, smaller producers of cattle or other stock, when they ship their products to the market, are constantly out of touch with it from that time on, are they not, and at the mercy of the people handling the stockyard?

Mr. KENDRICK. There is not a question about that, Mr. President, and I want here to emphasize this point. It is difficult, of course, to have people appreciate how this situation involves so many different features, and I understand full well that it is a problem for a man who has not seen the yards, who has not visited them, who has not followed the shipment from its origin to the yards, and has not seen the helplessness of a shipper, to realize what the situation is. As a matter of fact, there is no system of marketing in this country on a parallel with this. The man ships his stock to market, as the Senator from Nevada [Mr. PITTMAN] has said, and even if the market be conducted on principles of absolute integrity, there are conditions which arise compelling him to be suspicious, in many cases, of the whole transaction.

Let me cite one. Suppose a man loads a car with cattle or hogs or sheep out in the western country within, say, 24 to 36 hours' run of the market. He has a local paper, and he judges from the class of cattle or sheep or hogs, as he knows them, as to the class into which they will fall in the market. He consigns them to a commission house, and, as the Senator has said, he has nothing further to say about it. He probably accompanies the shipment himself. When he has reached the market it will be "called off," as they say, to the extent of 50 or 75 cents a hundred. That will entirely absorb, in many cases, every dollar of equity he has in that live stock, including his feed for the winter. His labor and the use and employment of his place and his teams and everything else will be completely lost by this decline in the market.

He will take his check, whatever it is, and return home, and the day after he gets home he will see that the market is right back where it was the day that he left home. In the meantime there will not be the slightest fluctuation or variation in cost to the consumers of the country. Perhaps it was an entirely unavoidable circumstance, but can you blame a man for resenting a condition that eliminates his profit, that takes the equity he had, and sometimes more than the equity, when he finds himself in debt where he should have a surplus?

I should like to have the Senate get just a glimpse of what the stockyards are like. The 14 largest stockyards in the country include, among others, Chicago, Kansas City, Omaha, and similar places. One of those yards alone, Chicago, covers an area of 1 mile square, as I understand it. In that yard alone on every business day there is a transfer of \$4,000,000 of value. Any man who has ever entered the gates of those yards under present conditions understands the hopelessness and helplessness with which the individual shipper faces that situation. A few yards like this handle the great bulk of the live stock shipped in interstate commerce for slaughter, and these yards are owned or dominated by the big packers. This condition is not the result of normal development, but it is an artificial result of discriminatory practices of the past.

Mr. RANSDELL. Will the Senator please tell us who owns the big stockyards in Chicago now?

Mr. KENDRICK. I can only refer the Senator to the showing made by the testimony given, I believe, before the Committee on Agriculture and Forestry. I believe that the dominant factor in the ownership of the yards at that time was a man by the name of Prince, of Boston, who is supposed to have held a large share of the control through certain systems of bearer warrants and that sort of thing, so as to leave the question of actual ownership very much in doubt. However, I believe before the hearings were concluded that the reports on the question, whether they came from the Federal Trade Commission or whether from hearings before our committee or the Committee on Interstate Commerce in the House of Representatives, brought out the fact that J. Ogden Armour owned a large part of the stock, though I do not recall how much.

Mr. RANSDELL. Was not the committee left under the impression that the real control or, if I may use the word, the real manipulation of the great stockyards of the country was, as a matter of fact, in the hands of the men who were prac-

tically the only buyers of the commodity sold in those yards, so that, to put it in plain English, they were both sellers for the owners of the produce and purchasers of that produce from themselves or their agents?

Mr. KENDRICK. I believe the statement is fully confirmed by the information contained in the report. Not only that, but there is too abundant evidence to show that every opportunity has been employed to increase the capitalization of the yards, and with the increased capitalization has always gone increased yardage costs to pay increased dividends to the stockholders, and that must come out of the pockets of the producers and consumers.

Mr. RANSDELL. May I ask another question? Does the Senator, who is certainly a man of affairs and well posted in the matters of the Nation, know of another large commodity of any kind in the country which is sold by a set of agents to themselves? The Senator was reared in Texas and is pretty familiar with cotton. Do the cotton spinners, who consume the cotton raised by the southern farmers, sell it to themselves or is it sold to the spinners by an entirely independent set of men who have no connection—at least, so far as I know—with the men who consume the cotton?

Mr. KENDRICK. I stated a few moments ago that I knew of no other industry the market conditions of which are in any way parallel to this. I regret my inability to inform the Senator about conditions with reference to cotton. The greater part of my cotton picking was done on horseback, and I am uninformed entirely with reference to that matter.

Mr. RANSDELL. If the Senator will permit me, I can say that so far as I know the men who sell the cotton have no connection whatsoever with the people who spin the cotton into the cloth ready for consumption by the American people.

Mr. KENDRICK. In connection with the question of disposition, I think perhaps it could be clearly shown that in any event the men who buy the cotton do not own the market place in which the cotton is sold.

Mr. RANSDELL. They certainly do not.

Mr. FLETCHER. Mr. President—

Mr. KENDRICK. I yield to the Senator from Florida.

Mr. FLETCHER. I should like to hear the Senator upon this phase of the bill, though perhaps he has already dwelt upon it in my absence. I am puzzled a little about this thought. Granting that there is need of legislation on the subject, is it advisable to create a new commission? Would not the purpose be accomplished by vesting the Federal Trade Commission with all the power and authority proposed to be given to the new commission? The Federal Trade Commission have an organization; they are in position to make investigations under the law as it now stands, I believe, and if, upon inquiry and study and hearings, they find that certain practices are in violation of the law, they now have the authority to order those practices to be discontinued; they have the authority to say "You must quit," but that is all the power they now have.

Suppose we gave the Federal Trade Commission the power and authority to enforce their findings, in other words, invest them with all the authority that we give the proposed new commission under the terms of the bill. That brings us to the question whether it is necessary or greatly to be desired in the public interest to create here a new commission to deal entirely with the subject.

Mr. KENDRICK. I am very glad to have the Senator propound the question.

Mr. STERLING. I might add to what the Senator from Florida has said that by reason of the investigations already made, the Federal Trade Commission ought to be reasonably familiar with the practices and methods of the packing industry.

Mr. FLETCHER. That was my idea, that they had already made investigations and that they were equipped for making perhaps a more thorough investigation than almost any new commission would have the facilities for making, and particularly at the start. But I am not advised whether the industry is so great and its ramifications so extensive that there is need for a special commission to handle that subject alone in the interest of the public. I should like to hear from the Senator upon that question.

Mr. KENDRICK. I regret that the Senator was not in the Chamber when we discussed that point a few moments ago. I will say, however, that the original bill provided for authority over and control of markets by the Secretary of Agriculture, but there was such a strong protest against that character of legislation on account of what was termed by the witnesses "one-man power," and the further statement by at least a great many witnesses that they would not object to a separate commission, that this plan was adopted to meet that objection.



The question raised by the Senator from South Dakota as to the machinery for making any investigation is entirely correct, but unfortunately the Federal Trade Commission to-day has more responsibility and more work, in my judgment, than it can possibly take care of. In addition to that is the fact that these markets constitute the greatest marts of trade and the greatest beehives of industry in the country. In providing for a separate commission we had in mind the belief that this body would, at least at the beginning of its work, be the busiest commission in the United States.

One can not conceive, whatever may be said here, of the restless spirit of criticism that has prevailed over a period of 40 years, and is still growing apace. This sentiment has not arisen, as we have been told, because of accusations here in the United States Senate. What we hear about it here is like the spray thrown from a great tidal wave. I believe that if the bill is enacted into law and the commission is put into operation it will serve the country more fully, more completely, and more beneficially than any commission we now have.

Mr. STERLING. Mr. President—

Mr. KENDRICK. I yield to the Senator from South Dakota. Mr. STERLING. I call the Senator's attention to the last report of the Federal Trade Commission at page 38, under the head of "Meats," where is set forth a statement showing the subject of the investigation by the Federal Trade Commission. They have issued a report, or rather a series of reports, covering the various subjects, as follows:

- Part 1. Extent and growth of power of the five packers in meat and other industries.
- Part 2. Evidence of combination among packers.
- Part 3. Methods of the five packers in controlling the meat-packing industry.
- Part 4. The five larger packers in produce and grocery foods.
- Part 5. Profits of the packers.
- Part 6. Cost of growing beef animals; Cost of fattening cattle; Cost of marketing live stock.

A commission which is able to make a report on those great subjects—and they are subjects in which we are interested here in considering the packing industry—it seems to me is best fitted of all others to go ahead and exercise control from now on.

Mr. KENYON. Mr. President—

Mr. KENDRICK. I yield to the Senator.

Mr. KENYON. I wish to make a suggestion to the Senator from Florida and to the Senator from South Dakota, supplementing what the Senator from Wyoming has said. It was my opinion when we started out on this proposed legislation that the packing industry could be put under the Federal Trade Commission. I felt, as many other Senators did, that it was not advisable to increase the number of commissions. I wish, however, to say to the Senator from Florida that there is somewhere in the Record, though I can not put my hand on it now, the statement made before the committee by Mr. Levy Mayer, a very eminent attorney and an attorney for the packing interests, that their business in all its various ramifications exceeded the business of the railroads. Because of its magnitude I have been rather converted from the idea of putting this matter in the hands of the Federal Trade Commission. It is equal to the railroads in extent—that is one of the justifications for the pending measure—and it is just as important to the country.

There are just as many complicated questions arising in reference to it as arise in the management of the railroads. We could not get along without the Interstate Commerce Commission; we could not put the railroads into the hands of the Federal Trade Commission. That commission is rushed and its time is occupied to the limit.

I will say to the Senator from South Dakota that it was in response to a request of the President that the Federal Trade Commission made the investigation covered by the report in six volumes to which the Senator has referred. The House tried to pass what is known as the Borland resolution, but that was defeated by methods which I shall try to explain when I get the floor, by the most complete system of lobbying and maneuvering, by the same kind of lobbying that has been practiced against the pending bill. That all came out in the report. When the Borland resolution failed, then the President asked the Federal Trade Commission to make the investigation. They did so to the detriment of their other work. It was a tremendous task. That is why I feel so strongly that this work should not be imposed upon the Federal Trade Commission. It can not be done by them; it is too large, too extensive, too important to be added to the work which they are already performing.

Mr. STERLING. Mr. President, if I may make a suggestion in answer to the Senator from Iowa in regard to the magnitude of the work and the fact that it can not be done by

the Federal Trade Commission, I desire to say this: All such work is done, after all, by experts who are selected by the Federal Trade Commission. If the live-stock commission bill becomes a law the experts will be selected by the live-stock commission to do the work and they will make their report to the commission. In verification of that, I have here a report on "The maximum profit limitations fixed on the meat-packing industry," transmitted by the Federal Trade Commission in response to Senate resolution of September 3, 1919. Turning to that report, I find this letter being a part of Exhibit I of the report:

FEDERAL TRADE COMMISSION,  
Washington.

GENTLEMEN: Having been directed by you to ascertain the facts pertinent to the question of the reasonableness of the maximum profit limitations imposed on meat packing and slaughtering companies by the present regulations of the Food Administration, the undersigned beg to report the results of their investigation as follows:

The undersigned are Walter Y. Durand, Perley Morse & Co., and Stuart Chase. There are two other reports here if not more, but those two I have discovered. One is Exhibit II, and in that instance the letter to the Federal Trade Commission is as follows:

GENTLEMEN: In accordance with your instructions we have made an investigation of the profits of certain meat packers affected by the rules and regulations of the Meat Division of the United States Food Administration, and we submit herewith in relation thereto the following report:

That is signed by Perley Morse & Co., certified public accountants.

The next, Exhibit III, is "Regulation of Packers' Profits," and that report is signed by Mr. Chase alone.

So it seems to me, Mr. President, that there is very little in the contention that the task is too big for the Federal Trade Commission to perform. They will, of course, supervise, control, give directions, and lay down policies, but the work of investigation must necessarily be carried on by men whom they will employ for that particular service. It would not be expected that the Federal Trade Commissioners or, if a live-stock commission shall be established, that the live-stock commissioners will themselves personally investigate the accounts, the statements, and the methods of transacting business of the packers, or, in the case of stockyards, will investigate the stockyards, but they will send their inspectors and their experts to do that work.

Mr. KENDRICK. Mr. President—

Mr. STERLING. If the Senator will pardon me for a moment longer, I desire to say that I have a substitute bill here which is found for the first time on Senators' desks to-day. I had expected to address the Senate briefly this afternoon in regard to that substitute, pointing out its main features, but I shall hardly have time to do so. I say that because, according to the program, other Senators are to follow the Senator from Wyoming [Mr. KENDRICK]; it will then be getting late, and to-day is Saturday; but I hope that Senators will have reference to the substitute which I have offered, which is briefly this: It preserves all the prohibitions so far as the packers are concerned found in the pending bill, but provides that the Federal Trade Commission shall have supervision. It then provides that sections 5, 6, 7, 8, 9, 10, and 11, governing the procedure throughout, shall apply in the case of the packers' and operators' industry just as they apply in the matter of the duties of the Federal Trade Commission.

Mr. JONES of New Mexico. Will the Senator from Wyoming yield to me?

Mr. KENDRICK. If the Senator from New Mexico will wait for just a moment, I will yield to him. I wish to say to the Senator from South Dakota [Mr. STERLING] that the matters referred to by him were all considered by those who are responsible for framing the pending bill. One of the difficulties involved in leaving the responsibility for the execution of the law to the Federal Trade Commission is that it is going to be necessary for the live-stock commission, if the law becomes operative, to be in continuous session; it is to be an administrative body; and one of the reasons why I wished it to be a commission of three men and not less was to be sure that there would be no discrimination between any of the market agencies or the patrons of the market. I also wished to make sure of the fact that the authority was not to be, as the Senator has suggested, a delegated authority. I desire a commission that will pass upon the questions at issue.

I was reminded of what I take to be a defect in the bill by the Senator from New York. The bill should, in my judgment, provide that the commission take action on complaint, and it should be, in my judgment, amended in that way. However, the commission should be available to parties interested at any time, and it will undoubtedly have more business than any

other commission burdened with other responsibilities could take care of.

This work of this commission is to be largely administrative in character, and the best way to avoid the dangers of what we sometimes hear denominated bureaucracy is to see to it that responsibility for the work to be done and the actual doing of it are united in the same persons. In order to obtain the desired results, this commission should be composed of men of unusual business qualifications and unquestioned integrity of purpose, who could and would give their undivided attention to this industry.

My feeling is that the members of this commission should give their personal attention to the problems. One of the principal objections to be raised against the suggestion of putting this work under the direction of the Federal Trade Commission is the fact that such a course would necessitate delegated authority.

I want a commission that is eternally and continuously on the watch, and not one which will merely give its attention to the meat-packing and live-stock problems as incidental business, not one which from press of other duties will be compelled merely to review the findings of other and perhaps less able men. The magnitude of the packing industry is so great and it is so tremendously important to the country that it can not be treated as incidental business.

I wish to say that nothing under the sun would more conduce to increased production in this country, and ultimately to cheaper food products for the people of the Nation, than a dependable market, one wherein the producer would understand, beyond the shadow of doubt, that he would not merely get what is called "a fair market," but would get "the market" for his products, based on the law of supply and demand. The average producer in this country is a pretty good sport; he is not afraid to take his chances; but he wants to know that he meets the other man on a dead level and does not have to go against stacked cards. I now yield to the Senator from New Mexico.

Mr. JONES of New Mexico. Mr. President, I merely rose for the purpose of making the suggestion which the Senator has just so ably covered in his remarks, and to call attention to the distinction between the administration of a bill of this kind and a mere investigating commission, such as the Federal Trade Commission chiefly is.

Mr. STERLING. Mr. President, if the Senator from New Mexico will allow me, I desire to suggest to him and also to the Senator from Wyoming, lest they may have misunderstood me in that respect, that the substitute intended to be proposed by me confers every power that the original bill confers upon the live-stock commission. I will ask the Senator to read the two bills and compare them and see if the proposed substitute does not confer every substantial power that the original bill confers, and if the proceedings therein provided for are not substantially the proceedings provided for in the pending bill.

Mr. GRONNA. Mr. President—

Mr. KENDRICK. I yield to the Senator from North Dakota.

Mr. GRONNA. Mr. President, the Senator from Wyoming will remember that I was one of the members of the committee who believed at first that it would be an act of wisdom to impose the additional burden upon the Federal Trade Commission. However, I became thoroughly convinced, after hearing the testimony for weeks, that it would be impossible for the Federal Trade Commission to function and perform the duties required of it under the original act creating it, namely, to investigate not only the meat industry but all industries of the country in cases where there was a violation of law. I say without any hesitancy that if the pending bill is to be changed so as to impose the duties required by it upon the Federal Trade Commission, that will be about all the Federal Trade Commission will be able to do, because it will keep one commission very busy in order to dispose of the questions which will come before it in connection with the meat-packing industry, the business of which is larger in dollars and cents, I may say, than that of the railroads.

The Senator from Wyoming is correct in the statement which he has made, that it will require the constant attention of the members of the commission—I care not whether the commission be composed of three or five—and they will have all they can do to perform the duties required of them under the provisions of the committee bill.

Mr. STERLING rose.

Mr. GRONNA. If I may be pardoned for a moment longer, the Senator from South Dakota says that his proposed substitute confers the same powers upon the commission as those conferred by the pending bill. I assume that he has reference to the Federal Trade Commission, but I hardly think the Senator from South Dakota will claim that his substitute gives the same power and the same authority to the Federal Trade

Commission as is proposed to be given to the live-stock commission by the committee bill. It is true that the substitute of the Senator gives the Federal Trade Commission the same power which it now has, beginning with section 6 of the Federal Trade Commission act, but the proposed substitute does not confer, and will not confer, the same power and the same authority as is sought to be conferred by the original bill.

Mr. STERLING. Mr. President, if the Senator from Wyoming will yield further, I should like to ask the Senator from North Dakota to say what substantial power conferred in the original live-stock commission bill is not also conferred upon the Federal Trade Commission by the proposed substitute presented by me?

Mr. GRONNA. Mr. President, I can not take the time to do that. Running all through the entire bill the Senator has eliminated authority given the Federal live-stock commission which is not contained in his amendment.

Mr. STERLING. Mr. President, I have this to say, in all candor, to the Senator from North Dakota: I have compared the original live-stock commission bill with the provisions of my bill, of course, and I do not now think of a substantial power contained in the live-stock commission bill with reference to the packers that is not contained in this substitute bill. It was the intention to confer upon them the same powers. As I said to the Senator a while ago, the substitute bill contains exactly the same prohibitions and restrictions with reference to the packers, word for word.

Mr. GRONNA. Does the Senator maintain that it gives the Federal Trade Commission power to say what kind of book-keeping shall be used?

Mr. STERLING. It does.

Mr. GRONNA. I say to the Senator that I do not think it does.

Mr. STERLING. Shall I read it to the Senator?

Mr. GRONNA. Yes; I should like to have the Senator read it.

Mr. STERLING. I will read it.

SEC. 8. That every operator and packer engaged in commerce shall keep such records and statements of account, and make such reports or returns, verified under oath or otherwise, as the commission shall require, as will fully and correctly disclose all transactions involved in its business, and the true ownership of such business by stockholding or otherwise, in such form and at such times as the commission shall by order require. The commission may, in its discretion, prescribe uniform systems of accounts and records and require the installation and use thereof by packers or operators. If such uniform systems are prescribed and required by the commission, no packer or operator shall keep any accounts, records, or memoranda other than those prescribed or approved by the commission. For the purpose of enforcing the provisions of this act, or of any rule, regulation, or order issued hereunder, or of verifying any such reports or returns, any officer or agent of the Government designated by the commission may, during the usual hours of business, enter and inspect any place used by any packer or operator in its business, and examine any books, papers, records, or correspondence relating to such business.

That is taken in haec verba from the Senator's own bill.

Mr. GRONNA. I will in my own time explain the difference in the Senator's substitute and the committee bill.

Mr. KENDRICK. Mr. President, one of the current statements in the discussion of this measure is the declaration that the operation of the proposed commission will, as stated before, ruin the business. This contention is not borne out by the experience during the recent war, when for some months the Government had almost complete control of these yards, and during that time a larger volume of business was transacted than was ever known in the history of the markets. It was not borne out a few years ago, when through the action of Congress and the Federal Government sanitary methods were enforced in the yards. It was contended at that time that to require inspection of the slaughtering and inspection of meats would have the effect of closing foreign markets to our products.

The demand for improvement in the conditions that then prevailed in the stockyards and commission houses was denounced as "agitation" and those who insisted upon reform were condemned as "agitators" in the same manner and in the same language now employed with respect to this movement. The producer was warned that the only result would be to ruin the industry and turn the foreign markets over to the producers of other countries. But these predictions were all mistaken. The country refused to be intimidated, and under the leadership of former President Roosevelt insisted upon legislation. The result was that the stamp of Government approval on American meats, thus guaranteeing their quality and cleanliness, sent those meats to the four corners of the earth, to newer and larger markets than ever before.

In this connection I desire to insert in the Record a letter from former President Roosevelt, written to the chairman at that time of the Agricultural Committee of the House of Representatives, showing how the mere agitation for reform was productive of beneficial results. I also desire to include a letter just received from the National Consumers' League, signed by the secretary,



Mrs. Florence Kelley, and a letter from the United Mine Workers at Point of Rocks, Wyo. I shall not take the time to read these letters.

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

THE WHITE HOUSE,  
Washington, June 8, 1906.

MY DEAR MR. WADSWORTH: In accordance with your request, I send you herewith the two reports of inspection by the committee appointed by the Department of Agriculture of April 5 and 13. This committee had already been appointed when I notified the Secretary that I desired that such a commission should be appointed in order to make the investigation. Subsequent complaints to me and the consideration of complaints already made showed that the charges were not only against the packing houses, but also to a certain extent reflected upon the action of the Government inspectors, and I came to the conclusion that it was best to have an investigation by outside individuals who could not be charged with being in any way interested in the matter. Accordingly, before the completion of the investigation by the Department of Agriculture, I directed Mr. Neill and Mr. Reynolds to make an investigation, the first report of which has been laid before Congress. Much testimony has been offered to us which has not been considered in this report, for Messrs. Neill and Reynolds in this report confine themselves to stating in more or less summary way the facts as to which they had been eyewitnesses, and what they have said can not be successfully controverted. Some of the ground traversed by Messrs. Neill and Reynolds is not touched upon in the report of the committee of the Agricultural Department. As to the ground covered in common by the reports of the two investigating committees, there is no conflict in substance as to the important matters, although there is a marked difference in emphasis, this being partially due to the greater length and detail of the report of the committee of the Department of Agriculture. In my judgment the emphasis of the report of Messrs. Neill and Reynolds is abundantly justified by the facts.

To show the immediate and extraordinary change for the better which the mere fact of their investigation is already bringing about in the condition of the packing houses in Chicago it is only necessary to instance the following portions of a letter received from a most competent and trustworthy witness in Chicago, whose name I will give the committee if it so desires:

"CHICAGO, Friday, June 1.

"On Monday I began a tour of all the great packing houses, going first to Libby's, then Swift's.

"Tuesday, all the morning, discussed changes that ought to be made and caught a glimpse of the awakening at Armour's. In the afternoon visited the plant with the superintendent.

"Wednesday I rested and contemplated the 'awakening of pack- ingtown.' It is miraculous.

"Thursday did Nelson Morris with the superintendent. \* \* \* Nelson Morris has done much to make things better. By the time the next inspecting party arrives they will have still more new lavatories, toilet rooms, dressing rooms, etc. Cdspidors everywhere and signs prohibiting spitting. In most the awakening seemed to come by force from without. There was the slightest indication that the 'still, small voice' was at work also.

"At Armour's, at my suggestion—I made no pretense of making an investigation, but frankly announced my desire to see things for myself and to get a fresh impression of conditions, as I had not seen the plants since before the strike—on every hand there was indication of an almost humorous haste to clean up, repave, and even to plan for future changes. Brand-new toilet rooms, new dressing rooms, new towels, etc. Swift's and Armour's were both so cleaned up that I was compelled to cheer them on their way by expressing my pleasure at the changes. The sausage girls were moved upstairs, where they could get sun and light, they to have dressing rooms, etc. I asked for showers and lockers for the casing workers at Armour's and got a promise that they would put them in. The canning and stuffing room, chip beef, and beef extract at Armour's seemed really quite good. In all of these rooms the girls work. At Libby's the girls are to be put into blue calico uniforms, which they will buy at one-half price. They are putting in toilet rooms, which they say are temporary, and that when the building is remodeled they will have these put in a better place. The haste toward reform would have been amusing if it were not so nearly tragic.

"They tried to win my help on the ground that loss of foreign trade would mean hardship for the workers in my neighborhood, and I must say I do share this fear, but I can not see the wisdom of my coming out publicly and saying that I saw indications of an awakening, for I want the changes to be radical and permanent, even though we all have to suffer for the present."

I wish to repeat that my investigations are not yet through. I am not prepared to make a final statement either as to so much of the complaints as concern the management of the Bureau of Animal Industry or as to certain of the graver charges in connection with the adulterations of meat products, as well as certain other matters. But enough has been developed, in my judgment, to call for immediate, thoroughgoing, and radical enlargement of the powers of the Government in inspecting all meats which enter into interstate and foreign commerce. Unfortunately, the misdeeds of those who are responsible for the abuses we design to cure will bring discredit and damage not only upon them, but upon the innocent stock growers, the ranchmen, and farmers of the country. The only way permanently to protect and benefit these innocent stock growers, these farmers and ranchmen, is to secure by law the thorough and adequate inspection for which I have asked.

Sincerely, yours,

THEODORE ROOSEVELT.

Hon. JAMES W. WADSWORTH,  
Chairman Committee on Agriculture, House of Representatives.

NATIONAL CONSUMERS' LEAGUE,  
New York City, January 20, 1921.

Hon. JOHN B. KENDRICK,  
Senate Office Building, Washington, D. C.

MY DEAR SENATOR KENDRICK: The monopolistic control, or even the possibility of such control, of the food supply of 105,000,000 people by private business enterprise is intolerable. The National Consumers' League, with full knowledge of the facts, adopted as part of its 10 years' program a proposal for the Federal regulation of the meat-packing industry.

In the name of its thousands of members, its 59 affiliated leagues in 17 States and the District of Columbia, for whom it speaks directly, and

the consumer, we most respectfully urge you to vote next Monday, January 24, or whenever the bill comes to a vote, for the Gronna bill.

No more important public issue than the Federal protection of the people's interest in food and meats can be imagined.

Sincerely, yours,

FLORENCE KELLEY,  
General Secretary, National Consumers' League.

UNITED MINE WORKERS OF AMERICA,  
LOCAL UNION No. 3603,  
Point of Rocks, Wyo., January 17, 1921.

Hon. JOHN B. KENDRICK,  
United States Senate, Washington, D. C.

DEAR SIR: Local Union No. 3603, United Mine Workers of America, has ordered me to write and ask you to support the Gronna bill, regulating the packing industry, which, we understand, is to come before the Senate for action January 24, 1921.

Thanking you in advance for your kindly consideration of this matter, I beg to remain

Very truly, yours,

J. E. CLARKE, Secretary.

ARE REEVES, Sr., President.  
VIRGIL WRIGHT, Treasurer.

Mr. KENDRICK. I also ask to include as part of my remarks a resolution sent me by the National Live Stock Association, and in that connection I will say that this association is composed of 17 State associations and 36 local associations, and that these various organizations represent practically the entire territory west of the Mississippi River.

Mr. KENYON. Mr. President, may I ask the Senator how many members of that association there are?

Mr. KENDRICK. I have no idea how many thousands of members there are. One of the associations involved has 6,000 members.

Mr. KENYON. Is this a resolution indorsing this legislation?

Mr. KENDRICK. It is a resolution indorsing this legislation.

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

Following resolution urging prompt enactment of meat-packing legislation adopted Twenty-fourth Annual Convention American National Live Stock Association, El Paso, Tex., January 14:

Whereas the American National Live Stock Association is definitely committed to the establishment of an open competitive system of production and manufacture; and

Whereas under present monopolistic conditions the principal distributors of live-stock products have an unfair advantage over both unorganized producers and potential competitors which can best be equalized by legislation; and

Whereas lack of confidence resulting from this situation is seriously curtailing production; and

Whereas delay in the final disposition of this important question can result only disastrously to all interests—producer, distributor, and consumer: Therefore be it

Resolved, That we urge Congress promptly to enact constructive Federal legislation regulating the packers, commission men, and traders, to the end that confidence be established, production maintained, and distribution guaranteed on an economical basis; and be it further

Resolved, That copies of this resolution be forwarded to the chairman and all members of the Committees on Agriculture in the Senate and House.

Mr. KENDRICK. Mr. President, I want to say in conclusion that this is not a new question. The demand for this reform has been growing up for a generation. This great industry, so important to the country, is deserving of a better fate than that its continued appeals for protection should always be ignored. It has been a discredit to us that these conditions have been tolerated so long. To allow them to be perpetuated would be a national disgrace.

There is no malice behind this legislation. There is no intention on the part of any of its advocates, and not the slightest desire, to penalize the packers or any other agency. One will scan its terms in vain for any provision designed to hamper even in the smallest detail anyone engaged in the industry. Its sole object is to make it forever impossible for the few having great power to inflict wrong or hardship on the many.

No one will assume that it is intended exclusively in the interest of the producer. I have long been convinced that the manufacturers and distributors of meat products as well as the consumers will derive benefit from the enactment of a law such as that here proposed. Justice and fair play always bring good results, and no man whose aims and practices are legitimate need fear a law the only result of which will be to prevent abuses.

I say to you that the time has come when we should meet this problem squarely, and by enacting this measure create in the great markets of the country a spirit of understanding and good will, without which there can be no orderly progress.

Mr. GRONNA. Mr. President, the Senator from Nebraska [Mr. NORRIS] is absent, due to illness. He called me up this morning and told me he had hoped to be able to be here to deliver an address upon this measure, but finds that he is unable to be present, and he asked me to present to the Senate a statement written by him entitled "Some side lights on the packers." I ask unanimous consent to have the statement printed in the RECORD.

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

SOME SIDE LIGHTS ON THE PACKERS—A STARTLING REVELATION OF FACTS NOT GENERALLY KNOWN.

[By Senator GEORGE W. NORRIS.]

"It was Sunday morning, the one day of the week when we can afford to have meat for breakfast. As I took my slice of nice crisp bacon, I asked my wife what it cost. She said it was 60 cents a pound. I had just been reading from a western country newspaper that the price of hogs on the western prairies was from 10 to 12 cents per pound. It occurred to me that the producers and the consumers ought to know something about the middleman's profit on this necessary article of human food.

"I wonder if the farmer in the sod house on the prairie and the laboring man in the overcrowded city of the East really understand that this mighty space between them is inhabited by a multitude of unnecessary profiteers who are living in luxury upon the toil of the two extremes of this great equation. It ought to be interesting to the underpaid producer and the overcharged consumer to get a view of some of the side lights; some of the overhead charges and expenses that oil the machinery of the mighty corporations which control most of the lines of the food products of the world.

"Under existing conditions the producer and the consumer are so far apart that they live almost in different worlds. They do not realize the network of machinery existing from one end of the country to the other, having within its grasp the most mighty financial institutions and under its control the dissemination of news and literature of the day by which the very atmosphere of both consumer and producer is saturated with a false knowledge of the necessity of all this useless and expensive machinery, thus keeping them both in ignorance, with a natural tendency in each to fear that the other is getting the best of the deal. They both realize that middlemen are necessary, and that machinery is essential to make over the product of the farm into a suitable commodity for the table. They do not fully understand that they are both bowed down in poverty because they contribute day by day and year by year to the immense fortunes of many millionaires, who are living in comparative idleness and luxury upon the toil and the sacrifices of the two extremes. It ought to be interesting to consider briefly a few of these unnecessary and exorbitant overhead expenses which they contribute to the oiling of the great international machinery operated by the packers. This information has been taken from hearings before Senate committees and the Federal Trade Commission.

"WHAT ONE YOUNG MAN DID.

"Several years ago a very bright and enterprising newspaper man in Philadelphia moved to Washington. He came to the Capital City as the Washington correspondent for a Philadelphia paper. His ability as a writer soon brought him additional clients. It was not long until he became an editorial writer for a well-known eastern magazine. He soon became a regular contributor to a Wall Street publication on financial subjects. He was taken on as one of the editorial writers of an economic magazine, a publication with a circulation all over the United States, having for the main object of its existence the maintenance of a high protective tariff. He was soon employed as a writer on a magazine known as the Fourth Estate. This is a trade publication for newspapers, and goes to practically every newspaper office in the country. He likewise became an editorial writer on a trade publication for manufacturers. He was likewise one of the editorial writers on a Washington daily.

"In the meantime he had built a large office force, maintaining two offices in Washington, and was surrounded by quite a number of able assistants. It can be seen at a glance that this man's work was going into not only the homes but the business offices of the country, particularly those offices that have to do with the creation of public sentiment on various public questions.

"In the meantime he developed into a great social leader. His dinners were attended by members of the Cabinet, Members of the House of Representatives, the United States Senate, foreign ambassadors, and other prominent people influential in national affairs. It is quite apparent that his influence and his power in the building up of any sentiment throughout the country for the control of legislation in a silent and unseen way would be of wonderful force. It was noted by those who knew him best that he was an intimate and close friend of the private secretary to the President of the United States.

"It became known that it was almost a daily occurrence for these two men to be lunching together at one of the most exclusive and expensive hostelrys in Washington. All of these vari-

ous occupations and activities of Mr. Logan are in themselves perfectly legitimate. They are, however, exceedingly important when taken into consideration with what follows—and the reader must not minimize his social activities.

"In every great capital of the world many thousands of dollars are spent in social affairs, innocent on their face, legitimate of themselves perhaps, but having a sinister, powerful, silent, and perhaps unconscious influence on the control of legislation and the activities of executive officials in the enforcement of the laws. It might be said in passing that this is illustrated by the public announcement recently made through the press that the British ambassador has been allowed by his Government nearly \$100,000 annually for social entertainment.

"MONEY FROM EVERYWHERE.

"No one suspected that Mr. Logan was on the pay roll of a large number of great corporations, and while we are considering him now only in his financial connection with the packers, it is interesting to note that he received large salaries not only from the packers but from many other large corporations, notably Standard Oil concerns, which always have been interested in and which always have spent immense sums of money to control not only the laws of the Nation but of the States. It was discovered upon investigation that Mr. Logan was getting \$500 a month from Swift & Co., \$500 a month from the Standard Oil Co. of New Jersey, \$500 a month from the Standard Oil Co. of Indiana, \$700 a month from the Atlantic Refining Co., \$500 a month from the Freeport Sulphur Co., and \$500 a month from the General Electric Co. This may not be a complete list of his clients, but when the reader considers these salaries, together with the compensation he received from the various newspapers and magazines which he represented, it can at once be seen that his income compared favorably with the great magnates of the corporations which he represented.

"In addition to all this, it should be said here that while Mr. Logan was drawing these salaries he made a trip to Europe at the request of Mr. Hurley, a Government representative. His entire expenses from the time he left America until he returned were paid out of the Treasury of the United States. He testified that Mr. Hurley wanted, in addition to paying his expenses, to pay him a salary, but he was too modest to accept it; and at the time he gave his testimony the question had not yet been determined whether he would be paid a salary in addition to his expenses. Mr. Hurley, representing the Government of the United States, seemed to be insisting that he should be paid a salary, Mr. Logan declining to accept it. Whether the matter has yet been adjusted or determined I do not know. How much, if anything, has been paid from the Federal Treasury to Mr. Logan I can not say. He claimed that when he went to Europe he went as a sort of adviser to governmental officials. It seems that those who represented the Government and who controlled the purse strings felt that the editorial writer who was getting so many salaries as a business adviser to great corporations should also be paid by the Government of the United States for giving advice to governmental officials in order that they might more efficiently conduct the business affairs of the United States in Europe.

"AN EXPERT ADVISER."

"No one has ever charged Mr. Logan with making an attempt to directly control the vote of any Member of Congress. Excepting as they were invited to meet him at social functions, they were, as a rule, unacquainted with him, and when they did not meet him they had no idea that he was writing editorials for these various magazines that were building up a public sentiment favorable to corporations, or that he was on the pay roll of the great corporations that I have enumerated. His time was too valuable to be used for the purpose of directly controlling a vote. His energies were spent upon the broader and more influential plane of building up a sentiment favorable to his clients through his editorial writings and of giving his clients direct information as to the condition of legislation and as to contemplated legislation, so that they might be able to prepare either to influence it or to meet it.

"When put on the witness stand and questioned as to what he did to earn his salary for Swift & Co. and these other corporations, he said that he was an expert adviser; that he advised his clients how to run their business and how to enable them to serve the public good. He admitted that he had never written an advertisement for Swift & Co. He claimed that he earned his salary by telling them how they should run their business so as to best satisfy the public. When called upon to produce a single letter or memorandum in which he had given such advice he was unable to do it. Mr. Swift, the head of Swift & Co., and Mr. Veeder, their general attorney, both corroborated Mr. Logan in his statement that he was employed simply as an adviser. They were both asked to produce a



single letter or a single written statement of any kind that he had ever given them along the lines of his ostensible employment, but, like Mr. Logan, they were unable to do so.

"It did develop, however, upon the investigation that he had given them information about affairs in Washington along lines that were entirely foreign to what they claimed was his duty as an employee of Swift & Co. In fact, in every case where any activity of Mr. Logan was disclosed in regard to Swift & Co. it always appeared that what he did had nothing whatever to do with what he claimed was his line of employment. For instance, it was disclosed that he had given to Swift & Co. advance information as to just what the food bill would be and as to just what would be required of the packers under the law. Even before Congress knew what kind of a food-control act they were going to pass Mr. Logan had outlined the plan in full to his clients, Swift & Co. He gave them direct information of some disagreement between the President and Mr. Hoover, on one side, and Mr. Houston, Secretary of the Department of Agriculture, on the other; and when it is remembered that Congress was more or less a rubber stamp under the control of the President, the value of such information can be fully appreciated and understood.

"Swift & Co., through Mr. Logan, knew before the Secretary of Agriculture, Mr. Houston, knew that Hoover would have complete control of the Food Administration, and that he would not only control the packers in this country but that he would do the buying for the Allies as well as for the United States Government. Mr. Hoover and the President were in private conversation on the night of the 14th day of May, 1917. They went over the entire situation, and the legislation needed was at that time agreed upon and outlined. The next morning Mr. Logan reported the substance of the conference between Mr. Hoover and the President to his clients, Swift & Co. How he got his information, or who it was that told him what happened at that secret conference between the President and Hoover, can only be conjectured from the facts that I have outlined above.

"When Congress appropriated the money to make the investigation of the packers by the Federal Trade Commission, it was Mr. Logan who gave to them the first information that the appropriation had passed, and in the notice he gave them he explained that there was no cause for worry; that he believed the status was satisfactory; and that the plans should not be changed until advised. It is quite apparent from the evidence that Mr. Logan possessed superior facilities for gaining inside information, and that, as a matter of fact, he was paid this magnificent salary by Swift & Co. partially for the inside information he was able to get and partially because they desired to contribute, in connection with the other great corporations, their share of the fund that would enable the trade journals and the political magazines to be editorially controlled by friendly minds.

#### "DIAMOND T."

"The investigation by the Senate Committee on Agriculture disclosed the existence of a mysterious character who was very valuable to the packers in giving them advance information of possible legislation in Washington. This character was never designated by name. Wherever reference was made to him in the packers' memoranda it was by a character drawn with pen and ink. This character was represented by the letter 'T' inclosed in a rectangular figure the shape of a diamond, but because the printer does not have any character that properly represents it I refer to the character as 'Diamond T.'

"It is quite evident that 'Diamond T.' was a very important person. Nothing was developed in the evidence that ever disclosed anything that he had written or anything to which his signature was attached. Reference to this character only appears where information is given from one official to another that certain information had just been received from 'Diamond T.' It was from 'Diamond T.' that information was given of the beginning of the movement to fix maximum prices. In other instances reference is made to information from 'Diamond T.' which is not plain, and which is not explained by any other evidence. It is quite evident that the investigation only disclosed a small part of the information that was thus received. In one memorandum prepared by one of the officials reference is made to receiving valuable information, without disclosing what it was, with the statement that the matter referred to would be looked after at once. Another memorandum written by an assistant of one of the packers refers to a note from 'Diamond T.' in regard to the investigation about to take place before the Federal Trade Commission, and it is stated in this memorandum that 'Diamond T.' would be glad to have any suggestions that the packers desired to make. This memorandum likewise dis-

closed the fact that Mr. Veeder, the attorney for Swift & Co., was to see 'Diamond T.' the following Monday.

"Another memorandum disclosed that on the 20th day of June, 1917, information was received by Mr. Veeder from 'Diamond T.' telling what had happened at a meeting of the Federal Trade Commission. The packers are told in this information from 'Diamond T.' that there will be enough delay to give plenty of time for readiness, and he suggests that they have everything ready in regard to high prices and their causes. This memorandum also suggests that Mr. McManus (another packer attorney) would be helpful at the Washington end 'immediately.' 'Diamond T.' at this time advised that even the exchange of telegrams would not be advisable, and so important was it to conceal the identity of 'Diamond T.' that the official who prepared the memorandum of information received from him asked that even the memorandum be destroyed 'immediately.'

#### "DIDN'T KNOW WHO HE WAS."

"Mr. Swift, who handled some of this memoranda, on the witness stand denied all knowledge of the identity of the person known as 'Diamond T.' Mr. Veeder, general attorney for Swift & Co., when on the witness stand, likewise denied any recollections whatever of 'Diamond T.', although some of the memoranda referring to information received from 'Diamond T.' was prepared by Mr. Swift, and at least one of the memoranda disclosed the fact that Mr. Veeder was to meet in consultation with 'Diamond T.' There is no one who heard the testimony of Mr. Swift and Mr. Veeder but must have been impressed with an irresistible conclusion that neither was telling the truth.

"A day or two after Mr. Veeder had emphatically and persistently denied on the witness stand that he had any recollection or knowledge whatever of the identity of 'Diamond T.' he returned to the witness stand and stated that Mr. Logan had told him that he (Logan) had sent in the information referred to in at least one of the 'Diamond T.' memoranda. To me it looks as though this secondary evidence was given for the purpose of shouldering the identity of 'Diamond T.' upon a person already identified, and thus prevent, if possible, any further investigation as to his identity. It is quite evident that 'Diamond T.' had no reference to Mr. Logan, because where information was received from Logan, there was no disposition to conceal that fact.

"How much 'Diamond T.' received in the way of compensation, or who he was, will perhaps always remain a mystery. That he was some one high in official councils, and therefore a very expensive character, and that he was able to give the packers exceedingly valuable and inside information, will not for a moment be questioned. That the men who were dealing directly with him in such important matters, where many millions of dollars were involved, should completely forget his identity when they had taken such great pains to conceal it is completely beyond comprehension; and when these men go upon the witness stand and deny any knowledge of the identity of this mysterious individual they not only convince the honest man that they are guilty of falsehood but they make themselves ridiculous in the eyes of all honest people. Such testimony if given by the ordinary person would be at once branded as false, but when testified to by those who represent hundreds of millions of dollars it escapes notice in the news items of the day.

#### "ADVERTISING."

"One of the most remarkable attempts to control the public sentiment of the country through the instrumentality of the public press has been going on for the last three or four years. The packers are not the only corporations engaged in this great undertaking. There are many other great corporations that are equally guilty. It is a nation-wide campaign to build up a reactionary sentiment in favor of the great corporations of the country. But in this article we are dealing only with the packers, and I confine myself in my comments to the part which they have taken in this colossal undertaking. I do not want to be understood as claiming that all of this advertising was unnecessary or subject to criticism. Neither do I argue that because a newspaper accepts advertising it is necessarily controlled in its editorial policy. The assertion is made, however, that the advertising of the packers is far beyond any legitimate, fair, or even liberal allowance for that purpose, and neither can there be any doubt but that some newspapers are controlled in their editorial policy by the advertising end of the business. Many others remain silent in their editorial columns when they would otherwise condemn, if it were not for the oiling of the business machinery through advertising.

"There can be no doubt but that one of the objects of this campaign was to mold public sentiment, and to close up the criticism that their acts would otherwise receive at the hands of newspapers. There was evidence developed upon the investigation to show that this was the real intent and purpose of a large portion of the advertising. The packers carry large page and half-page advertisements in all the newspapers of the United States. No country paper was too small to be taken into consideration by them. Large display advertisements appeared in newspapers that had only two or three hundred subscribers. Moreover, the greatest of this advertising took place at a time when no advertising was needed in order to sell their products. It took place at a time when there was a shortage of production, when they were positively unable to supply the hungry with the food which it desired.

#### "THE PACKERS' DEFENSE.

"The only defense the packers made is that this advertising was necessary in order to show up the erroneous conclusion that they claimed the Federal Trade Commission had reached in its investigation. An examination of the subject, however, will disclose that this advertising campaign was on in full blast long before the Federal Trade Commission's report was given to the public. An examination will also disclose that a very large part of the matter included in the advertising had no reference whatever to the sale of any of their products and made no attempt to refute the charges of the Federal Trade Commission.

"The advertising campaign of the packers is akin to the former practice of railroads in issuing passes to all influential people, particularly those who had to do with the making of laws controlling the railroads or the enforcement of them. The person who received a pass was not requested to use his influence in their favor, and it does not follow that because a man received a pass he was in any way influenced; but on the whole it was universally conceded that the promiscuous issuing of passes was an evil; that it interfered with the enactment of railroad laws and the administration even in courts of justice where railroads were parties litigant. The enlightened public sentiment of the country condemned the practice, and nearly every State in the Union has made it illegal.

"I have before me the Sunday edition of a great metropolitan daily, published in the latter part of 1919, in which Armour & Co. have more than 15 pages of advertising. The matter is highly and beautifully illustrated, and a great deal of the space is taken up with a showing made in behalf of the philanthropic treatment on the part of this great corporation of its employees. One would think in reading over the very well written articles that Armour & Co. is organized more for philanthropic purposes than for financial reasons.

"I have searched hundreds of country newspapers coming from the smallest villages and have never yet found a paper that was not patronized by the packers in the way of advertising. I have a copy of a small newspaper, published way out on the frontier, in a small country town, that contains a half-page advertisement, signed by all five of the great packers, in which they make common cause to demonstrate that it would be difficult, indeed, for the country to exist without them.

"On February 28, 1918, Swift & Co. had a large display advertisement in practically all of the great newspapers of the United States, in which they devote the entire space to a demonstration that the employees of Swift & Co. are patriotic. Nothing is said in it about anything for sale and nothing is said in regard to a defense of any of the charges made by the Federal Trade Commission; but for some reason they seem to be imbued with the idea that some one had charged their employees with being unpatriotic, and they rush into print, wrap themselves in the American flag, and proclaim their patriotism from the rooftops. During the war this was a favorite pastime for all profiteers. When a big corporation was about to cut a melon or a few millionaires were about to rob the Government in some unconscionable contract, they always made an attempt to distract attention by parading in public under the Stars and Stripes.

#### "SPENT HUGE SUMS.

"For the year 1918 Swift & Co. alone spent over \$1,600,000 for advertising, and Mr. Swift himself admitted that they would spend \$2,500,000 in the year 1919. This would mean more than \$200,000 a month, about \$7,000 per day. Assuming that the other members of the 'Big Five' spend one-half of what Swift & Co. spends, which everybody will admit is way below the actual fact, we find that the great packers on this basis spend more than \$8,500,000 annually for advertising. This would be more than \$1,000 for every hour of the 24.

"This cost only includes what is actually paid to the newspapers and magazines. To keep the machinery going and to

employ the necessary men to prepare the advertisements entails an additional expense of enormous amounts. It must be remembered that this is only one corporation. If you spread this over the country at the same rate, it means that trainloads of paper are used in this wonderful propaganda, 90 per cent of which is useless so far as any legitimate object is concerned. This wonderful advertising of great corporations, if reduced to its legitimate sphere, would of itself alone settle the acute question, which is now country-wide, of a paper shortage. It must be remembered, too, that these great corporations do not in reality pay one penny of all these enormous expenses that I have enumerated. The wonderful financial outlay, enormous as it is, is placed upon the unwilling and overburdened shoulders of the producer and the consumer.

"For the last 50 years the packers have been growing in size, and as they have grown their disposition to avoid the law has increased with their size. They have been fined an innumerable number of times for violation of the criminal statutes. Their attempt to control the prices of the country through their lavish expenditure of money is partially accounted for by their desire to conceal publicity of their transgressions. While they are fighting before a referee in Chicago with their employees, who are seeking better working conditions, they are advertising in Minneapolis the alleged advanced sanitary conditions of their packing establishments. By their utilization of newspaper space they are making it physically impossible for newspapers, even if they desired to do so, to give proper publicity to the cases where they have been found to have violated the law. They have spent many thousands of dollars in the use of special trains to carry delegates to various conventions where editors, particularly of farm journals, have been invited to be their guests for the real purpose of indirectly influencing the news columns of such magazines and for the purpose of suppressing from the people a knowledge of their shortcomings. The editor of the Nebraska Farmer could undoubtedly tell of such an invitation that he recently received himself.

"On the 7th day of March, 1919, a Washington paper, on an inside page in a very inconspicuous place, gave an account of the trial and conviction of an agent of one of the 'Big Five,' who, in the city of Washington, had violated the pure food law by selling catsup in original packages which were short in actual measurement. It was shown at the trial that the cans of catsup were marked as containing 5 gallons each, and that upon actual measurement they were considerably short of that amount. One can was shown on actual measurement to be 2 quarts short. A third can was taken by the officials and brought into court unopened, and upon the trial of the case the prosecution offered to rest its entire case upon the unopened can. It was proposed that the can be opened and that if it was full measure the prosecution would be dismissed.

"The great packing concern, however, declined to accept this proposition. The result was that the agent making the sale was found guilty and he was fined the enormous sum of \$10. It is fair to assume that these cans were no exception to the general rule, and that this great corporation had sold thousands, perhaps tens of thousands, of these same cans, all of which were undoubtedly short in measure. They had probably violated the pure food law in every city and hamlet in the United States, but so far as I have been able to learn this was the only place where they paid any penalty.

#### "A DIFFERENT KIND OF STORY.

"It happened that the same paper containing this announcement contained a column article written in behalf of this same packer. It was only one of many that had been printed in practically all the papers of the United States—a nicely written article, directed to 'Dear Folks,' and signed by William C. Freeman, of New York City. The ordinary reader would not get the idea that it was an advertisement, but these series of articles contain a most ingenious and misleading argument in behalf of the honesty of this member of the 'Big Five.' In one of their articles Mr. Freeman tells about his visit to the plant; how satisfied and enthusiastic all the employees were; and with what marvelous consideration every whim of the faithful employee is looked after by this great corporation. In other articles he speaks, as do the advertisements of the packing company, of the guarantee of the company's brand. The slogan, 'The Wilson Label Protects Your Table,' has been printed a million times and is familiar to every citizen of the United States.

"These articles, paid for by the producers and consumers of our country, attempt to demonstrate that when you buy of Wilson & Co. you run no chance of being defrauded; that the brand of this company is a guaranty of purity, of quality, and of quantity; and yet, while this enormous propaganda is



going on over the country, this great corporation is violating the law and practicing deception which if committed by the ordinary, common individual would cause him to be driven out of the community as a citizen unworthy of belief.

"BIG SALARIES PAID.

"It will be found upon investigation that the middlemen who handle the food products after they leave the producer and until they reach the consumer are receiving salaries that in many cases are altogether out of proportion to the work they actually do. In fact, many of the men who are engaged in the packing business devote most of their time and most of their energies to concealing the true situation. Let us take Wilson & Co., one of the 'Big Five,' as an example.

"Several years ago Mr. Wilson was elected president of that corporation. He was given a salary of \$125,000 a year, which he still draws. In addition to giving him that salary, they gave him outright \$100,000 as a bonus in cash. In addition to this they gave him \$1,500,000 of the common stock of the company without the payment of one cent. In addition to all this they gave him an option on \$3,500,000 more of the common stock, at \$10 per share, which option he afterwards exercised. When he exercised this option and purchased this stock, he did it without the payment of a dollar of his own funds. He simply sold some of the stock that had been given him, at from \$50 to \$55 per share, and purchased the option at \$10 per share; so when the transaction was completed he found himself the owner of 43,000 shares of the stock, of the par value of \$4,300,000, which cost him nothing. In 1917 this stock paid a little over 16 per cent, and, according to Mr. Wilson's own statement, is worth much more than par. We can therefore sum it up by saying that out of this transaction, within two or three years time, Mr. Wilson found himself with a salary of \$125,000 a year, a cash bonus of \$100,000, and a gift of stock worth more than \$4,300,000—all without the investment of a dollar; all paid for by the producers of hogs and the consumers of meat.

"Little transactions like these have been going on for many years and are going on now. The public is turning water into a steady stream of gold that goes to men who neither toil nor spin, excepting as they manipulate figures and prices. The producer is still toiling. The consumer is still suffering. Their suffering and their toil have made possible the luxury of many of the so-called great captains of industry.

"DISHONEST EXPENDITURES.

"No one will probably ever know just how much money has been spent by the packers to control legislation, to appoint officials, and to deceive the public. It is doubtful whether packers themselves could give this information correctly. For instance, the books of Swift & Co. would nowhere show the payment of any salary to Mr. Logan. There is no item anywhere which would indicate how much money was paid to 'Diamond T.' It appears, for instance, that Mr. Veeder, the general attorney for Swift & Co., was paid \$71,000 in one year; but he was drawing a salary of less than \$25,000. While he was getting a salary of about \$25,000, his expenses amounted to about \$50,000. Mr. Swift seemed to be unable to tell definitely just what Mr. Veeder's salary was. He was unable to tell why they paid him over \$70,000 when he was getting a salary of less than \$25,000. An examination of the evidence also discloses that Mr. Veeder was in the habit, outside entirely of his expense account, of acting as the middleman by whom sums of money were transferred not only from his client but from all the other packers to various officials. So that the enormous discrepancy between his salary and his expenses, in addition to the various sums of money, amounting to many thousands of dollars, which passed through his hands from the packers to almost numberless persons who were carrying out their plans in various localities, remains unexplained.

"Large amounts of money were spent in political contests. Contributions to elect Members of Congress were made by the various packers. Large sums of money were expended to handle legislation in a large number of State legislatures. In one case the evidence shows that the packers took part, down in Oklahoma, in the election of a local assessor, and they were so careful that the assessor should be friendly that they contributed to both sides of the contest. A contribution of \$2,000 was made by one of the big packers to a firm of attorneys in Texas for legal services and 'legislative services in Austin.' Instructions were sent from Chicago that a receipt should be taken 'in accordance with the understanding had with Mr. Veeder in his office in Chicago on May 21, 1908.'

"In another case a check for \$500 was sent to an attorney at Fort Worth, Tex., in which Mr. Veeder asked the recipient to use the money 'in accordance with our conversation.' He also notified the attorney that he would receive the same amount

each from Armour & Co. and the Stock Yards Co. In Illinois the evidence shows that various sums at various times were contributed to influence the legislature. They did their best to defeat the eight-hour law for women. They took an active interest in defeating the bill in regard to renovated butter that the farmers desired put on the statute books. They used their power against the enactment of laws regulating the cold storage of meat, fish, eggs, and poultry.

"BUY UP TRADE PRESS.

"The National Provisioner is a trade publication, published by the Food Trade Publishing Co. of New York. Its subscribers consist mostly of packers and dealers in various articles of food. For many years the general manager of this concern was a man by the name of McCarthy. Mr. McCarthy was also the secretary of the American Meat Packing Association, an organization composed of all the packers, big and little, throughout the United States. Holding these two positions, it is quite evident that Mr. McCarthy could be of inestimable service to the Big Five, if he were so disposed. The National Provisioner went to most of the customers, and as secretary of the American Meat Packing Association he came into direct contact with all the packers throughout the United States. The evidence disclosed that Mr. McCarthy was secretly paid a regular yearly salary of \$5,000 a year by Armour, Morris, and Swift. It is denied by the owners of the National Provisioner that they had any knowledge of this secret bonus of Mr. McCarthy.

"The American Meat Packers' Association, that was supposed to be operated in the interest of all packers, big and small, had, of course, no knowledge that their secretary was getting a salary on the side, contributed secretly by three of the Big Five. It further appears that after we got into the war and after the establishment of the Food Administration, in making up some of the various committees to properly carry out the administration of the law, Mr. McCarthy, because he was secretary of the American Meat Packers' Association and was therefore supposed to be fair and unbiased and well acquainted with all of them, was requested by the Food Administration to suggest the names of some of the small packers who would be suitable for appointment to such committees; and that before he took action on this request he communicated with the packers who were contributing this money on the side, in order to make a selection that would be satisfactory to them. He was thus giving ample evidence to the big packers that he was earning the secret salary they were paying him. This is only an illustration of the method employed by the packers in the control of all kinds of associations. They scatter thousands of dollars around over the country in the payment of secret salaries to persons having official connection with organizations that have anything to do with the meat or food business.

"LOANING OF MONEY.

"The packers are heavy borrowers, as everybody knows. They continually borrow many millions of dollars, and their paper is scattered all over the country. You would not suppose therefore that an ordinary individual could go to the packers and borrow money, but in order to borrow money of the packers it is only necessary for them to be convinced that you are able to build up public sentiment in their favor or to be influential in the handling of a public official having to do with their business or to be of assistance in the preventing of any unfriendly legislation or in securing the passage of desired laws.

"This practice is well illustrated by what happened just before the war in Fort Worth, Tex. Both Armour and Swift have packing plants at Fort Worth. Together they own the stockyards at that place. The evidence discloses that they loaned money to a man by the name of Armstrong, in Fort Worth, for the purpose of buying an interest in a daily paper there, which had been advocating the control and regulation by the Government of the meat-packing business. They considered the paper unfriendly. Both Armour and Swift loaned money to Mr. Armstrong. It is noticeable that after the money was loaned and Armstrong became a part owner the policy of the paper changed. In writing to the packers for a renewal of the loan, Mr. Armstrong called attention in this letter to the fact that he had gone into the newspaper business to be of service to Mr. Armour and Mr. Swift, and also called attention to the editorial policy of the paper 'before and after taking.' It is unnecessary to say that he had no difficulty in getting an extension of his loan.

"The men who were running this paper, however, were not aware that their competitor, the other daily newspaper published at Fort Worth, was likewise having its machinery oiled by packer money. The president of Swift & Co. in a letter asked his attorney whether they had better comply with the request of this other paper for a 'donation' of \$1,200, which



should be given ostensibly in return for a "page devoted to hogs and hog raising." In this letter Mr. Swift called his attention to the fact that Armour & Co. and the Stock Yards Co. of Fort Worth were each contributing like amounts. In addition to this, it seems that the editor of this paper was loaned \$5,000 by Swift & Co. He did not pay his interest promptly, and Mr. Swift asked his attorney whether he thought it would antagonize this editor if he sent him a bill for the interest, saying that the editor also owed Armour & Co. a like amount and he had paid the interest. The attorney, however, asked Mr. Swift not to present any bill for interest at that time, because they had some important litigation pending in Texas, and he thought it would not be wise to ask for the payment of interest from the editor until this litigation had been disposed of.

"THE ATTORNEY GENERAL.

"It must be remembered that the Federal Trade Commission recommended that prosecutions be commenced against the packers. They turned the evidence over to the Attorney General at the time they made their report, more than a year ago. That the evidence shows plain violation of law there can be no doubt whatever. The violation of the Sherman antitrust law, in some instances, could have been proved by their own correspondence, signed by their own officials. They were liable both criminally and civilly. At a recent hearing before the Senate Committee on Agriculture, the present Attorney General, Mr. Palmer, testified that this evidence submitted by the Federal Trade Commission showed that the packers had violated the law, but that he had decided not to commence any criminal proceedings against them. Instead, he determined to commence a civil suit. For weeks the papers were full of announcements that the Attorney General was about to proceed against the packers. I think the country generally understood that the suit was actually commenced and was pending. The people would be perfectly justified in reaching this conclusion from the announcements that were made at various times in the public press. A suit was finally actually filed and judgment rendered on it, but it looks as if it had been agreed upon in advance between the attorney and the packers before it was actually filed. How many of the people really believe that the Attorney General had accomplished the great things that he so bombastically boasted of in the headlines of the newspapers?

"The ordinary individual, the common citizen, who violates the law and commits a crime has no opportunity to make an arrangement with the prosecuting attorney by which a civil suit shall be commenced, satisfactory to both sides, with the understanding that no criminal prosecution shall take place. The ordinary thief would be glad, indeed, if we could agree with the prosecuting attorney that an injunction suit should be commenced in court against him and an injunction issued restraining him from further commissions of crime, if by such an agreement he could escape punishment for his criminal act. The trouble with the ordinary petty thief is that he does not steal enough to come under this new and humane rule of the Department of Justice. In his newspaper campaign to reduce the cost of living, the Attorney General can not stop to consider any of the little fellows. It would appear upon careful analysis that his boasted suit against the packers consisted in agreeing in advance with the attorneys for the packers upon a petition, an answer, and a decree, and that no papers were filed until this agreement was reached, and the Government and the packers both voluntarily went into court, presented the decree, and asked the judge to sign his name upon the dotted line.

"MORE MIGHT BE SAID.

"In the foregoing sidelights I have made no attempt to exhaust the subject. The facts are that the subject is almost inexhaustible. We approach the domain of the great packers as a little child would approach a giant. At every step we are impressed with their wonderful power, their inexhaustible resources, the infinite network of connection with the most powerful financial institutions of the country. Their paid emissaries are in every locality. They are secretly entrenched in politics, in all kinds of business, and in nearly all the activities of human endeavor. To carry out their ends they have all kinds of instrumentalities. They are equipped to go into the church, and are likewise prepared to send the bum into the saloon. They have an army of highly paid, useless employees, who can give no honorable reason for their packer connections. Their agents are at the meeting of every legislature and in the Capital City at Washington. Their control of human food is so great that expense is a secondary consideration. They know that, after all, all these expenses are paid and all this machinery is oiled by the consumers of the country. If their expenses increase, they have but to lower the price that they pay to the

producer, or increase the price that they charge the consumer, or both. The competition of the independent dealers is negligible. In fact, the existence of independent packing establishments is desired by them, so long as they do not develop in size and their competition become dangerous. They fix the price, and when they have fixed a price that covers all their unnecessary extravagance and expense, it naturally follows that a multitude of little packers can follow along in their tracks and make big profits.

"I have made no attempt in this article to discuss what I believe to be the fundamental reasons for their great power. Neither have I suggested a remedy. It will be found upon a full and impartial investigation by the honest student that their privately owned refrigerator cars, their ownership and control of stockyards and refrigerator plants, together with their intimate connection with large financial institutions, are the main sources of their power. It is not my purpose to discuss the remedy here, but in conclusion I desire to say that by the ownership and control of refrigerator cars and stockyards the packer question is inseparably intermingled with the question of railroad control, and it will be found impossible to properly control one without controlling the other, and mainly in this I think can be demonstrated the remedy that must ultimately be applied to narrow the present mammoth and expensive gulf that exists between the producer and the ultimate consumer."

Mr. STANLEY. Mr. President, monopoly found its origin among English-speaking peoples in the folly of kings rather than in the machinations of merchants or violations of the law. The exclusive right to manufacture cards or glass or leather was conferred upon some royal favorite, and his control of the business was based not upon efficiency or combination with others, but upon fiat of law. Such grant necessarily involved an almost unrestricted right to regulate production and to fix prices. There could be no agreement with a competitor, since the conditions creating the monopoly excluded all competition.

The manifest injustice of such an indefensible exercise of power could not be defended even by the stubborn Elizabeth against the protests of a justly outraged people.

For centuries it has been the purpose of wise Governments to prevent the taking of an unconscionable advantage of a competitor and to secure the greatest freedom of trade and absolute justice to all persons engaged in any productive and legitimate enterprise.

The medieval monopoly no longer exists, but the idea abides; and we often fail to discriminate between the size and the conduct of a business, and to regard as more or less criminal the control of a large proportion of the production and the sale of a commodity without regard to the means or circumstances under which that control was obtained.

No civilized Government would re-create an ancient monopoly. No wise Government will foster it by special privilege conferred by legislation, direct or indirect. On the other hand, the mere size of the business is not in itself an offense. It is a perilous policy to penalize the mere growth of any legitimate enterprise without regard to its character or conduct.

The courts have repeatedly held that the mere size of a business is not cognizable in the enforcement of the laws against combinations in restraint of trade.

There is no limit under the American law to which a business can independently grow. Even a combination of two or more businesses, if it does not unreasonably restrain trade, is not illegal; but it is the combination which unreasonably restrains trade that is illegal. (International Harvester case, 214 Fed. Rept., 994.)

In the case of the United States against the United States Steel Corporation, Justice McKenna says:

The corporation is undoubtedly of impressive size, and it takes an effort of resolution not to be affected by it or to exaggerate its influence. But we must adhere to the law; and the law does not make mere size an offense or the existence of unexerted power an offense.

The absolute control of a single business under a monopoly created by royal grant was its vice. It was not due to over-coming competition. It was not due to the efficiency of the enterprise. It was not due to economies in production. It was not due to any understanding with any other business or any control over the channels of commerce. It was the result of the fiat of law. It was exactly the same right that is now conferred by a patent or a copyright. When these monopolies were overthrown this association of the size of a business and the extent of the business which it controlled with the modern methods used for interfering with commerce have been confused, and while the old monopoly is gone we still indissolubly associate the size of a business with its conduct.

Monopolies in this country never have been big enough to control an entire business. Not the Standard Oil Co., nor the American Tobacco Co., nor the United States Steel Corporation, nor any of the great industrial concerns of America, has ever



acquired an entire business, or ever can, in the nature of things, in all human probability; and yet they have at various times exercised a most pernicious influence upon commerce between the States. They have sought to monopolize business. They have been guilty of extortion. They have affected prices. They have divided territory. They have done a thousand and one things by which the generous and natural law of supply and demand is evaded, and by which the greed of a great corporation can be satiated by the practice of pitiless extortion.

The size of a business engaged in interstate commerce may make it infinitely more hurtful to the public weal in the event it is disposed to violate the laws now made and provided against interference with the freedom of trade; but the size itself is not an offense. The smallest concern in this country is subject to the mandates of the law. It is punishable for any interference in the freedom of trade between the States as well as the largest concern, and so long as the business is not guilty of violations of the law as written the courts can not figure out the per cent of the business it owns and by any manner of means punish it as a monopoly for that reason. As was said in the Keystone Watch case:

As population has swelled and as vast aggregations of men have multiplied their wants, the inevitable trend of modern affairs has called for large business enterprises as well as for small, and we think it no more than reasonable to say that when a large business has proved itself to be beneficial and not harmful to the community it should not be condemned merely because it is large.

Mr. President, to say to any business in the United States, "You become lawless because you have become large" is to punish growth. To say to any great business engaged in a lawful and legitimate enterprise, "You shall cease your activities when you have attained a certain per cent of this business" is not to stop that business there; it is to kill it, because no business can cease to grow that does not cease to live. To stop it is stagnation, and stagnation is death. There is no such thing as absolutely stable equilibrium in the conduct of any great enterprise; it must go up or down.

I have given some study to this question of monopoly, or, more properly speaking, to the multitudinous and ingenious combinations of lawless concerns in an attempt to obtain an inequitable advantage either in the purchase of raw materials or the sale of finished products.

Mr. KING. Mr. President—

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

Mr. STANLEY. I yield.

Mr. KING. May I suggest to the Senator that it would perhaps follow, if the Federal Government penalizes an institution engaged in interstate commerce because it is large and fixes a limit beyond which it may not grow, might not the States, pursuing the same example, interdict the organizations within their borders and say that any big department store that has a capital of a million dollars shall go no further, or prescribe limits as to all activities within their borders, so that in the end you would be met by legislation in States, in counties, and in municipalities restricting the size of the business, which in the end might kill the business itself?

Mr. STANLEY. I will say to the Senator from Utah, it could be done with much greater propriety by the States. The Federal Government has no control, as I will show later, over any private business, except in so far as that business is discharging a public function or is engaged in the business of a common carrier or in commerce between the States. It does not matter about its size. It does not matter about its conduct, so long as it is not a banking concern or a like concern. So long as it is not engaged, not in the shipping of articles in interstate commerce, but in the movement of that commerce, it is not cognizable by the Federal Government, as the Supreme Court has held a dozen times.

Mr. President, to legislate against the growth of a business, to penalize the size and the strength of American enterprise, is contrary to the whole genius of our institutions. We have never been able to compete with the continental tenant upon a few acres of intensely cultivated soil, and in this generation we will not be able to enter into such competition.

We have never been able in mill or factory to compete with the manual skill and the patient toil of the continental artisan in his little shop under his own roof. We have attained an industrial mastery only in the cultivation of broad areas, in the control and management of ponderous machinery, owned and operated by immense aggregations of capital. We not only must do big things, and do them in a big way, in this young and virile empire, but we can do no other kind of thing so well. When we attempt to put a strait-jacket upon any business without regard to the legality of its conduct, we are tying our

own hands and paralyzing the strongest arm, we are doing violence to the aspiring genius of young and mighty America.

Mr. President, I hold no brief for these packers. If it be true that any five great concerns have engaged deliberately, by combination among themselves, in an effort to depress the price and destroy the market for the raw material, and to extort an unnecessary and unwarranted tribute from the hunger of millions, then those concerned, being guilty, should be penalized under the heaviest enforcement of the law, their assets should be reached, and the men behind them should be held personally responsible.

It is not a question as to whether five or six or any number of them shall be permitted to engage, unrestricted and unpunished, in monopolizing foodstuffs in utter defiance of the laws in restraint of trade. It is a question of a remedy, and in this case the remedy is in some instances worse than the disease, if such a thing is possible.

Mr. President, in my opinion, there has never been a greater piece of legislation graven upon the statutes of America than the Sherman Act. While I have had some hand in amending that law, I sometimes doubt if it has been very much improved by amendment. From the day the great authors of that act made it a part of the Federal statutes until now great and ingenious concerns have attempted in a thousand ways to evade it, and any effort at evasion of this law upon the part of combinations in restraint of trade resolves itself into one of three simple expedients. It is either an effort to limit output or to divide territory, or to fix a price, and the thousands of devices all lead to one of those ends. The courts, in tearing the mask from these several efforts to violate the law, have exposed the purpose, have gone to the gravamen of the offense, until now it is, in my opinion, a most difficult thing for any man or any set of men to successfully fix the price of any commodity in interstate commerce above that resulting from the natural flow of the law of supply and demand without a violation of the law.

Mr. KENYON. Has not the Sherman antitrust law been weakened, if not almost destroyed, by the decision of the Supreme Court applying the rule of reason, so that it really has lost a great deal of its efficiency?

Mr. STANLEY. That is true; and in this very connection I express regret that the Supreme Court has extended that rule of reason. In my opinion no two men, I will say to the Senator from Iowa, ever agreed to limit output or production or fix prices or to divide territory, or to do any other thing for the purpose of obtaining an unconscionable advantage in the market place of America, that they did not know it, and nine times out of ten an unreasonable restraint of trade simply means a negligible restraint. I am not criticizing the court, but as a principle of law I hold that a man should not be allowed to say, "I did that which I knew was wrong; I committed an offense against the freedom of the commerce of my country, but I did not do any particular harm, and for that reason I should escape."

Mr. KENYON. Mr. President, I did not intend to criticize the Supreme Court. I have too much respect for the court to do that. But Congress made the law, and Congress never wrote into that law the rule of reason which the court has made a part of the law now.

Mr. STANLEY. As the Senator understands, I do not mean to criticize the court. But the principle, in my opinion, outside of the holding of the court that injustice will be done by a rigid enforcement of the law against restraints of trade is, in my opinion, untenable.

Mr. President, the law as now written, in my opinion, is sufficient, and if not we should amend the existing law against combinations in restraint of trade rather than create new commissions.

It is maintained that a great business, becoming by virtue of its size a monopoly, is a matter of public concern, and for that reason is cognizable by the Federal Government. Now, I do not believe that position is sound. I hold that the size of a business, as I have shown, has nothing to do with its relations to interstate commerce or with the power of the Federal Government over it. A packing house which is a simple butcher shop, not engaged in interstate commerce, covering 20 Chicago blocks, and a butcher shop on the corner of Fourteenth Street and Pennsylvania Avenue, 20 feet square, have identically the same legal status.

It is claimed that the packers are liable to Federal control because they are monopolies; that is to say, that a business which is not subject to Federal control can violate the law and change its whole status. No business is subject to Federal control unless it is a public utility or is engaged in some governmental function like a national bank. It must be remembered that public utilities, like common carriers, not only have

responsibilities by virtue of their status, but they have powers and privileges as well. Could a butcher shop, however large, which successfully violated the laws in restraint of trade, go into court and exercise the right of eminent domain like a railroad? If it is a public utility, it can; and if it is not a public utility it is not under the control of the Federal Government. So that neither the size of the corporation nor its conduct can render it subject to the control of the Federal Congress, and the Congress has no control over the packing or any business except in so far as it is actually engaged in the movement of commodities between the States.

Mr. KING. Will it disturb the Senator to interrupt him at this point?

Mr. STANLEY. Oh, no.

Mr. KING. The word "control" was used the other day in the debate upon the nitrate bill, and it has been used frequently in the discussion of the powers of the Federal Government under the interstate commerce clause of the Constitution. The Senator will recall that that clause of the Constitution states that Congress shall have the power to regulate interstate commerce among the States. Is there not a great deal of difference between control and regulation? Under the power to regulate can it be successfully contended that power is given to the Federal Government to determine the size of a business and to control it in its activities in all of its various shapes and differentiations, or does not the word "regulate" simply mean that it may prescribe reasonable regulations to prevent wrongdoing, the destruction of competition, but may not control to the extent of suppressing and destroying business? What is the meaning of the word "regulate" and the meaning of the word "control," in other words?

Mr. STANLEY. The Senator is more familiar than I with the decisions, but from Gibbons against Ogden down I am free to admit that the construction placed upon the commerce clause of the Constitution of the United States has become broader and broader, until, for the sake of the argument, I am willing to concede that, in so far as the packers are interstate carriers, in so far as the interstate commerce clause of the Constitution gives the Government jurisdiction that is plenary, I am willing to admit that I am in grave doubt about whether the powers enumerated in the bill introduced by the Senator from Iowa might not be exercised, by a strained construction, if the packers were in the operation of stockyards and those stockyards were held by the courts to be an integral part of interstate commerce, an integral part of the system.

But, as I shall show further on, my opposition to the bill is predicated upon the idea that the packer will get rid of his yards and that, having divested himself of any participation in the movement of interstate commerce, it is better to leave the control of the business to the Department of Agriculture, to the Meat Inspection Bureau, to the Federal Trade Commission, and such other bureaus as now have jurisdiction over it, and then to hold them to the strictest account when they do engage in interstate commerce and are guilty of any of the acts with which they are charged.

Mr. KENYON. The question of the Senator from Utah is as to what is covered by the term "power to regulate" under the Constitution. Of course, the minute we begin discussing the interstate-commerce clause of the Constitution we get to a most interesting situation. The Senator from Utah is no doubt familiar with the Lottery case, where the Supreme Court held that the power to regulate included the power to prohibit. There is no claim, I think, that there is any power to destroy, and the bill is not trying to destroy. If the packers are engaged in interstate commerce—and I do not see how anyone can claim they are not—then, if they have a monopoly there comes the power, because monopoly is an obstruction to commerce just as much as anything else could be, and the courts have always held that, and that is the theory upon which the Sherman Act is based.

With reference to the suggestion of the Senator from Kentucky about the stockyards, it has been held, as the Senator knows, in the Swift case, in Two hundred and twenty-second United States, that they were engaged in interstate commerce.

Mr. STANLEY. An integral part.

Mr. KENYON. Yes. In the case the other day in the District of Columbia it was conceded, as I read the statement, by the packers' counsel that that was an incident of interstate commerce; and the Supreme Court said, in the Swift case, that buying and selling in the yards is an incident and a part of interstate commerce. Now, of course, if they are not engaged in interstate commerce we can not act. Our theory is interstate commerce, monopoly, obstructing interstate commerce, the right to regulate the monopoly. That is the theory.

Mr. STANLEY. I am of the opinion that the stockyard is a depot, a market, in which the railroad and the packer are participants. There is a distinction, however, which I am sure the Senator will draw very readily, between the production of edible meats and their subsequent entering into the channels of interstate commerce. When the packer has divorced himself from his yards, when he is no longer engaged in interstate commerce, when he comes into yards controlled neither by the carrier nor by himself but by an independent concern, or by the railroads, if they are permitted to take them over, buys so many thousand head of cattle and takes them to his own private property and converts them into the several uses of the community, either the by-products or the meats, he then does not render himself subject to any Federal control until some part of that product again enters the channels of interstate commerce. When he enters the channels of interstate commerce with that product and makes any arrangement whatever with any other packers, either within the State or without, for the purpose of fixing its price, he is guilty of a violation of existing law.

Mr. KENYON. I call the Senator's attention to a most interesting case decided just a few weeks ago in Indianapolis, I think, where the court held that coal taken out of the ground and subsequently shipped in interstate commerce was, even as it came out of the ground, in interstate commerce. I do not believe the court is right. I think the actual journey in commerce must commence; that the whole scheme or plan must involve that. The cattle coming to the yards in commerce, then being slaughtered, and the product going on in commerce between the States, it seems to me, clearly would be interstate commerce.

Mr. STANLEY. I think it is well to bear that distinction well in mind. The stream is broken when the stock leaves the yards.

Mr. KENYON. That would be true, and I would agree with the Senator if it were not, as the Supreme Court said in the case to which I have referred—the Swift case (222 U. S.)—that here is a great plant, a center of operation, that involves bringing cattle in from one State to another, and a product going out to other States. It is the scheme itself that makes interstate commerce.

Mr. STANLEY. For instance, if we had one slaughterhouse in Chicago, no matter how large, as large as Swift, or if Swift, for instance, should conclude to sell only in the State of Illinois and divest himself of the stockyards, he would be exempt, in the operation of his business, from any act providing for the inspection of meat or review by the department, would he not?

Mr. KENYON. That would be a very close question, I think, and I would agree with the Senator unless they had a plan of bringing stock in from other States, then slaughtering, and selling it in Illinois. I think that would still be in interstate commerce; but, of course, if he bought the stock in Illinois—

Mr. STANLEY. Bought it in the stockyards—

Mr. KENYON. And slaughtered it in Illinois and disposed of it in Illinois, I do not believe it could be considered interstate commerce.

Mr. STANLEY. If the stream is broken in the case of one packer, it would be broken in the case of all. The thing that puts the packer within the purview of the law is participation in the movement of products between the States. I am of the opinion that he must be engaged in that business, and then that part of the business is the basis of Federal jurisdiction, and any inspection afterwards is based upon that transportation.

Mr. KENYON. The Senator will remember the fact that about 90 per cent of the refrigerator cars are owned by the packers. They are used, I suppose, in interstate commerce almost entirely. That element adds to the general character of the interstate commerce of the whole business.

Mr. STANLEY. As I understand it, the refrigerator cars, while owned by the packers, are under the absolute control of the Interstate Commerce Commission, and the packers pay the same freight, subject to the same provisions as any other packer, for the use of their own cars. I would say that if it were possible for the same service to be rendered without the ownership of the cars, I would be more than glad to see them divested of that ownership.

There is no principle more potent as a basis upon which to rest every character of legislation against combinations in restraint of trade than an absolute divorce, a clean-cut separation, without any interlinking arrangement, between the business of transportation and the business of production. The industry and the carrier should have no common interest; they should never be under a common ownership or common control. In my opinion, the ingenious interlocking of the busi-



ness of transportation and production is the one handicap now, in view of the broad construction given to the rule of reason, to the successful enforcement of antitrust legislation. Whenever every carrier in the United States gives to every shipper under the same circumstances and at the same time the same facilities and the same price, the question of monopoly in restraint of trade in heavy and semifinished products will in a great measure be automatically settled.

In my opinion, if the report of the Federal Trade Commission has established and it is a fact that the great packing companies enjoy an inequitable advantage because of their ownership of refrigerator cars, then the money recently appropriated by Congress for the rehabilitation of the rolling stock of the railroads of this country could not be better employed than in the purchase of additional facilities of that character, in order that every meat packer in the United States who is engaged in competition with the five great packers may have an identical service.

I am gratified, indeed, to know that the stockyards, by virtue of a consent decree voluntarily entered into by the packers, as I understand, are to be divorced from the meat-packing business. In that event a great deal of the mischief alleged to exist by the report of the Federal Trade Commission will be obviated.

Mr. President, I am of the opinion that a careful analysis of the pending bill will show that the very acts that it is proposed to prohibit are now in violation of existing law. Since it will be necessary, in order to enforce the finding of the proposed live-stock commission, to go to the same courts that now have jurisdiction over the offenses, if we enact into law the pending bill, we shall be moving in a circle; we shall be creating additional officers and additional experts and additional machinery without obtaining the result at which we aim. For instance, section 12 of the bill provides:

It shall be unlawful for any packer to—

(a) Engage in any unfair, unjustly discriminatory, or deceptive practice or device in commerce; or

(b) Sell or otherwise transfer to or for any other packer, or buy or otherwise receive from or for any other packer, any live stock or live-stock products for the purpose of apportioning the supply between any such packers or unreasonably affecting the price of or creating a monopoly in the acquisition of buying, selling, or dealing in live stock or live-stock products in commerce; or

(d) Conspire, combine, agree, or arrange with any other packer to apportion territory for carrying on business, or to apportion purchases or sales of any live stock or live-stock products, or to control prices thereof in commerce; or

(e) Conspire, combine, agree, or arrange with any other packer to engage in any course of business or to do any act for the purpose of preventing any person from carrying on a competitive or similar business in commerce; or

All of those acts now constitute well-known offenses forbidden by existing laws most of which have been repeatedly interpreted by the courts and their violation is punishable by heavy fines and forfeitures against the offending corporation and in most cases by sentences of imprisonment against the persons directly responsible for such offenses.

Sections 1 and 2 of the Sherman Antitrust Act provide:

Sec. 1. Every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States, or with foreign nations, is hereby declared illegal.

Sec. 2. Every person who shall monopolize, or attempt to monopolize, or to combine or conspire with any other person or persons, to monopolize any part of the trade or commerce among the several States, or with foreign nations, shall be deemed guilty of a misdemeanor, and, on conviction thereof, shall be punished by fine not exceeding \$5,000, or by imprisonment not exceeding one year, or by both said punishments, in the discretion of the court.

The Federal Trade Commission act provides:

Unfair methods of competition in commerce are hereby declared unlawful.

The commission is hereby empowered and directed to prevent persons \* \* \* except banks, and common carriers subject to the acts to regulate commerce, from using unfair methods of competition in commerce.

The Clayton Act provides:

It shall be unlawful for any person engaged in commerce, in the course of such commerce, either directly or indirectly to discriminate in price between different purchases of commodities, which commodities are sold for use, consumption, or resale within the United States \* \* \* where the effect of such discrimination may be to substantially lessen competition or tend to create a monopoly in any line of commerce.

Section 14 of the pending bill provides:

It shall be unlawful for any packer to (a) engage in any unfair, unjustly discriminatory, or deceptive practice or device, or charge any unreasonable price or rate in commerce in connection with its business.

The interstate commerce act of 1920 provides:

All charges made for any service rendered or to be rendered in the transportation of passengers or property shall be just and reasonable; and every unjust and unreasonable charge for such service or any part thereof is prohibited and declared to be unlawful.

So, Mr. President, it appears that if the pending bill shall become a law we will have two separate tribunals with concurrent jurisdiction over identical offenses. Is a commission of three men, at \$10,000 a year, sitting at Washington, better able to discover violations of the acts referred to in Chicago, Omaha, Kansas City, or Fort Worth than the courts and grand juries established at those places? Is it the purpose of this bill to establish an instrumentality for the conviction of alleged offenders without the intervention of a jury or by the decree of a court previously denied the opportunity to ascertain all the facts and circumstances admissible under established judicial procedure?

If the five great packers, or others, are guilty of the offenses enumerated in the several sections of this bill, they are guilty of a gross violation of existing law; they are guilty of pernicious efforts to plunder the producer or to demand an unconscionable tribute from the hunger of a hard-pressed people. In that event they should be indicted and convicted and subjected to the severest penalties provided by the law. For one, Mr. President, notwithstanding my abhorrence of monopoly and especially of monopoly in foodstuffs, I will never give my consent to any unnecessary or devious device by which a defendant accused of a monstrous crime may be deprived of the right to be heard, to have a court or jury fully advised of all the facts and circumstances surrounding his case which are admissible as evidence in a court of competent jurisdiction. If the packing corporations have allotted territory, have arbitrarily fixed the price for the purchase of live stock, have limited the supply by conspiracy among themselves, have practiced extortion in the sale of foodstuffs, they should be mulcted in the heaviest damages, and the individuals personally responsible for the conduct of such corporations should be held to a pitiless personal account.

#### OTHER DUPLICATION.

When we turn to the administrative features of the pending bill we find the same duplications. Section 16 of the bill provides, among other things:

Every operator or packer engaged in commerce \* \* \* shall make such reports and returns, verified under oath or otherwise, as the commission shall require, as will fully and correctly disclose all transactions involved in its business—

And so forth.

The identical provision is found in the Federal Trade Commission act. Under that act the packers are now required—to file with the commission in such form as the commission may prescribe annual or special or both annual and special reports or answers in writing to specific questions, furnishing to the commission such information as it may require as to the organization, business, conduct, practices, management, and relation to other corporations, partnerships, and individuals of the respective corporations filing such reports or answers in writing. Such reports and answers shall be made under oath—

And so forth.

Section 16 of the pending bill further provides that—

Any officer or agent of the Government designated by the commission may, during the usual hours of business, enter and inspect any place used by any packer or operator in its business and examine any books, papers, records or correspondence relating to such business.

The Federal Trade Commission act provides in paragraph 9:

For the purposes of this act the commission, or its duly authorized agent or agents shall at all reasonable times have access to, for the purpose of examination and the right to copy, any documentary evidence of any corporation being investigated or proceeded against; and the commission shall have power to require by subpoena the attendance and testimony of witnesses and the production of all such documentary evidence relating to any matter under investigation. Any member of the commission may administer oaths and affirmations, examine witnesses, and receive evidence.

Paragraph 10 of the Federal Trade Commission act provides:

Any person who shall willfully make, or cause to be made, any false entry or statement of fact in any report required to be made under this act, or who shall willfully make, or cause to be made, any false entry in any account, record, or memorandum kept by any corporation subject to this act, or who shall willfully neglect or fail to make, or cause to be made, full, true, and correct entries of such accounts \* \* \* shall be deemed guilty of an offense against the United States, and shall be subject, upon conviction in any court of the United States of competent jurisdiction, to a fine of not less than \$1,000 nor more than \$5,000, or to imprisonment for a term of not more than three years, or to both such fine and imprisonment.

Section 17 of the pending live-stock commission bill requires "Any packer or operator, or any officer, agent, or employee of such packer or operator, when requested by an officer or agent of the Government designated in accordance with the provisions of this act, to answer correctly to the best of his knowledge, under oath or otherwise, as may be required, all questions touching his knowledge of any matter authorized to be investigated," and provides upon conviction a penalty of a fine not exceeding \$1,000, or imprisonment for not more than one year, or both such fine and imprisonment.

Under existing law, the Federal Trade Commission is authorized to require the furnishing of just such information. That act provides:

If any corporation required by this act to file any annual or special report shall fail so to do within the time fixed by the commission for filing the same, and such failure shall continue for 30 days after notice of such default, the corporation shall forfeit to the United States the sum of \$100 for each and every day of the continuance of such failure.

Any person who shall willfully make, or cause to be made, any false entry or statement of fact in any report required to be made under this act, or who shall willfully make, or cause to be made, any false entry in any account, record, or memorandum kept by any corporation subject to this act, or who shall willfully neglect or fail to make, or to cause to be made, full, true, and correct entries of such accounts, \* \* \* shall be deemed guilty of an offense against the United States, and shall be subject, upon conviction in any court of the United States of competent jurisdiction, to a fine of not less than \$1,000, nor more than \$5,000, or to imprisonment for a term of not more than three years, or to both such fine and imprisonment.

Section 18 of the pending bill provides a penalty of not exceeding \$5,000 or imprisonment for not more than one year, or both such fine and imprisonment, in the discretion of the court, for any failure to make full and true entries, or for the making of false entries in the accounts and records to be kept by a packer or operator, or for altering, mutilating, or concealing accounts and records, or for making any false or fraudulent statement in any return or report required by the bill.

Paragraph 10 of the act creating the Federal Trade Commission provides:

Any person who shall \* \* \* willfully mutilate, alter, or by any other means falsify any documentary evidence of such corporation, or who shall willfully refuse to submit to the commission or to any of its authorized agents, for the purpose of inspection and taking copies, any documentary evidence of such corporation in his possession or within his control, shall be deemed guilty of an offense against the United States, and shall be subject, upon conviction in any court of the United States of competent jurisdiction, to a fine of not less than \$1,000, nor more than \$5,000, or to imprisonment for a term of not more than three years, or to both such fine and imprisonment.

Section 25 of the pending bill provides that a packer, when a registrant, must provide the necessary railroad connections with his place of business and furnish such facilities at a reasonable charge. The transportation act of 1920 in detail compels the packer to provide the same facilities required to be furnished under section 25 of the Gronna bill. I refer to paragraph 7 of that act, which is as follows:

Any common carrier subject to the provisions of this act, upon application of any lateral, branch line of railroad, or of any shipper tendering interstate traffic for transportation, shall construct, maintain, and operate upon reasonable terms a switch connection with any such lateral, branch line of railroad, or private sidetrack which may be constructed to connect with its railroad, where such connection is reasonably practicable and can be put in with safety and will furnish sufficient business to justify the construction and maintenance of the same; and shall furnish cars for the movement of such traffic to the best of its ability without discrimination in favor of or against any such shipper. If any common carrier shall fail to install and operate any such switch or connection as aforesaid on application therefor in writing by any shipper or owner of such lateral, branch line of railroad, such shipper \* \* \* may make complaint to the commission, \* \* \* and the commission may make an order \* \* \* directing the common carrier to comply with the provisions of this section in accordance with such order—

And so forth.

Section 25 further provides for the protection of live stock, and for the maintenance of sanitary conditions in the conduct of its business.

Section 6 of the meat-inspection act, June 30, 1906, covers this whole subject:

SEC. 6. The Secretary of Agriculture shall cause to be made, by experts in sanitation or by other competent inspectors, such inspection of all slaughtering, meat canning, salting, packing, rendering, or similar establishments in which cattle, sheep, swine, and goats are slaughtered and the meat and meat-food products thereof are prepared for interstate or foreign commerce as may be necessary to inform himself concerning the sanitary conditions of the same, and to prescribe the rules and regulations of sanitation under which such establishment shall be maintained; and where the sanitary conditions of such establishment are such that the meat and meat-food products are rendered unclean, unsound, unhealthful, unwholesome, or otherwise unfit for human food, he shall refuse to allow said meat or meat-food products to be labeled, marked, stamped, or tagged as "Inspected and passed."

Section 25, subsections 7 and 8, provides for the keeping of accurate accounts and records, and for the inspection of the place of business of the registrant, and so forth.

All of this is now, as I have hitherto shown, abundantly covered by existing law. In the Agricultural Department, in the Bureau of Animal Industry, in the Federal Trade Commission, to say nothing of the courts of justice, thousands of high and highly salaried officers and experts are now employed to do, and are doing, practically everything provided in this act, with the exception of subsection c of section 12, and of sections 13 and 15, which touch the control of the stockyards, and they are now practically out of consideration.

The sections regulating the ownership of stockyards are a duplication of existing law. It does not mean that we shall

acquire any further jurisdiction over the business of the packer. This proposed law does not give the Government any further control over packing, inspection, transportation, or stockyard facilities than is now exercised by some departments of this Government. It simply leaves these departments in operation, and duplicates them under one head.

#### TREND TOWARD SOCIALISM.

It is urged in justification of this legislation that these five packers control the bulk of all meats now entering into interstate commerce; that by combination among themselves they have monopolized an essential food, and that the necessity for relief justifies the innovation. Assuming, for the sake of the argument, that this is true, meat is not so essential as bread in the maintenance of human life. If it be discovered to-morrow that a combination of millers has materially affected the price of wheat or of flour, shall we organize another commission of three or more men, at \$10,000 a year, with thousands of employees, to regulate the milling business?

Raiment is as essential to life and comfort as is food. The manufacturers of cotton and woolen fabrics are not ministering angels by any means. Having organized this commission for the regulation of the meat packers, is it not incumbent upon us immediately to establish a textile commission?

There is evidence, and abundant evidence, that the so-called Lumber Trust and the master builders of the country have, by an illegal combination, placed a tribute upon every home. Men must have shelter. Shelter is as essential as food or raiment. If this is the remedy, we should immediately begin to prepare for a building commission, a lumber commission, and of course a fuel commission is essential, and so ad infinitum. Now, when we shall have established thousands of commissions, at a cost of millions and hundreds of millions of dollars, to do the work that courts were duly constituted to do—courts which can and should and must finally pass upon all the conclusions of these commissions—when we have established this intricate and difficult machinery at the cost of millions, perhaps billions of dollars to the taxpayer, and have regulated in the last detail the activities of an individual engaged in a private enterprise, is it not a natural, is it not an almost rational demand on the part of the philosophic socialist that the Government, having been put to the expense of regulating these multitudinous businesses now under its control, shall determine a fair price for their commodities? And having determined the price, it will necessarily follow that they should determine a just remuneration for labor, and, having given labor its portion, to say what the original owner should receive; and if we can say what he can receive for one thing, why not for ten, and why not guarantee him a reasonable return upon his investment and let the State take over absolutely what is left of his property?

This is the plan of Lenin and Trotsky, to which we are approaching by successive and inevitable steps.

Is it not time to return to basic principles, to see that this bill and all others like it shall safeguard the liberty of the citizen, and the inviolate right to the use and ownership of private property so long as that property is owned and operated in obedience to the law and without the infraction of the rights of any other citizen?

If the packer, the butcher, the baker, or the candlestick maker in the production or transportation of any commodity, especially a commodity necessary to the health and happiness of the community, attempts by any secret or sinister combination with some competitor engaged in a like enterprise inordinately to increase his earnings by any ingenious interference or infraction upon the freedom of commerce and of the market place, by any attempt to monopolize that market, by the restraint of trade or throttling of competition or the increase in price, we visit upon such malefactor the dread penalties of the law; and if we find that he has been ingenious enough to discover some new and hitherto unpunished device by which his baneful end can be accomplished, we provide a penalty for that device. Every pernicious practice in restraint of trade is now or can be made punishable by law. The commerce clause of the Constitution is broad enough and the Federal Government is powerful enough, its arm is long enough to reach the malefactor. A multitude of special commissions and commissioners, an additional army of high-salaried experts and employees to duplicate the duties of departments already created, and of courts having jurisdiction of these alleged offenses is unnecessary and unwarranted.

Mr. KENYON. Mr. President, I hope to secure some time on Monday to submit a few observations. I shall take only a minute or two this afternoon to put in the RECORD a few matters that Senators may possibly have time to read on the morrow.



I was unable to hear very much of the speech of the Senator from Illinois [Mr. SHERMAN] and his address has not as yet been published in the RECORD; but I understand he made rather serious reflections upon the Federal Trade Commission, and especially upon Mr. Colver. One of the favorite occupations nowadays, of course, is to attack the Federal Trade Commission, and especially Mr. Colver, than whom I do not hesitate to say a more faithful servant of the people never occupied a public office. He has stood up under every kind of assault, abuse, and malice, and he can really be proud, I think, of the enemies he has made. But the charge which, as I understand, was made by the Senator from Illinois, that the Federal Trade Commission had disseminated throughout the world information injurious to the meat business of the United States, is a charge that never had been made in the months of hearings that were had before the Agricultural Committee of the Senate and the hearings in the House.

Mr. McCORMICK. Mr. President—

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

Mr. KENYON. I do.

Mr. McCORMICK. If my memory be not at fault, I think my colleague has made the same charge before on the floor of the Senate.

Mr. KENYON. I think that is true; and the Senator's colleague introduced a resolution on the floor of the Senate calling for certain information relative to that matter, and that information was laid before the Senate. It arose in this way:

On the 27th day of June, 1919, as appears by volume 58, part 2, of the CONGRESSIONAL RECORD, the following occurred:

Mr. SHERMAN. Mr. President, I wish to ask the Senator from Ohio a question. Does he know who the chairman of the Federal Trade Commission is now?

Mr. POMERENE. I think Mr. Colver is the chairman now.

Mr. SHERMAN. Does the Senator know where he is at this time?

Mr. POMERENE. I do not; I am not my brother's keeper in that respect.

Mr. SHERMAN. I am not his keeper, either; but I believe I have some accurate information about where he is. Unless he has returned recently, he is in England. When the Senator speaks of the fostering care of the Federal Trade Commission on our export trade I will say that I believe I will have adequate proof to present here that instead of promoting our export trade he is destroying it in England by unfriendly comments, by violent speeches reported in English newspapers denouncing certain of our export lines. I think he is paying his traveling expenses across the ocean out of such appropriations as this.

On July 10, 1919, as appeared by the CONGRESSIONAL RECORD of that date, volume 58, the Senator from Illinois introduced a resolution which I ask to have set out as a part of my remarks.

There being no objection, the resolution referred to (S. Res. 114) was ordered to be printed in the RECORD, as follows:

*Resolved*, That the Federal Trade Commission be, and is hereby, requested to furnish to the Senate at the earliest possible moment copies of all documents, correspondence, or other papers in its possession relating to its efforts or action in promoting or concerning the export trade in meats from the United States to the Kingdom of Great Britain or any of its colonial dependencies or other countries, and especially any communications by the Federal Trade Commission, or any of its members, officers, agents, or employees, with the officers or agents of any foreign Government, and, more especially, all communications had with the ministry of reconstruction of Great Britain or the members thereof appointed in 1918, and to include all correspondence with the Hon. Charles A. McCurdy, M. P., of the ministry of foods and recently chairman of the committee on trusts; also such correspondence with any other member of the ministry of reconstruction in relation to the meat industries of the United States.

Mr. KENYON. The information requested in this resolution was furnished to the Senate on the 31st day of July, 1919. It is too long a document to put in the RECORD, but portions of it are interesting.

The letter from Mr. Fort, chairman of the commission, to Commissioner Murdock, I ask to have printed as a part of my remarks at this time.

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

SPRING LAKE, N. J., July 19, 1919.

Commissioner MURDOCK,

Federal Trade Commission, Washington, D. C.

MY DEAR MURDOCK: I have your letter inclosing copy of the Sherman resolution, copy of the Report of the Export Division of the Federal Trade Commission, for my amendment or approval, and your request that I make individual reply to the matters covered by the Senate resolution.

In the allotment among the commissioners of the work in the commission the export division, prior to my illness in April, 1919, was directly under my supervision, and the report of Dr. Notz for the division seems to be a complete summary of its activities in relation to export trade in packing-house products.

I have had no correspondence with any British official on the subject of import or export trade or on the meat business of American packers. I have had no communication even remotely connected with that.

The only incident that I recall having to do with the American packers' export trade was at the time that the Federal Trade Commission called for a report as to the operations of the foreign business of the packers. At this time Mr. Levy Mayer, representing Armour & Co., said to me that the real reason that the returns should not be made was that it might involve very heavy additional payment of income tax to the United States Government on the part of his client, and likewise might lead to taxation in Argentina and other foreign countries.

Mr. Mayer exhibited a list of a number of companies doing business in Argentina. As you remember, I was very much outraged at the suggestion that I could or would be party to the defrauding of this Government, or, being a Government official, would be party to a deception on a friendly foreign Government. As you remember, I reported the circumstances immediately to my colleagues, and further discussion of the matter of the returns of the foreign branches of the packing companies was terminated, and I am informed the desired information was demanded and secured without any further delay.

This, I think, covers all my recollections of anything touching on foreign trade of the packers, or the other things covered by Senator SHERMAN's resolution.

With best regards to you and your brethren, I am,

Very truly, yours,

JOHN FRANKLIN FORT,  
Chairman.

Mr. Colver has denied the alleged interview in London and has shown that his expenses abroad were paid by himself.

There are other letters, particularly, and statements on page 3412 of the RECORD that will be of interest to Senators, if they desire to understand some of the methods that the packers were then pursuing.

So that it is true, as the junior Senator from Illinois [Mr. McCORMICK] suggests, that the charge has been made on the floor, but it never had been made in the committees, it never was made by anyone there representing the packers, that the attempt had been made to use the Federal Trade Commission's report to injure American business abroad, or that Mr. Colver had done that thing. Strange it was not urged in the hearings. The Senator's resolution, I think, went to the committee, together with the resolution of the Senator from Indiana [Mr. Watson], asking for an investigation of the Federal Trade Commission as socialistic, which committee was appointed and which committee, I understand, never took one particle of evidence and never did one thing in investigating the resolution of the Senator from Indiana or the resolution of the Senator from Illinois, though that has been over a year ago. It was all a part of the effort to discredit the commission. That charge is a serious charge, of course. If Mr. Colver or the Federal Trade Commission had tried to injure American business abroad, it is a very serious thing. The answer to it is that they did not.

On page 3414 of the RECORD will be found a statement submitting all of these documents:

A letter of May 12, 1915, from Joseph E. Davies, chairman of Federal Trade Commission, to official secretary of the governor general, Melbourne, Australia.

(The four above letters concern a request by the Commissioner of Corporations, subsequently the chairman of the Federal Trade Commission, for a copy of the report of an investigation of the beef industry by Commonwealth royal commission on the meat-export trade of Australia and the supplying of this document. They are in files 2267-1-1 of the Bureau of Corporations and 8029-1-1 of the Federal Trade Commission, and are attached as part of Exhibit 3.)

So that before the time the Federal Trade Commission ever entered into an investigation of the packers here, Australia was investigating that very subject as to meat; and the same is true of New Zealand.

I am embarrassed by not having a copy of the remarks of the Senator from Illinois [Mr. SHERMAN], and I did not hear that part of it, but, as related to me, he said that England became somewhat annoyed and angry over the situation; that England moved to control her meat industry because of what the Federal Trade Commission here had said about the packers, and that our trade with England suffered.

It is true that Britain did show some feeling about the American packer, and I am going to put in the RECORD what I think was the reason for the feeling, and I hope Senators will read it. It was not because of any investigation of the Federal Trade Commission. They had tried to run the blockade with cargoes of meat. Seven consignments were in the prize courts of Britain. They used their influence also to stop a loan of the American Republic to those who were subsequently our allies; at least, it was so published in the newspapers. My proof of that is the great paper published in the State of the Senator from Illinois, the Chicago Tribune. On September 18, 1915, we find this heading on the front page:

Packers ask Lansing to defy England. Cite Hay's dictum to Russia to smash ruling of prize court. Principle at stake.

I will not ask to have that all inserted, but on the next page, as a part of the same article, is this:

VEEDER DEMANDS ACTION.

Henry Veeder, counsel for the Swifts, directly charged England with as "flagrant violation" of international law as Germany committed in the submarine cases. His statement, made after conference with the Packingtown heads, amounted to a demand that the United States defy England in the meat cases and insist on a show-down.

In addition to declaring that the prize court's decision "has been thoroughly inconsistent," Mr. Veeder said England is now "breaking faith with the world when she repudiates the principles of international law, to which she subscribed in the declaration of London."

## BEARING ON THE BIG LOAN.

The possibility of the packers exerting an antagonistic influence on the negotiations now pending in New York for the \$1,000,000,000 loan to the Franco-English commission, because of the Admiralty court's ruling, was held as an improbable development by the Packingtown heads.

They refused to express themselves on the subject, but the intimation was that they would not directly involve the meat seizures in the loan negotiations.

Then there was a cable from London that the packers were to appeal from the ruling of the prize court.

In the issue of the same great paper of Tuesday, September 21, an article, on page 16, is headed:

Reynolds talks of Allies' loan. Chicago banker, back from East, says \$500,000,000 is contemplated.

Mr. Reynolds is the president of the Continental and Commercial National Bank, in which Mr. Armour is one of the heaviest stockholders, and Mr. Reynolds in this interview said:

But the action of the British prize court in confiscating \$2,500,000 of packing-house products was an unfortunate decision, I think, to be laid before Chicago bankers at this time. Packing-house interests are necessarily heavily interested in the larger banks, and, as is shown by their public utterances, they feel aggrieved at the prize court's action.

This was before the report of the Federal Trade Commission had ever been filed or gotten up.

Then, again, in the issue of September 22, 1915, is set out a letter, which was one of three letters from Ambassador Dumba to Baron Von Burian, Austro-Hungarian foreign minister, taken from J. F. J. Archibald, the ambassador's messenger. The article says:

This letter has not heretofore been printed—is dated August 20, and follows.

Here is a letter which might well arouse feeling in England. It was not by any action of the Federal Trade Commission in this country, but by the effort to run the blockade to get meat to the enemies of Britain. Is it any wonder that Britain had some feeling about the packers in this country?

This letter from Mr. Dumba taken from this ambassador's messenger says, among other things:

Says Wilson can control Congress.

That may have been true at that time. It continues:

## CONFERES WITH ARTHUR MEEKER ON A YACHT.

As for the note to protest against British interference with shipping, which has so often been notified and as often postponed, I learn that the issue is delayed in consequence of the imminent declaration of cotton as contraband. The feeling which obtains among the great American importers was accurately represented in Mr. Meagher's (Meeker's) speech. Meagher is one of the principal exporters of the United States, for he is a partner in the Chicago firm of Armour & Co., who, with the firm of Swift, control the meat market of the whole Western Hemisphere.

Mr. Meagher, whom I recently met on a yacht, and whose acquaintance I had already made in Chicago, absolutely regards England's acts as arbitrary. No fewer than 31 ships, with meat and bacon, shipments of his firm for Sweden, valued at \$10,000,000, have been detained in English ports for months under suspicion that they ultimately are intended for Germany.

The negotiations are being so long drawn out, because Mr. Meagher and his companions will not accept a lame compromise, but insist on full compensation or the release of the consignments, in which the bacon may be still sound.

## COULD REFUSE TO SEND MEAT TO ENGLAND.

My informant further gave me to understand he has not yet played his last trump, namely, a refusal to import meat to England under the circumstances. He—that is to say the above-named slaughtering houses—control the Argentine market. At the present moment they are paralyzed here also by the action of the British Admiralty, for the latter has commandeered most of the English freight ships intended to transport meat from Argentina.

Listen to this: If England had any feeling toward the meat packer, would she not have a right to, in view of this statement from the Austrian ambassador:

If England stood face to face with the danger of not being able to get any meat from the United States or Argentina she would soon give in.

That was in 1915. If there is any reason, as charged by the Senator from Illinois, for the feeling in Britain about the meat industry in this country, it is not because of anything the Federal Trade Commission has done; but on account of the efforts to run the blockade and get meat into Germany, which was at war with England, through Sweden, or other countries.

The letter of the President asking for the investigation was dated February 7, 1917, and the report of the Federal Trade Commission was filed July 3, 1918, or about three years after the Dumba letter was published.

I ask leave to have the Dumba letter printed in full; and I may have something more to say on other phases of this question on Monday.

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

The reply of Secretary of State Lansing to the note of the 29th of June, in which your excellency protested against the enormous deliveries of weapons and munitions to the Allies from the United States, was

published here—I do not know whether with the agreement of the Austrian Government—on the 16th ultimo.

As was to be expected, the refusal was quite categorical. The legal arguments are certainly very weak, for the references to articles supplied by Germany and Austria during the Boer War are not to the point and are misleading, for at that time Germany claimed the right to send foodstuffs to the Boers via the neutral port of Lorenzo Marques, and, if I am not mistaken, carried the point after the war against England.

The true ground for the discouraging attitude of the President lies, as his confident, Mr. House, already informed me in January and has now repeated, in the fact that the authorities in a serious crisis would have to rely on neutral foreign countries for all their war material. At no price and in no case will Mr. Wilson allow this source to dry up.

For this reason I am of the opinion that a return to the question, whether officially by replies of your excellency or by a semi-official conversation between myself and the Secretary of State, will not only be useless, but even, having regard to the self-willed temperament of the President, harmful. In this matter I agree entirely with the view expressed by Consul Schwegel in a report attached. The President has broken all the bridges behind him and made his point of view so definite that it is impossible for him to retreat from this position.

## SAYS WILSON CAN CONTROL CONGRESS.

As last autumn, he can always through his personal influence either force the House of Representatives to take his point of view against their better judgment, or, on the other hand, in the Senate can overthrow the resolution already voted in favor of prohibiting the export of guns and munitions.

In the circumstances any attempts to persuade individual States to vote parallel resolutions through their legislative bodies offer no advantages apart from the international difficulties which the execution of this plan presents.

The proposal to forbid passenger ships to carry munitions stands on a different footing, however. Mr. Bryan and his Democratic supporters would stand for this prohibition, and I believe the President would not show himself so intransigent with regard to this action.

## CONFERES WITH ARTHUR MEEKER ON A YACHT.

As for the note to protest against British interference with shipping, which has so often been notified and as often postponed, I learn that the issue is delayed in consequence of the imminent declaration of cotton as contraband. The feeling which obtains among the great American importers was accurately represented in Mr. Meagher's (Meeker's) speech. Meagher is one of the principal exporters of the United States, for he is a partner in the Chicago firm of Armour & Co., who, with the firm of Swift, control the meat market of the whole Western Hemisphere.

Mr. Meagher, whom I recently met on a yacht and whose acquaintance I had already made in Chicago, absolutely regards England's acts as arbitrary. No fewer than 31 ships, with meat and bacon, shipments of his firm for Sweden, valued at \$10,000,000, have been detained in English ports for months under suspicion that they ultimately are intended for Germany.

The negotiations are being so long drawn out because Mr. Meagher and his companions will not accept a lame compromise, but insist on full compensation, or the release of the consignments, in which the bacon may be still sound.

## COULD REFUSE TO SEND MEAT TO ENGLAND.

My informant further gave me to understand he has not yet played his last trump, namely, a refusal to import meat to England under the circumstances. He—that is to say, the above-named slaughtering houses—control the Argentine market. At the present moment they are paralyzed here also by the action of the British Admiralty, for the latter has commandeered most of the English freight ships intended to transport meat from Argentina.

If England stood face to face with the danger of not being able to get any meat from the United States or Argentina, she would soon give in.

What the immediate result here of making cotton contraband will be is hard to say. The anger of those interested in cotton will be enormously increased, but, on the other hand, the fear of threatened confiscation may make the leaders of the Cotton Trust so yielding that they, against their better judgment, may agree to the sale of the greater part of the present supply en bloc to England, who would be in a position in the future to control the whole cotton market, and on peace being declared to force on the whole world this essential raw material.

C. DUMBA.

## CALL OF CALENDAR ON TUESDAY.

Mr. CURTIS. I move that the Senate take a recess until 10 o'clock Monday morning.

Mr. UNDERWOOD. Before the motion is put I wish to suggest to the Senator from Kansas that Monday is the calendar day. A good many Senators are interested in the calendar, and although I do not care to insist upon its particular place on Monday, if an arrangement could be made to have the calendar called on Tuesday it would be quite satisfactory, I am sure.

Mr. CURTIS. I would be willing to have the calendar called on Tuesday, instead of Monday as calendar day.

Mr. UNDERWOOD. Then I ask unanimous consent that instead of calling the calendar on Monday, as usual, it shall be called on Tuesday.

The VICE PRESIDENT. The request is that the rule which applies to Calendar Monday shall be applicable to Tuesday of next week. Is there objection? The Chair hears none, and it is so ordered.

## RECESS.

Mr. CURTIS. I renew my motion that the Senate take a recess until 10 o'clock on Monday next.

The motion was agreed to; and (at 4 o'clock and 53 minutes p. m.) the Senate took a recess until Monday, January 24, 1921, at 10 o'clock a. m.



## HOUSE OF REPRESENTATIVES.

SATURDAY, January 22, 1921.

The House met at 12 o'clock noon.

Rev. James Shera Montgomery, D. D., pastor of Calvary Methodist Church, Washington, D. C., offered the following prayer:

Almighty God, our Heavenly Father, lift upon us all the light of Thy holy countenance. Bless each life with a measure of a great peace and grant unto all of us the spirit of faith, faith in our country, faith in our fellow men, and faith in Divine Providence, which is above all and over all. Amen.

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

REFERENCE OF H. R. 15793 (PURCHASE OF FUEL YARDS, ETC.).

Mr. RHODES. Mr. Speaker, I ask unanimous consent that the bill H. R. 15793, which was erroneously referred to the Committee on Public Buildings and Grounds, be rereferred to the Committee on Mines and Mining.

The SPEAKER. The gentleman from Missouri asks unanimous consent that the bill, which the Clerk will report by title, and which was referred to the Committee on Public Buildings and Grounds, be rereferred to the Committee on Mines and Mining.

The Clerk read the title, as follows:

A bill (H. R. 15793) authorizing the Secretary of the Interior to purchase necessary lands for use of the Government fuel yards, for the erection of a garage, and payment by check by branches of the Federal Government for fuel furnished.

The SPEAKER. The Chair understands the chairman of the Committee on Public Buildings and Grounds consents to this?

Mr. RHODES. He does, Mr. Speaker. I spoke to him personally about the matter yesterday.

Mr. GARNER. Mr. Speaker, let me ask the gentleman if he spoke to any of the minority members of the Committee on Public Buildings and Grounds?

Mr. RHODES. I will say that I failed to do that.

Mr. GARNER. It occurs to me that the gentleman ought to consult some Members on this side of the House before undertaking to get a transfer of this bill. While you have the power on that committee to get it done by vote, you ought to consult some one here in reference to the matter.

Mr. WINGO. If the gentleman will permit me, while I agree with the general proposition laid down, this subject has been before the Committee on Mines and Mining since 1915, and I think that reference to that committee is proper. I agree with the gentleman's proposition, but I do not think there is any question in this case but that this is the proper committee to which to refer the bill.

Mr. GARNER. If the gentleman from Arkansas [Mr. WINGO] insists he has investigated this and thinks it should be referred to the Committee on Mines and Mining, I shall not object.

Mr. WINGO. There is no question about it.

Mr. GARNER. But I think anyone before asking unanimous consent ought to consult somebody on this side.

Mr. WINGO. I agree with the gentleman.

The SPEAKER. Is there objection?

Mr. GARD. Reserving the right to object, what is the subject of the legislation?

Mr. RHODES. Mr. Speaker, the bill merely provides for the acquisition by the Government of the ground by purchase on which the present fuel yards are situated. In 1918 the Government acquired a 5-year lease on a plot of ground in this city to be known as the Government fuel yards, and since that time the Government has been operating the fuel yards, as the place where all the fuel in the District of Columbia is assembled, and from which the fuel is distributed to the various governmental agencies.

Mr. GARD. Has that been under the jurisdiction of the Committee on Mines and Mining?

Mr. RHODES. The original legislation was initiated by Dr. Foster, who was chairman of the Committee on Mines and Mining in 1917. I have spoken to the parliamentarian and also to the chairman of the Committee on Public Buildings and Grounds, the committee to which it was referred, and all to whom I have spoken agree that the bill was erroneously referred.

Mr. BLANTON. Mr. Speaker, I ask for the regular order.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. RHODES]? [After a pause.] The Chair hears none.

## MEMORIAL EXERCISES ON LATE REPRESENTATIVE GARLAND.

Mr. BUTLER. Mr. Speaker, I ask unanimous consent of the House that Sunday, February 6, 1921, may be set apart for addresses on the life, character, and public services of the late Hon. MAHLON M. GARLAND, Representative at large from the State of Pennsylvania.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent that Sunday, February 6, be set aside for memorial exercises on the late Representative GARLAND. Is there objection? [After a pause.] The Chair hears none.

## CONFERENCE ON DISTRICT OF COLUMBIA APPROPRIATION BILL.

Mr. DAVIS of Minnesota. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 15130, being the District appropriation bill, disagree to all of the Senate amendments, and agree to the conference requested by the Senate.

The SPEAKER. The gentleman from Minnesota asks unanimous consent to take from the Speaker's table H. R. 15130, disagree to all the Senate amendments therein, and agree to the conference asked for on the bill, which the Clerk will report.

The Clerk read as follows:

A bill (H. R. 15130) making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1922, and for other purposes.

Mr. GARRETT and Mr. MAPES rose.

The SPEAKER. The Chair will recognize first the gentleman from Michigan [Mr. MAPES].

Mr. MAPES. Mr. Speaker, reserving the right to object, this is the first big appropriation bill, I believe, to be sent to conference since the adoption of the new rule increasing the Committee on Appropriations and limiting the power of the conferees from that committee to accept Senate amendments to appropriation bills that would have been subject to a point of order if offered in the House of Representatives, on account of being legislation on an appropriation bill.

This bill contains several Senate amendments in the nature of legislation which have been considered by the Committee on the District of Columbia, and some of them have been passed upon by the House of Representatives itself. In fact, one of the Senate amendments to the bill, or the substance of it, is now in conference between the two Houses, represented by the legislative committee. I have no desire to object to the unanimous-consent request, because I think the conferees to be appointed by the House are in accord with the action that the House has heretofore taken, but to protect the rights of the House and of the legislative committee I would like to have an interpretation of the new rule by the Speaker. The rule provides that:

No amendment of the Senate to a general appropriation bill which would be in violation of the provisions of clause 2 of Rule XXI, if said amendment had originated in the House, nor any amendment of the Senate providing an appropriation upon any bill other than the general appropriation bill, shall be agreed to by the managers on the part of the House unless specific authority to agree to such amendment shall be first given by the House by separate vote on every such amendment.

My question, Mr. Speaker, is, When should those who are interested in the Senate amendments raise the point of order to protect their rights? Can it be done after the conferees make their report or should it be done now before the bill goes to conference?

The SPEAKER. The Chair understands that the gentleman from Tennessee [Mr. GARRETT] also has an inquiry concerning that matter, and the Chair will recognize him also.

Mr. GARRETT. Mr. Speaker, still reserving the right to object, I agree with the gentleman from Michigan that it is quite important at this time that we should have a ruling upon this new rule, for the benefit of the conferees in particular, in order that they may know their powers in conference, and, of course, for the benefit of the Members generally. And I have reduced to writing a parliamentary inquiry which I think will, when answered, give an interpretation that will serve as a guide to the conferees. And if I may, I should like to submit that inquiry at this time, a copy of which is at the desk of the Clerk.

The SPEAKER. The Chair will be glad to consider it. The Clerk will report the inquiry.

The Clerk read as follows:

Mr. GARRETT submits the following parliamentary inquiry: Section 2 of Rule XX provides:

"Section 2, Rule XX:

"2. No amendment of the Senate to a general appropriation bill which would be in violation of the provisions of clause 2 of Rule XXI, if said amendment had originated in the House, nor any amendment of the Senate providing an appropriation upon any bill other than a general appropriation bill, shall be agreed to by the managers on the part of the House unless specific authority to agree to such amendment shall be first given by the House by a separate vote on every such amendment."

If the House by unanimous consent or by special resolution from the Committee on Rules disagrees to all Senate amendments en bloc and asks for or agrees to a conference with the Senate, and there are Senate amendments obnoxious to the rule above quoted and the conferees without instructions from the House recede from their disagreement and agree to such amendments, will the conference report so including such illegal amendments be subject to a point of order, as in cases where conferees exceed their authority and include in their report matters not in disagreement?

Mr. DAVIS of Minnesota. Mr. Speaker, after listening to the statement of points made by the gentleman from Tennessee [Mr. GARRETT] and by the gentleman from Michigan [Mr. MAPES], I will state briefly what conclusion I had come to, and I believe the conclusion of the other conferees who will be appointed with me, before hearing the statement of the gentleman from Tennessee. It was this, that I, as a conferee—and I think my brother conferees will agree with me—do not propose under this new rule to agree to any matter that would be subject to a point of order if the matter had been put on in the House. In other words, anything in violation of clause 2 of Rule XXI we expected—or I did—to absolutely not consider at all in the conference, and if the Senate persisted in that, to come back to the House on each one of these amendments and get the consent of the House by a vote thereon.

That was the conclusion that I came to before these questions were raised. I am aware of the position that I and other conferees on appropriation bills are placed in, and I am glad the gentlemen raised the point, and I would be very glad to have the Speaker make a ruling now to govern me, although I am inclined to think that the statement I have made will, under the rule, be virtually the decision that will be rendered. The Chair will excuse me for forecasting or prejudging what the decision may be, but I hope that will be the decision. But I have stated the position I would have taken in case no decision was made on the subject.

Mr. GARRETT. Mr. Speaker, I do not know that I have any desire to suggest any particular ruling. My purpose in presenting the inquiry was merely that we might have a ruling for our guidance, and particularly for the guidance of the conferees.

Of course, this is the only new part of the rule. All of these matters that we have been dealing with on the appropriation bills that have come up before have been in accordance with the rules as they have existed heretofore. But this part now is new, so far as the House is concerned, and it is going to be very interesting to watch the working out of it. Probably if a ruling is made, as suggested by the gentleman from Minnesota [Mr. DAVIS]—and, so far as I am individually concerned, I am inclined to agree with him and do agree with him that that is the correct ruling—that probably presents a situation in which we have prevented what is called “a full and free conference.” In other words, the conferees are to a certain degree instructed in advance.

But I do not care to go into any argument as to what should be the ruling. I have simply submitted my inquiry in order that we may have a ruling.

The SPEAKER. This rule is a radical departure from the custom of the House in the past, and it is, as the gentleman from Tennessee [Mr. GARRETT] and the gentleman from Michigan [Mr. MAPES] suggest, important that the House should know in advance what the ruling of the Chair would be, and both gentlemen were courteous enough to suggest to the Chair in advance that they wished to raise the question, and the Chair has been considering it.

What the Chair wishes to do, as every Member of the House will wish, is to adopt the system which will best further the business of the House. It is very obvious that this new rule is going to interfere with the past methods of conferences, because as the gentleman from Tennessee suggests, the House conferees do not go into “a free conference”; they are hampered by this rule. And what the Senate conferees will do it is impossible to predict.

At the same time the Chair, of course, is bound as far as practicable, to give the interpretation which the Chair thinks was intended by the House in adopting the rule, and also to facilitate the transaction of business. It might be construed, and I suppose this is the point which the gentlemen both wish to have settled, that when the House by unanimous consent disagrees to the Senate amendments and sends the bill to conference, the House thereby waives the provisions of the new rule, which says that there shall be a separate vote upon each question which is subject to the rule. But the Chair thinks that certainly would be a strained interpretation, and one which, at first, at any rate, ought not to be adopted. We ought at least to have some experience under the rule, and let it develop and see what difficulties arise; and, at any rate, at the outset we ought to more strictly follow the specific language of

the rule, which is that nothing “shall be agreed to by the managers on the part of the House unless specific authority to agree to such amendment shall be first given by the House by a separate vote on every such amendment.”

The Chair does not imagine that that means in the future that there will necessarily be a separate vote, after the conferees have reported, on every such provision. The Chair thinks very likely by such agreement the House could, if it desired to, have unanimous consent and agree to them en bloc. But the Chair thinks that now the ruling ought to be that if the conferees should agree to an item which was repugnant to this rule, it would so far invalidate the conference report that anybody could make the point of order against it. Therefore, disagreeing by unanimous consent to the Senate amendments and agreeing to the conference asked for by the Senate leaves it subject to a point of order, if the conferees in any respect agree to an item which is obnoxious to the rule. Does that answer the gentleman's question?

Mr. GARRETT. I think so.

Mr. BUTLER. Mr. Speaker, may I ask the Chair a question?

The SPEAKER. Certainly.

Mr. BUTLER. If a measure goes to conference by unanimous consent the House does not waive the privilege it may have hereafter?

The SPEAKER. That is the way the Chair will rule now. Of course this is a new question, and the Chair reserves the liberty at any time to change its ruling.

Mr. ELSTON. Mr. Speaker, is it within the meaning of the Speaker's announcement that after the conference has begun, and consideration is had of some item that would be subject to a point of order in the House, thereupon the House conferees can come back to the House in the interim and obtain instructions, and then continue the conference, or that the whole matter should be presented when the conference report is finished and presented to the House?

The SPEAKER. The Chair thinks the conferees can come back and report at any time.

Mr. HAUGEN. Mr. Speaker, I am not clear as to the Speaker's ruling. Are we to understand that if the conferees bring back an item which is subject to a point of order, it must be given consideration by the House, and that the point of order will lie in the House?

The SPEAKER. That is the ruling.

Mr. BUTLER. We do not waive anything here.

Mr. MOORE of Virginia. We are not to understand, are we, that the conferees would be precluded from bringing back one item or a number of items with a definite recommendation? That would not be a report of either agreement or disagreement.

The SPEAKER. The Chair is not certain about that, whether they could bring it with a recommendation.

Mr. MOORE of Virginia. It seems to me that if the conferees, in a given case, should come in with a large number of items that had been attached to a bill by the Senate, without any recommendation, the House would be without any guide as to such views as the conferees might have reached during the conference.

The SPEAKER. The Chair would prefer not to rule upon that issue now.

Mr. GARRETT. It seems to me that under the ruling of the Chair the conferees could not bring in a conference report containing recommendations as to matters obnoxious to the rule. Of course, as legislators they could address themselves to the House, suggesting what action they thought the House ought to take upon any given proposition; but if they are permitted to recommend to the House in their conference report matter which is obnoxious to the rule, it seems to me, it would be the very thing which the Chair has just ruled can not be done.

The SPEAKER. The Chair is not aware that the conferees, in the report which they present, have any right to give their reasons. They must recommend either agreement or disagreement, but in the debate they can state their reasons, and can influence the House in that way.

Mr. MOORE of Virginia. Mr. Speaker, with deference to the gentleman from Tennessee [Mr. GARRETT], who knows more about these matters than any new Member can hope to know, it strikes me that the conferees should have full latitude to suggest, and that it will be essential to orderly and prompt procedure in the House, that in many instances they should suggest not simply as individuals but in the conference report itself the views they may entertain. That would not be the report of an agreement or of a disagreement. It would only be an independent statement of the views that they believe should control the action of the House.

Mr. WINGO. Does not the gentleman think that the first suggestion of the Speaker is the proper one, that he confine him-



self to a broad generalization, and not preclude himself or the House by an abstract ruling upon any detail? I anticipate that we are going to have some practical difficulties arise which must be measured by the rule, and, as suggested by the Speaker, it might be well to avoid abstract generalizations on matters of detail, and be content with the general rule which the Speaker has laid down, which I think is correct.

Mr. MOORE of Virginia. I do not urge that my inquiry shall now be formally answered. I am only stating a thought that I think sooner or later will have to be dealt with here if we are to go along as speedily and satisfactorily as we should in the transaction of business.

Mr. BANKHEAD. Mr. Speaker, just one further inquiry in connection with this same question. The matter of procedure is, of course, of extreme importance. Assume that the Senate should put on two obnoxious amendments which were contrary to the rule. One of those amendments might meet with the unanimous approval of the House. As I understand it, the objection to one of the amendments would not invalidate both, in the event that specific objection was not made to both amendments.

Mr. BUTLER. The rule is positive.

The SPEAKER. The Chair is not sure that he understands the gentleman.

Mr. BANKHEAD. Assuming that the conferees agree to two amendments.

The SPEAKER. The Chair understood the gentleman's statement, but did not understand his conclusion.

Mr. BANKHEAD. If a point of order were not made to the first amendment, assuming that it might meet with the approval of the House, but that the second amendment was obnoxious to some Member of the House and obnoxious to the rule, and the Member made a point of order against the second amendment, that would not invalidate the first amendment unless a specific point of order was made against it, would it?

Mr. BUTLER. It would all go out.

Mr. BANKHEAD. Or would it all go out automatically?

The SPEAKER. The Chair thinks the whole conference report could be invalidated by a point of order against one item.

Mr. BUTLER. It would all go back.

Mr. HICKS. Do I understand the ruling to be that if there is any objectionable feature in the conference report, a point of order made against one item will invalidate the whole conference report?

Mr. GARRETT. It does that now.

Mr. BUTLER. It will all go back.

The SPEAKER. The Chair thinks it would.

The gentleman from Missouri asks unanimous consent to disagree to all the Senate amendments and agree to the conference asked by the Senate. Is there objection?

Mr. HAUGEN. Mr. Speaker, for the present I object.

Mr. MONDELL. If the gentleman from Iowa [Mr. HAUGEN] will allow me, it seems to me the Speaker's ruling has made the matter very clear. Will the Speaker allow me just a moment on the question raised by the gentleman from Virginia [Mr. MOORE]. It seems to me that under the Speaker's ruling no conference committee will bring in a conference report containing provision repugnant to the rule of the House, because the inevitable result would be the making and the sustaining of a point of order against the entire report.

It would be idle and useless for any committee of the House to bring in a conference report subject to a point of order. That being true, it seems to me that the practice likely to be followed is this: When the conferees on the part of the House find the conferees on the part of the Senate insistent on an item that is obnoxious to the rule the conferees on the part of the House would report to the House a disagreement, whereupon the matter would be settled under the rule as to whether or no the conferees were to be authorized to agree to the provision. They would then go back and follow the instructions of the House, whatever they might be. But certainly conferees on the part of the House would not, in view of the very clear decision of the Chair, do the idle and fruitless thing of bringing in a conference report that would be subject to a point of order.

Mr. GARRETT. Will the gentleman yield to me?

Mr. MONDELL. If I have the floor.

Mr. GARRETT. I want to suggest, if I may, for the consideration of the gentleman from Wyoming and other gentlemen, particularly those charged with the responsibility of arranging the order of business, that this particular measure which is before us originated in the House. It passed the Senate, and immediately upon its passage in the Senate it was moved that a conference be asked with the House. I have looked at the Record to see the form of that motion. It is my recollection that the usual form of the motion, whichever

body it is made in, is to insist on its amendments or disagreement and ask for a conference. But I want to call attention to the practice that has become very frequent of late years for the Senate to take a House bill, put amendments on it, and immediately ask for a conference without having the bill come back to the House to take such action as the House may see fit on the amendments.

That was not formerly the practice. My recollection is that probably the first measure in which that practice was adopted was the Dingley tariff bill. I was not a Member of Congress at that time. After the Dingley tariff bill had passed the Senate with Senate amendments, immediately, without its coming back to the House, it was moved to insist on the Senate amendments and ask for a conference with the House. I do not think it occurred again until the Payne tariff bill passed the Senate. Then the same policy was adopted. Since that time in recent years it has become almost the custom. The effect of that is it necessitates the House acting first on the conference report. A conference report comes up for action first in the body which agrees to the conference and not in the body that has asked for it.

It has occurred to me that possibly in working under this new rule that it may be desirable to bring about a change in that practice so that the House bill can be returned with Senate amendments and let the House determine what it is going to do with the Senate amendments in advance of any conference being requested or agreed to.

Mr. MONDELL. Under the decision of the Chair to the effect that a conference report being presented that is repugnant to the rule, the entire conference report fails if the point of order is made, I assume, and I think the gentleman from Tennessee will agree with me that no committee of conference would bring back a conference report clearly subject to a point of order. In other words, when they meet, a Senate amendment raising an issue or question between the two Houses which would make a conference report subject to a point of order, the Senate insisting on its amendment, the conferees would come to the House for a decision on the amendment before they agreed to it.

Mr. GARRETT. In other words, I take it that they would report a disagreement.

Mr. MONDELL. They would report a disagreement.

Mr. GARRETT. I think the gentleman is correct about that, and the remarks I made were not intended to suggest anything different. In fact, they are not related to that subject. I was calling attention to what I thought might become a necessary development under the operation of this new rule, namely, to stop the practice of the Senate asking for a conference without first letting the bill with the amendments come back to the House for such action as the House might take upon those amendments.

Mr. HAUGEN. Mr. Speaker, the gentleman from Wyoming has made it clear that any Senate amendment reported back shall be made in order by the House. It matters not what the amendment may be—it may be anything under the sun. The gentleman from Tennessee has referred to the Dingley tariff bill. If the Senate should attach the Dingley tariff bill as an amendment to a bill, the House would have to give it consideration. That is the very thing sought to overcome by the amendment to the rule referred to. Talk about autocratic power and the usurpation of power! It seems to me that if the rule is to be construed as indicated the House would surrender all of its power in its rights to initiate certain legislation and all of its functions to the other body.

Mr. MONDELL. It does not seem to me that the action of a majority of the House of Representatives can be properly or accurately referred to as autocratic. The rule has been adopted. I am simply referring to it, and the rule is to the effect that if the Senate insists on an amendment subject to a point of order, the House must pass upon that matter before the conferees can accept it. What is fairer than that? That is presenting the matter to the House; that is the rule.

Mr. HAUGEN. The purpose of the rule was that amendments made by the Senate not in order in the House should not be in order, and that a point of order would lie against any Senate amendment not in order in the House. Now, as I understand, its interpretation is, Whatever the Senate may suggest by way of amendment it shall be made in order and given consideration by the House.

Mr. BUTLER. Mr. Speaker, will the gentleman yield?

Mr. HAUGEN. Yes.

Mr. BUTLER. The gentleman knows and we all know that many pieces of legislation have been put on appropriation bills, placed there by the Senate, and until the adoption of the rule they were in order, but they will not get through hereafter with

out being passed on. Any piece of legislation put on an appropriation bill reported here by the Senate was in order, but hereafter they will not be in order.

Mr. HAUGEN. But the rule will make them in order.

Mr. BUTLER. Oh, no.

Mr. HAUGEN. I would ask the Chair this question: If the amendment comes back, shall it be given consideration by the House? I understood the Speaker to rule that it should be given consideration by the House after it was reported back.

Mr. BUTLER. That is correct.

Mr. HAUGEN. Mr. Speaker, so that we may know exactly where we are at.

The SPEAKER. Will the gentleman kindly again state his question to the Chair.

Mr. HAUGEN. If an amendment is reported back by the conferees, shall it be given consideration by the House and be held in order?

The SPEAKER. Oh, no. It is subject to a point of order, and any individual Member can make the point of order.

Mr. HAUGEN. Does that send it back to conference?

The SPEAKER. That depends on the action of the House.

Mr. HAUGEN. What becomes of it if it is subject to the point of order?

The SPEAKER. It is ruled out and the conference is nullified.

Mr. HAUGEN. But if a point of order is made against any Senate amendment, can a vote be taken on that amendment?

Mr. DAVIS of Minnesota. If the point of order is sustained, there is no necessity for a vote, for it goes out.

Mr. HAUGEN. If it is subject to a point of order under the rules of the House, does that dispose of it? Or may it be considered by the House?

The SPEAKER. Oh, the House can consider it, of course.

Mr. HAUGEN. If it is in order for consideration that makes it in order.

The SPEAKER. It is in order to be considered as a separate Senate amendment.

Mr. HAUGEN. That makes it in order. That is the thing that we are trying to get away from.

The SPEAKER. That has always been so. A Senate amendment must be acted on by the House.

Mr. HAUGEN. The purpose of the rule was to give the legislative committees power to legislate and recommend legislation.

Mr. BLANTON. Mr. Speaker, if the Chair will permit, I would suggest to the gentleman from Iowa that we still hold a cudgel over this appropriating committee, because if it becomes too autocratic, the same power that gave it authority can take that authority away.

Mr. HAUGEN. Oh, the only protection this House has ever had and the only protection it can have is to make these amendments subject to the point of order, in order that they may be properly considered by the proper committees, and then reported back to the House so that the House may pass upon them. If all Senate amendments are made in order in the House for consideration it takes in the whole scope of legislation, and if the usual rule is followed Senate amendments would be disposed of without consideration by the committees.

Mr. BANKHEAD. Mr. Speaker, the gentleman seems to be under the impression that any Senate amendment would be violative of this rule.

Mr. HAUGEN. Any Senate amendment, as I understand it, can be made in order. It has to come up for consideration and determination by the House. If it comes up for determination, it of course must be in order.

Mr. BANKHEAD. But the rule provides that a Senate amendment which does not violate the rule is in order.

Mr. MCARTHUR. Mr. Speaker, I demand the regular order.

The SPEAKER. This is the regular order. Any amendment of the Senate coming into the House always has been and must be subject to the consideration of the House.

Mr. HAUGEN. And the purpose of the rule is not to make it in order.

The SPEAKER. The rule does not give a Senate amendment such a status that the House can not consider it.

Mr. HAUGEN. I am talking about the rule.

The SPEAKER. Of course, the rule does not provide that the House shall not consider a Senate amendment. Is that the point the gentleman makes?

Mr. HAUGEN. I think that is the purpose of the rule—that no legislation should be put on any appropriation bill, that appropriation should be distinct from legislation, and, as was stated on the floor at the time, that the legislative committees were to authorize legislation, that it should be first given consideration by a legislative committee, and after the authorization has been made, then that the Committee on Appropriations should give consideration to it and prepare appropriation bills accordingly.

The SPEAKER. The purpose of this clause of the rule is to prevent conference committees on appropriation bills legislating without the permission of the House, and the rule provides that the conference committees shall not have the right to agree to a Senate amendment which is obnoxious to the rule.

Mr. HAUGEN. It seems to me absolutely unfair that any new legislation should be put on any bill without its first being given consideration by any committee of the House. In many instances conference reports on appropriation bills come up in the last days of Congress and have to be rushed through, and in some instances no time is given to even read the conference report, and I object for the present.

#### APPOINTMENT OF SPEAKER PRO TEMPORE.

The SPEAKER. The Chair would state to the House that he is liable to be absent the first of next week. In case he is absent, he designates the gentleman from Connecticut, Mr. TILSON, to act as Speaker pro tempore.

#### AGRICULTURAL APPROPRIATION BILL.

Mr. ANDERSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 15812) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1922.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the Agricultural appropriation bill, with Mr. HICKS in the chair.

The Clerk reported the title of the bill.

The CHAIRMAN. When the committee rose last evening, the gentleman from Iowa [Mr. HAUGEN] had reserved a point of order against lines 5 and 6, on page 2.

Mr. ANDERSON. Mr. Chairman, I desire to be heard briefly under the reservation of the point of order.

The CHAIRMAN. The Chair apprehends that a number of points of order will be made during the reading of this bill. In order that the matter may be brought to the attention of the committee, the Chair is going to ask Members making points of order to specify clearly what their objections are. The Chair therefore asks the gentleman from Iowa to specify the objection that he has to the item in question.

Mr. HAUGEN. Mr. Chairman, the committee has authority now to increase the number of employees in the department. There seems to be no question about that, but it has not the authority to increase the number, so far as the heads are concerned.

The CHAIRMAN. Just what is the point of order which the gentleman from Iowa makes?

Mr. HAUGEN. That there is no authority of law.

Mr. ANDERSON. Mr. Chairman, I am not now addressing myself to the point of order. I am in hopes I will be able to persuade the gentleman from Iowa to refrain from making the point of order. I regard the two items to which the point of order is directed, namely, the director of scientific work and the director of regulatory work, as the two most important items in the bill, and I have in mind items carrying very large sums of money, and I am speaking from the standpoint of the development of a definite and permanent forward-looking policy for the Department of Agriculture and the agriculture of the country. If we are going to have a definite and permanent policy for the agriculture of America we must put the Department of Agriculture in America in a position to assume that leadership in agriculture which its position as the foremost scientific institution in the world devoted to agriculture entitles it to assume. It is not a matter of money, it is a matter of men and of leadership, and of providing the department with the human instrumentalities necessary to enable us to assume that leadership. The gentleman who is to be the next President of the United States, in a speech he made at the great Minnesota State fair last September, laid down what I believe to be the most comprehensive agricultural policy ever committed to writing in this country. I want to see the Agricultural Department furnished with the human instrumentalities necessary to carry out that policy. The creation of these two positions is the first step in providing those instrumentalities.

Mr. Chairman, Germany was able to maintain a ring of steel against the combined nations of the world for more than four years, not because her men were braver than those of the other nations, not because she was better prepared in a military sense, but because she had applied the science of her scientific men to the development of a balanced industry and agriculture. I do not desire to emulate the purpose for which she applied those sciences, but we may very well emulate those policies for



the power which they gave. The gentleman from Texas yesterday referred to little bureau chiefs. I do not think he did himself much credit in that reflection. Mr. Chairman, there are chiefs of little bureaus and chiefs of big bureaus in the Department of Agriculture. These men are not in the department because of the salaries which they receive, for most of them are inadequately paid, but they are there because they love the work and because it affords an opportunity for service, and out of the obscurity of long, patient, and untiring research of these men have come the fundamental principles of agriculture upon which all practical agriculture to-day is based. I know that these men are enthusiastic. I know they believe in the things they are trying to do, and it is because I know their enthusiasm and—

Mr. BLANTON. Mr. Chairman, I make the point of order that the gentleman, the chairman of the committee, is not discussing the point of order; in fact, he concedes the point of order, but he is trying by oratory to influence the gentleman from Iowa to withdraw the point of order.

Mr. ANDERSON. Mr. Chairman—

Mr. BLANTON. Mr. Chairman, I ask for the regular order.

The CHAIRMAN. The gentleman from Minnesota.

Mr. ANDERSON. Mr. Chairman, as I say, I know these men are enthusiastic. They are enthusiastic in believing in the things they are trying to do, and we ought to have somebody in the department who can at the proper time encourage that enthusiasm, and who will at other times—

Mr. BLANTON. Mr. Chairman, I ask for the regular order.

The CHAIRMAN. The gentleman from Minnesota is the regular order.

Mr. BLANTON. I know the chairman is a parliamentarian and knows what the rules are.

The CHAIRMAN. The gentleman from Texas demands the regular order. The regular order is, Is there objection made to this item? Does the gentleman from Iowa make the point of order?

Mr. HAUGEN. I make the point of order. I have no objection to the gentleman from Minnesota speaking. I will agree to reserve the point of order.

The CHAIRMAN. As a matter of fact, the gentleman from Iowa reserved the point of order and now he makes the point of order.

Mr. HAUGEN. If necessary, I will make the point of order, but I would be glad to reserve it in order to let the gentleman from Minnesota have opportunity—

The CHAIRMAN. The gentleman from Texas has demanded the regular order; of course, if it is insisted upon—

Mr. BLANTON. I think we ought to get along with the bill, Mr. Chairman.

Mr. HAUGEN. If the gentleman insists upon the Chair determining the point of order, I will make it.

Mr. BLANTON. I know he can not change the opinion of the gentleman from Iowa.

The CHAIRMAN. The gentleman from Iowa makes the point of order against certain parts of this bill. The Chair thinks the gentleman from Iowa should specify a little more clearly than he has done, and the Chair takes it that the gentleman from Iowa makes the point of order against the three officers, director of scientific work, director of regulatory work, and solicitor—

Mr. HAUGEN. No; against two offices not authorized by law. As I stated, the committee under our rule may make appropriations for clerks and scientists in the department—

Mr. BYRNES of South Carolina. Will the gentleman yield?

Mr. HAUGEN. But there is no authority to create new positions such as these.

Mr. ANDERSON. The gentleman has made the point of order, and I desire to be heard on it.

The CHAIRMAN. The Chair would like to know from the gentleman from Iowa the exact point of order that he is making and will ask him to specify the names in this bill to which he objects.

Mr. HAUGEN. Director of scientific work, \$5,000; director of regulatory work, \$5,000; that is the language.

The CHAIRMAN. That is all. The Chair will now hear the gentleman from Minnesota on the point of order.

Mr. ANDERSON. Mr. Chairman, I hope I may have the careful attention of the Chair, because the ruling which the Chair applies to this case will have applicability to other items in the bill. I am free to confess—I want to be entirely fair with the Chair—that the items under consideration present a somewhat closer question than may be presented under some of the other items. I desire his particular attention because of the importance of the positions to which I have tried to direct the attention of this committee.

It is true, Mr. Chairman, there is no law which specifically provides for the employment of a director of scientific work or a director of regulatory work in the department. But, Mr. Chairman, there are employed in the Department of Agriculture agronomists, chemists, meteorologists, all sorts of men of various, sundry, and diverse designations, and there is no specific authorization of law for these employments. There is, however, a general law applicable to all the departments, which has been frequently construed and which may have an applicability to this situation. That general law is as follows, and is in section 169 of the Revised Statutes:

Each head of a department is authorized to employ in the departments such number of clerks of the several classes recognized by law, and such messengers, assistant messengers, copyists, watchmen, laborers, and other employees, at such rates of compensation, respectively, as may be appropriated for by Congress from year to year.

Now, I do not maintain, of course, that these two places are authorized under this law. I refer to it only because I shall have occasion later to refer to the decisions under it, which I think are applicable as well to another provision which I am now going to read.

Section 523 of the Revised Statutes provides:

The Commissioner of Agriculture shall appoint a chief clerk, with the salary of \$2,000 a year, who in all cases during the necessary absence of the commissioner, or when the office of the commissioner shall become vacant, shall perform the duties of the commissioner.

Now, this is the language to which I wish to direct the attention of the Chair:

And he shall appoint such other employees as Congress may from time to time provide in other departments of the Government, and he shall, as Congress may from time to time provide, employ other persons for such time as their services may be needed, including chemists, botanists, entomologists, and other persons skilled in the natural sciences pertaining to agriculture.

Now, it is clearly the intention of Congress in putting that language into the statute to give to the Secretary of Agriculture the broadest possible power to employ persons necessary to carry on the work which Congress provides for by appropriations, and also to give the general authority to appoint the persons for whom Congress might by appropriation provide these salaries.

Mr. CARTER. Will the gentleman yield?

Mr. ANDERSON. Yes.

Mr. CARTER. The gentleman would not contend under the language he has just read that this would give the Secretary of Agriculture the right to appoint these persons?

Mr. ANDERSON. But to employ them.

Mr. CARTER. Or to employ these persons, without an authorization by Congress? The gentleman could not contend that, because the language says and repeats, "as Congress may provide."

Mr. ANDERSON. Ah, but the purpose of that language is to provide an authorization for appointments in those cases where Congress provides an appropriation.

Mr. CARTER. Exactly.

Mr. ANDERSON. Not by specific authorization. It never has been held—

Mr. CARTER. The gentleman from Minnesota is certainly a good enough parliamentarian not to assert that view seriously.

Mr. ANDERSON. I am asserting it in all seriousness, but I defer to the gentleman.

Mr. CARTER. As I understood the gentleman, he said that the Secretary of Agriculture would be authorized to appoint these men as provided in an appropriation?

Mr. ANDERSON. Yes. All this statute does is to authorize the Secretary of Agriculture to make an appointment or to employ a person when Congress has provided necessary appropriation for that person.

Let me direct the gentleman's attention to this: When this proposition first came up, as I recall it, the point of order was directed against an assistant secretary, a man who held an official position. Now, there was reason in the application of the rule to such a case, because it went against not only the inhibition against places not authorized by law but it went against the inhibition of legislation, because, of course, when we appropriated for a new secretary we at the same time imposed upon the Secretary the duties that were imposed upon an assistant secretary by law. The gentleman must keep in mind the fact that there are two inhibitions in this rule. One of them is that Congress shall not provide for places which are not authorized, and, second, that it shall not legislate on appropriation bills. Now, we are not legislating here. If we had provided that these men should perform certain duties; that they should take the place of the Secretary of Agriculture, or impose other duties upon them, then we would have come up against the inhibition of the rule.

But we have made no such provision. We have simply provided an appropriation for the salary of a person whom the Secretary has the right to employ. That is all that we have done.

Mr. CARTER. And the thing I am trying to find out is, Does the gentleman contend that the words "as may be provided by law," or "provided by Congress," would not limit the Secretary in these appointments until after the provision had been made by Congress?

Mr. ANDERSON. We might make this provision in two ways: We might give the Secretary a general appropriation for directing all the work of the department, and under the statutes I have read he would be clearly authorized to employ persons to do that work. There is no question in the world about that. The only difference here is that instead of making a lump-sum appropriation for the direction of the work we provide for two specific positions for which the Secretary of Agriculture has the power to make appointments.

The CHAIRMAN. Will the gentleman from Minnesota permit the Chair to ask him a question?

Mr. ANDERSON. Yes.

The CHAIRMAN. I presume the gentleman contends that the director of scientific work and the director of regulatory work are both scientists?

Mr. ANDERSON. Yes. And I am simply contending that all we are doing in this appropriation is to appropriate \$5,000 for each of two places which the Secretary has the general authority to fill. We are not providing any statutory duties for these people. We are simply providing an appropriation for two men whom the Secretary now has the authority given him by Congress to employ.

I would like to direct the attention of the Chair to a decision of a prior chairman of the committee on a somewhat similar question. The Chair will find the decision in the CONGRESSIONAL RECORD for the third session of the Sixty-second Congress, on page 2732. As I recollect, the question was there raised as to the appointment of a solicitor. I will not go through the debate; I will only read the decision of the Chair, which is very short. The Chair says:

In the opinion of the Chair the precedents are almost uniform, to the effect that under the authority of the act creating the Department of Agriculture, as well as under the authority of the article of the statute which has been read here, it is within the province of this committee to consider any item in an appropriation bill to create and to care for such an employee as this, and therefore overrules the point of order.

Now, in the same session of the same Congress the Chair will find another decision at page 234. I want particularly to direct in this case the attention of the Chair to the argument made by the distinguished gentleman from Illinois [Mr. MANN], because it very well states the rule which is applicable to this situation. The gentleman from Illinois said:

Mr. MANN. Mr. Chairman, if the Chair will permit, I would like to make an observation in reference to the rule. Mr. Chairman, the rulings in regard to matters of this sort are so arbitrary and artificial that sometimes it is necessary to restate them. The rulings are uniform for many years that so far as the salary is concerned the salary in the current law fixes the salary for the bill. In other words, an increase in the salary of an official when that salary is covered by the current law can not be made over a point of order. This is purely artificial ruling, because there is no salary fixed by law for these places.

Which is the situation here. Then he proceeds:

Not long ago some chairman held that current law fixed the salary, because without that the House was in confusion. Now, there is also no law fixing the number of these places.

The Chair ruled on the matter in question there as follows:

It seems to the Chair that the first question for the Chair to ascertain is whether or not section 169 of the Revised Statutes—

That is the section I have read—

authorizes these clerks or whether the head of a department has the right to employ these five clerks. In 1906 Mr. HULL of Iowa was in the chair, and this identical question came up and was decided by him on a point of order made by Mr. Tawney upon clerks of a similar nature in the War Department. Mr. HULL held at that time, quoting section 169, that where the statute had authorized the head of a department to employ clerks and other laborers that it was in order, and he overruled the point of order.

Now, there is no essential point of difference between the power or authority to employ a clerk and the power or authority to employ a chemist or a director of scientific work, especially in view of the fact, as I said before, Mr. Chairman, that we have not in this appropriation bill imposed upon these two positions any official or administrative duties.

I want to direct the attention of the Chair to one or two other more recent decisions. I do so very briefly. The question came up again in the Sixty-sixth Congress, first session, and I direct the Chair's attention to the decision on page 295 of that session. I only read the decision of the Chair:

The Chair believes that the law organizing the Agricultural Department is sufficiently comprehensive to authorize the employment of additional persons by the department from time to time, as the department develops. Therefore the Chair overrules the point of order.

It is clear that the decisions of the Chair heretofore have been as broad as the language itself authorizing the Secretary to employ other persons as they might be needed in the department.

I have another decision here that I will just refer to by title. The Chair will find the decision in the Sixty-fourth Congress, first session, at page 2851, again sustaining the position which I am now taking. In fact, I think it has uniformly been held that, under the general authority authorizing the Secretary of Agriculture to employ other persons, it is in order to appropriate for the persons whom the Secretary of Agriculture is authorized to employ or appoint.

Mr. HAUGEN. The contention has not been made that the committee has no authority to make provision for certain employees in the department, but its authority is limited. I admit it has authority to report increases in the number of positions in the clerical force, but it has not the authority to report creating new positions as indicated.

When this matter was under consideration in the Sixty-fifth Congress, third session, on the 30th day of June, the gentleman from Illinois [Mr. MANN] made a point of order against the bill carrying an additional Assistant Secretary. Let me quote the RECORD, on page 2368:

Under this organic act we have the authority in the appropriation bill to increase the number of clerks, to increase the number of chemists, to increase the number of scientific men working in the Department of Agriculture, and have so authorized in the organic act—

Exactly as stated by the gentleman from Minnesota [Mr. ANDERSON]. Then he adds:

These organic acts refer not to the superior officer at the head of the department, but to the personnel of the department. In the language of the organic act creating the commissioner of agriculture, the language relates to certain under employees or officials. It does not relate to the men who are supervising officials at the top. And it seems to me that while it is in order to increase the number of employees of the department below, it is not in order to increase the number of officials at the top, which are not covered by the language of the organic act.

I quote from the Chairman's ruling. Mr. HAMLIN was in the chair. He ruled:

The CHAIRMAN. The organic act undoubtedly gives the Secretary of Agriculture authority to increase any given number of employees in the different places provided for by law, but that does not apply to administrative positions, such as Assistant Secretary to the department. For instance, the Chair thinks that the position of First Assistant Secretary is one position, and that of Second Assistant Secretary is a different position, and the Third Assistant Secretary is still a different position, and so on. The Chair does not think that the organic act gave the Secretary of Agriculture authority to increase the number of Assistant Secretaries, and you can not appropriate for such a position against a point of order unless Congress has authorized or created the particular position. The Chair therefore sustains the point of order.

That seems to me as clear as day, and the two provisions are on all fours. The gentleman from Minnesota [Mr. ANDERSON] says he assumes that the director is a scientist. The language in the bill does not so state. He may be a scientist, or he may be a politician. I do not know.

Mr. ANDERSON. I just want to make this observation, Mr. Chairman: Of course, if we had undertaken to appropriate for an additional secretary that would have been in violation of the rule, not alone because it was not authorized, but because it was legislation, because we could not provide for an additional secretary without imposing upon him the duties which are imposed by law upon an assistant secretary. But we are not undertaking to impose any duties by law upon these employees.

Mr. CARTER. Mr. Chairman, I know nothing about the duties performed by these two gentlemen—the director of scientific work and the director of regulatory work. They may be very good officials and may serve a splendid purpose, for all I know. I have no interest in stopping the activities of those two gentlemen; but I have some interest in the preservation of the integrity of the procedure and rules of the House. I recall when I first came to Congress how very much fretted and discommoded I often found myself by some of the rules of the House. I well remember that they seemed to me to prevent, preclude, and impede the progress of legislation which at that time seemed to me imperatively necessary; but after my subsequent experience in this House I have come to the conclusion that the rules of the House are about the best check we have upon expenditures from the Public Treasury, and, therefore, the greatest safeguard to the people.

Now, my friend from Minnesota cites to you here section 523, by which the Secretary of Agriculture is authorized to appoint a chief clerk, and so forth, "and shall appoint such other employees as Congress may from time to time provide." That is not and can not be construed by any means to be an authorization to place an amount in an appropriation bill. That simply authorizes the Secretary to appoint certain officials after the law has provided those officials. Now, so far as I can recall, the only authorization further than that cited by the gentleman



seems to be the fact that this item has been carried in appropriation bills heretofore, which is merely an appropriation for a specific term, during the years for which the bill ran, and is not in any way an authorization for the appointment of additional officials by the Secretary of Agriculture, as contemplated by this item.

Mr. BYRNES of South Carolina. Mr. Chairman, I simply want to add one thing to what has been said by the gentleman from Minnesota [Mr. ANDERSON].

In the organic act creating the Department of Agriculture that department is authorized to make investigations to secure information on subjects connected with agriculture. On page 410 of volume 4 of Hinds' Precedents, section 3615, the Chair will notice a decision by Chairman Payne, holding that the department being created for the declared purpose of investigation, an appropriation for the instrumentalities of such investigation is within the rule.

I simply suggest to the Chair that the employment of a director of scientific work is an instrumentality for the purpose of conducting the investigations authorized by the organic act creating the Department of Agriculture, and that it is sufficient authority in law for this appropriation. It does not involve the creation of a new bureau, but this is simply an appropriation for an instrumentality to accomplish the work authorized by the organic act, and the language of this decision by Chairman Payne is clearly a precedent for the decision overruling the point of order.

The CHAIRMAN. The Chair is aware that this is a very close question and that there is some conflict in the precedents.

Section 169 of the Revised Statutes has been quoted, which refers to the power of the department to appoint clerks of various classes, messengers, and so forth. If that was the only law in existence the Chair would have no doubt as to his decision, for he would base it on a precedent in Hinds', volume 4, section 3590, in which case a nearly similar proposition was ruled out of order. But referring to the law creating the Department of Agriculture, paragraph 778 of Chapter I, the Chair reads:

The Secretary of Agriculture shall appoint a chief clerk—

And so forth; and then this further power is given him:

He shall, as Congress may from time to time provide, employ other persons for such time as their services may be needed, including scientists, botanists, entomologists, and other persons skilled in the natural sciences pertaining to agriculture.

It seems to the Chair in reading the part of the bill to which objection has been made that the director of scientific work must be assumed to be a scientist in order to be qualified to be a director of that work. The Chair also thinks that the man in charge of the regulatory work should be a scientist.

Mr. HAUGEN. What evidence has the House that either of them is a scientist? There is nothing in the language of the bill to indicate that either are scientists. As I stated, they may be politicians, or they may be fishermen. I do not know. It is simply an assumption, but there is nothing here to show, not even the evidence of the statement of a member of the committee that they are scientists. The gentleman from Minnesota says he assumes they are. Are we going to base it on an assumption? If some Member of the House assumes that some one is a scientist, are we going to make that the basis of an appropriation?

The CHAIRMAN. The Chair asked the gentleman from Minnesota the question, and the answer was that these gentlemen were scientists, and the Chair will assume that that is correct.

Mr. HAUGEN. I should like to ask the gentleman from Minnesota who the scientist is?

The CHAIRMAN. Can the gentleman from Minnesota enlighten the gentleman from Iowa?

Mr. ANDERSON. Of course, there has been no appointment of any gentleman to either of these places. The places do not now exist.

Mr. HAUGEN. We have only the assertion of the gentleman from Minnesota that they are scientists.

Mr. ANDERSON. The Secretary has the power and authority to appoint other persons; he is not confined to appoint scientists or chemists or astrologists.

The CHAIRMAN. The Chair fortifies his position by a further authorization in the law. The Chair finds that in addition to the power to appoint scientists the Secretary of Agriculture has the power to appoint other persons, persons skilled in science pertaining to agriculture. It seems to the Chair that the authority granted to the Secretary of Agriculture is extremely broad—undoubtedly intended to be so in order to be sufficiently comprehensive to provide for the needs of the department as it develops. While a precedent can be referred to which does not allow the creation of a bureau for the purpose of carrying on scientific investigations without specific authorization, the Chair does not think that ruling applies in this case.

Other rulings would make it clear that the authorization is not broad enough to cover officers high up in the department. But the Chair thinks that in order to carry on the work of the department the Secretary is authorized under the organic law to appoint men who are not at the very top of the department. Therefore the Chair feels that the point of order made by the gentleman from Iowa is not well taken. To further fortify the Chair's decision, he refers to page 2732 of the CONGRESSIONAL RECORD, February 7, 1913, where a ruling was made which is in line with the ruling of the present occupant of the chair. The Chair also cites the ruling of Chairman MADDEN on May 27, 1919, in a case almost parallel to the present one. The Chair overrules the point of order.

The Clerk read as follows:

For salaries and compensation of necessary employees in the mechanical shops and power plant of the Department of Agriculture, \$100,000: *Provided*, That hereafter the Secretary of Agriculture may, by transfer settlement through the Treasury, reimburse any appropriation made for the salaries and compensation of employees in the mechanical shops of the department from the appropriation made for the bureau, office, or division for which any work in said shops is performed, and such reimbursement shall be at the actual cost of such work for supervision and labor.

Mr. HAUGEN. Mr. Chairman, I make a point of order against section 9, which provides that the Secretary may transfer, and so on; it is new language.

Mr. ANDERSON. I concede, Mr. Chairman, that the language is subject to a point of order. It will save money to the department, but if the gentleman from Iowa does not care to save the money, he can make the point of order.

Mr. HAUGEN. Oh, I understand what the question is.

The CHAIRMAN. The gentleman from Iowa makes the point of order that it is not authorized by law.

Mr. HAUGEN. Yes; it is new legislation.

The CHAIRMAN. The Chair sustains the point of order.

Mr. HAUGEN. Mr. Chairman, I offer the following amendment.

Mr. BANKHEAD. Did I understand the Chair to sustain the point of order to the original paragraph?

Mr. HAUGEN. Only to the proviso, and I offer this as a substitute for the paragraph.

The Clerk read as follows:

Page 3, line 7, strike out lines 7, 8, and 9 and insert in lieu thereof the following: "One mechanical superintendent, \$2,500; 1 mechanical assistant, \$1,800; 1 mechanical assistant, \$1,400; 1 mechanical assistant, \$1,380; 1 engineer, \$1,400; 1 electrical engineer and draftsman, \$1,200; 1 chief engineer, \$1,800; 2 assistant engineers, at \$1,200 each; 2 assistant engineers, at \$1,000 each; 10 firemen, at \$1,080 each; 1 fireman, \$840; 4 firemen, at \$720 each; 1 chief elevator conductor, \$840; 10 elevator conductors, at \$720 each; 3 elevator conductors, at \$600 each; 1 superintendent of shops, \$1,400; 1 cabinet shop foreman, \$1,200; 5 cabinetmakers or carpenters, at \$1,200 each; 3 cabinetmakers or carpenters, at \$1,100 each; 9 cabinetmakers or carpenters, at \$1,020 each; 3 cabinetmakers or carpenters, at \$900 each; 1 instrument maker, \$1,200; 1 electrician, \$1,100; 2 electrical wiremen, at \$1,100 each; 1 electrician or wireman, \$1,000; 1 electrical wireman, \$900; 1 electrician's helper, \$840; 3 electrician's helpers, at \$720 each; 1 painter, \$1,020; 1 painter, \$1,000; 5 painters, at \$900 each; 5 plumbers or steamfitters, at \$1,020 each; 2 plumber's helpers, at \$840 each; 2 plumber's helpers, at \$720 each; 1 blacksmith, \$900; 1 elevator machinist, \$1,200; 1 tinner or sheet-metal worker, \$1,100; 1 tinner's helper, \$720; 4 mechanics, at \$1,200 each; 1 mechanic, \$1,000."

Mr. HAUGEN. Mr. Chairman, that is a substitute and places them on the statutory roll instead of a lump-sum appropriation of \$100,000. This carries exactly the amount of last year. It puts them on the statutory roll.

Mr. BLANTON. May I ask the gentleman a question?

Mr. HAUGEN. Yes.

Mr. BLANTON. Are any of these positions and salaries contained in the gentleman's amendment not authorized by law?

Mr. HAUGEN. I think they are authorized by law.

Mr. BLANTON. Does the gentleman know that some of them are not authorized by law? His argument was so novel, in the light of past transactions, that I had simply to sit here and be amused.

Mr. HAUGEN. I think there is a distinction between the two. I have not made a point of order against any position of the department as ruled by the chairman two years ago. On the point of order made by the gentleman from Illinois it was sustained and it has now been reversed. I am not finding any fault with reversing the decision. I think the rule is clear as to the clerks in the departments and that it has the authority to increase the number, but no authority to increase the salaries. But shall this Congress make lump-sum appropriations in lots of \$100,000, or will it exercise its right in fixing a limit on the salaries? Shall we leave it entirely to the department? I believe that sane business requires that Congress should have something to do with fixing the salaries and determining the number of employees.

Mr. BLANTON. I am with the gentleman. I have been against him heretofore, but I am with him now.

Mr. HAUGEN. All this does is to put them on the statutory roll at the same salary carried in the current year instead of making a lump-sum appropriation of \$100,000 to be expended as the department may in its discretion deem wise. I am not reflecting on the department, but the employees therein are not always infallible. I believe Congress has certain duties to perform, and that it should perform its plain duty and should determine the number of employees as well as their salaries. That has been the policy of the committee heretofore which has handled these appropriations. I might say that the bill as prepared heretofore carried 6,000 positions on the statutory roll. I believe it is a sane business policy and we ought to adhere to it.

Mr. ANDERSON. Mr. Chairman, I desire to oppose the amendment. I merely want to state some of the considerations which moved the committee to provide a lump sum in lieu of the statutory mechanical roll. With the statutory mechanical force it is necessary to keep employees at all time, men who can do the mechanical work necessary to be done for the department, with the result that frequently these men are not employed as they might be at full capacity. Under the lump-sum amount they can be employed from day to day or hour by hour as they are needed, and a lump sum will give a flexibility which is not possible when they are on the statutory roll. Besides this, the statutory roll, which the gentleman from Iowa proposes and which we carried last year, carries \$10,240 more than is carried under the lump-sum appropriation. If gentlemen of the House want to save \$10,240 by providing a flexible mechanical force that can be employed as they are needed, then they ought to vote against the amendment of the gentleman from Iowa. If, on the other hand, they are willing to give \$10,240 for the privilege of writing into the bill a page of statutory places, they ought to vote for that amendment. That is the entire situation.

Mr. HAUGEN. Oh, I take it that the gentleman wants to state the facts?

Mr. ANDERSON. I not only want to, but I do.

Mr. HAUGEN. I have not added up the amounts, but I am sure there is not that much difference.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The amendment was rejected.

The Clerk read as follows:

Salaries, Bureau of Farm Management and Farm Economics: Chief of bureau, \$5,000; assistant to the chief, \$2,520; executive assistant, \$2,250; clerks—2 of class 4, 4 of class 3, 7 of class 2, 2 at \$1,320 each, 18 of class 1, 3 at \$1,100 each, 4 at \$1,080 each, 15 at \$1,000 each; clerks or draftsmen—1, \$1,440; 1, \$1,020; draftsman, \$1,200; library assistants—1, \$1,440; 1, \$900; photographer, \$1,400; cartographer, \$1,500; messenger or laborer, \$720; messenger boys—1, \$600; 3 at \$480 each; charwomen—1, \$480; 5 at \$240 each; in all, \$89,830.

Mr. HAUGEN. Mr. Chairman, I reserve the point of order.

Mr. ANDERSON. Mr. Chairman, let us dispose of the point of order.

Mr. HAUGEN. Mr. Chairman, I make the point of order with reference to the use of the word "bureau" wherever it occurs.

Mr. ANDERSON. Mr. Chairman, I do not think that the words are subject to the point of order. The whole question is whether by using the word "bureau" in place of the word "office" you thereby create something that does not now exist. The use of the word "bureau" in lieu of the word "office" does not create anything. It is simply a distinctive title under which we are making these appropriations. So far as I know there is no law creating a bureau of farm management and farm economics. It is simply a convenient title which we use as a general head under which these appropriations are made. The Secretary has general authority, of course, to organize his force in the way which will best enable him to carry out his work. The mere fact that he calls one an office and another a bureau does not create anything, and this does not create anything.

Mr. HAUGEN. Mr. Chairman, I think there are numerous decisions, though I am not prepared to point them out now, which hold that this is out of order. It has never been questioned, so far as I know, and whenever the point of order has been made it has been conceded.

The CHAIRMAN. The Chair is prepared to rule. The Chair sustains the point of order.

Mr. ANDERSON. Mr. Chairman, I ask unanimous consent that the word "office" may be substituted for the word "bureau" wherever it occurs in the paragraph, and in the heading.

The CHAIRMAN. The gentleman from Minnesota asks unanimous consent that the word "office" may be substituted in this paragraph wherever the word "bureau" now appears, and in the heading. Is there objection?

There was no objection.

Mr. SUMNERS of Texas. Mr. Chairman, I move to strike out the paragraph.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. SUMNERS of Texas: Page 3, strike out lines 18 to 25, inclusive, and on page 4, lines 1 to 4 inclusive.

Mr. SUMNERS of Texas. Mr. Chairman and gentlemen of the committee, I desire to direct your serious consideration to the motion which I have made. This item carries an appropriation of \$414,830 for cost of production, farm organization, farm finance, farm labor, agricultural history and geography, land economics, and farm-life studies. This is in addition to the farm demonstration and other agricultural agents scattered through the country. The chief expenditure is for the first item. There are 19 agents regularly in the field, so the chief of the bureau says, getting information, studying the cost of production of the various crops in the country. They select 100 farms in a State, and out of that 100 farms they will pick 25. Once a week, or possibly twice a week, or once a month, some young man will go around to the farmer and find out how he is getting along and what it is costing him to run his business. A good illustration, I imagine, of what they have been doing may be had with regard to cotton. They conducted a study of the cost of cotton production in 1918, and they made the remarkable discovery that one man's crop would cost 8 cents a pound and another man's \$1.07 a pound, and they guessed the average cost of cotton, which, I believe, was 23 cents per pound, but the bulletin containing the guess was not printed until 1920. My objection to this sort of activity is that it is taking the people's money to get a lot of stuff which is crammed away in these departments, which was of but little value at any time, and dead before you get it, and that nobody ever uses it. I am going to quote from the committee hearings on cotton price matter:

Mr. BYRNES. Yes. To give you an idea, this cotton bulletin you have here, which contains 814 records for 1918, was published November 19, 1920; that is two years later.

Mr. TAYLOR. The mimeographed result of that was sent back to all these farmers, a complete statement for all was sent back to these farmers a year earlier than that.

Mr. BYRNES. Which would be a year after it was taken, because it says studies for 1918, and they were computed in the fall of 1918.

Mr. TAYLOR. They were taken in the spring of 1919. It was in the spring of 1919 that I took charge of the office.

Mr. BYRNES. How does it represent the cost for 1918?

Mr. TAYLOR. In the spring of 1919 they got the record for the previous year.

Mr. BYRNES. You do not think the average farmer down there, if you collect the information as you have described, has any recollection in 1919 of how much he spent in the spring of 1918 for chopping up cotton?

Mr. TAYLOR. Yes; we think he does.

Mr. BYRNES. Is that the information upon which it is based, that you ask him to recall how much time his children spent in chopping up cotton the previous year?

Mr. TAYLOR. Yes.

Mr. BYRNES. I am frank to say that you have made me lose confidence in your cost production studies.

Mr. TAYLOR. You are not the only one who, at first blush, on a question of that kind would think that your view was correct. I was of that view at one time, but when I see the skill with which the men ask questions—

Mr. BYRNES. It is not the skill with which a question is asked, but it is the skill with which the question is answered that gets me.

Mr. TAYLOR. That is also true; but you must bear in mind that these farmers are going ahead very much the same year after year.

The crop studied had all been sold and the next crop had been sold, and it only lacked a month and 11 days of being Christmas of the next year before it was published. They have been studying farm labor in the wheat belt and getting along pretty well, but they wanted to study the life history of the farm laborers. I quote from the hearings:

They found that one of the difficulties is the lack of continuous employment after the men get out there, and they are studying the life history of the men who come into this region during harvest, getting a notion of the kind of men who come.

It is for that sort of stuff that the people's money is being taken under the guise of rendering service to the American farmer and the American people. They said they did not have quite enough for that particular job, and they wanted \$20,000 to hire some doctor to study and, I suppose, of course, to write the life history of these agricultural birds of passage. I am going to quote again from the hearings:

Then there is also the farm-labor problem, and the ordinary farm monthly hand proposition. We have not been able to touch that, but with the increase of \$20,000 we expect that we will be able to hire Dr. Lescohier or some other man equally as good, we believe, to take charge and devote his entire time to studying the farm-labor problem, first the itinerant labor, and then the regular monthly hand.

They sent some one out here to find out how much it cost to raise beef, and then there is some one studying whether it is better to use horses or tractors. Another man is studying whether it is better to use a reaper or an old hand cradle.



They want to get up a geographical history of the country, and they will draw a lesson for the prairie farmer from the fact that the man in the hills of Tennessee uses a cradle.

We men who come from the South know now that we are not getting the cost of producing cotton. The grain farmer and the stockman know the same thing with regard to their products. Our people are hard up. We need money more than we do to have somebody tell us what we know too well. Yet this section and the two following take over \$400,000. What we want to know is how to change the situation. A man who has fallen overboard 10 miles from shore, where the water is too deep for him to wade and the shore too far away for him to swim, does not care how deep the water is or how far the shore is away if he can neither wade nor swim. He needs a boat, not somebody to crawl on top of his back. He has all the weight he can carry, and so have the taxpayers of this country. We have enough knowledge right now. We want some way in which to apply it. I am getting tired of taking my people's money and using it to pay the salary of a lot of these fellows who run around in their Ford automobiles, take down a few figures, and run back to the hotel and issue a bulletin two years afterwards that nobody cares anything about. This is the most remarkable record of the expenditure of money that I have ever read of.

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

Mr. BLANTON. Mr. Chairman, I ask unanimous consent that his time be extended for five minutes.

The CHAIRMAN. Is there objection?

Mr. ANDERSON. Mr. Chairman, in view of the attitude of the gentleman from Texas [Mr. BLANTON] when I was endeavoring to make a few feeble remarks with respect to the two places on the statutory roll of the Secretary's office, this request is very remarkable. However, I do not object.

Mr. BLANTON. I am sure the gentleman's diplomatic sense of what could happen and what could not—

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. ANDERSON. I have not the slightest objection to the gentleman proceeding now.

Mr. SUMNERS of Texas. Gentlemen, I want to call your attention to the records. This item runs up close to a half million dollars of the people's money. In the report here, if you gentlemen happen to have it, under the head of activities, there is enumerated the activity to which I have directed your attention. Then when it comes to subheading and subdivision of this activity you will find what the people get for their money. Under the head of wheat they pick out some wheat farmers, send these folks around to these various wheat farmers and get records of how much man power they use, how much horse power they use, how much tractor power they use at the time, and bring a report back—I presume on the theory that they can thus find out why and how some particular farmer has raised a crop cheaper than somebody else. Do not confuse these people with the regular demonstration agents. For instance, they will find one man is using four horses and another man is using six horses, and they draw a lesson from that. Now, we who have been raised on a farm know that a man who has four big horses does not have to have six, but just makes use of the four; but if you have six little horses you have to put them in to get the work which the four big horses could do, and yet one of these fellows will go and say, "Here is a man who did so much with four horses; you ought to be able to do with four horses," even though the other man has but six little ones. Now, under the head of farm labor, let us use our horse sense. They go out and make this remarkable discovery, that up in the wheat fields of Kansas where men go in to do that seasonal work, there may not be immediate connection between jobs, and when they get through with cutting the wheat there is nothing at all to do there. It takes Dr. Somebody to discover that—and the people have to pay for the discovery. They say they are not quite ready to handle this thing because they want to know the life history of the fellows. Why, the life history of the next bunch may differ, just as the cost of the next cotton crop will be different. If they can show the use of this stuff I am willing to pay for it, but I am not willing to take the money from my people to pay salaries of these Ford drivers going around over the country trying to teach people who knew before they were born more than they will ever know in the world how to run a farm. Now, they take agriculture, history, and geography, and under the head of that, to illustrate, those who testified before the committee said that in some places they use the cradle and in some places they use these ordinary harvesting machines. Now, they have got another proposition here. They have got a fellow who goes out here and undertakes to talk to the farmers upon insurance contracts—

The CHAIRMAN. The time of the gentleman has again expired.

Mr. ANDERSON. Mr. Chairman, I confess I have a great deal of sympathy with the attitude of the gentleman from Texas with reference to this appropriation. I was not impressed with some of the things which were being done and which it was proposed to do under this item. The committee had that fact in mind when it changed the proportions of the items as between the amount which could be spent for ascertaining the cost of production and the amount which might be spent for the study of power, for the study of farm labor and investigations of that sort, but, Mr. Chairman, this work properly conducted will eventually be of the highest value to the farmers of the country. It is necessary before we can bring it actually back to the farm that some study should be made of a general character in order that we may get the basic information to check against when considering the costs of a particular farm or particular operation. Now, industry generally has the widest and the most complete information with respect to the cost of production in manufacture. We know in a general way, for industry in the country over, what different operations cost, and each manufacturing establishment has the most detailed information with respect to what it cost to produce a given article. We have no such information for agriculture, and before we can have it it is necessary to make certain general studies of cost of production from which general rules can be ascertained before we can make the individual studies which I think ought ultimately to be made.

Mr. SUMNERS of Texas. Will the gentleman yield?

Mr. ANDERSON. In just a moment. Now, the question of cost of production is not a mere matter of bookkeeping. It goes much deeper than that. It comes eventually to the question of an analysis of the operations themselves, in the light of what the operations actually cost, to determine whether the operations can be so modified as to cheapen the cost of production. I recognize the fact that these general studies will not benefit the farmer immediately or directly, but they may help to give the general public an idea that what it is paying for farm products is not excessive considering the cost of production, and we must have that information before we can make the analysis of operations which is necessary as a basis for farm management.

Mr. PURNELL. Will the gentleman yield?

Mr. ANDERSON. Yes.

Mr. PURNELL. I want to ask the chairman what part of this work, if any, he thinks could be done by the agricultural experimental stations?

Mr. ANDERSON. Practically all of it is done in cooperation with the agricultural experimental stations.

Mr. PURNELL. Could they, in his judgment, if they had sufficient funds, take over this work and do it more advantageously than it is now being done by the two separate divisions?

Mr. ANDERSON. I do not think so, because the cooperation which exists now is very complete, and it is necessary to have a central agency which will correlate the work of the different experimental stations, so that all of the information will be upon a comparable basis.

Mr. PURNELL. However, there is necessarily a duplication of work?

Mr. ANDERSON. I do not think so. I do not think there is any duplication. I think the work is done in cooperation which prevents any real duplication of work.

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

Mr. ANDERSON. Yes.

Mr. SUMNERS of Texas. I appreciate that the gentleman in charge of this bill has very broad and liberal views, but I want to ask my friend if he does not recognize this fact, that it is necessary for industry to know the cost of production, because then it is able to write the cost of production into its selling price? Now, then, if it is necessary for industry to do that, it does not follow that a business that has not been able to organize a sales-agent business, so that it can write the cost into the selling price, should have that information.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ANDERSON. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. ANDERSON. The gentleman is dealing with only one side of this proposition, and that is a purely informational side, a determination of the question of cost with a view of determining what the price ought to be. While it is important, it is a relatively unimportant side of the proposition. The real object of this work is to determine the cost of operations in such

a way that analysis of those operations will show which of them is too expensive as compared with the same kind of operations of another farmer or another class of farmers, or between one section and another. You can not get that analysis unless you have as its basis the actual cost of the operations.

Mr. SUMNERS of Texas. Does not the gentleman recognize in regard to agriculture, from a practical standpoint, that the difference in soil and in climate, difference in the products of the farm, production through the different years, and all of those things, make this information not worth the money we pay to obtain it?

Mr. ANDERSON. No; I do not. I know that two farmers farming exactly the same land, side by side, one pursuing one method and the other another method, will get yields altogether different. Those widely differing yields are largely due to the different methods employed. Now, then, if we get such an analysis through, a determination of costs will demonstrate why one man's method is better than another's, and it seems to me we can help the fellow whose cost of operation is too high.

Mr. SUMNERS of Texas. Does not the gentleman think, as a practical proposition, that a man who can not get his information from his neighbor across the way, can not get information from one of these Ford fellows?

Mr. ANDERSON. No; I do not think it is true. I think the history of the work shows it is not true.

Mr. BYRNES of South Carolina. Mr. Chairman, I move to strike out the last two words.

I desire to say to my friend from Texas [Mr. SUMNERS] that in reading the hearings he doubtless overlooked this fact, that while the representative of the department stated that these bulletins as to the cost of cotton production, to which he has referred, are not printed and issued until a year and a half afterwards—that information having been elicited by a question of mine—the representative of the bureau stated, however, that mimeograph copies of the information, secured as a result of this investigation, was immediately forwarded to the farmers of the particular section where the survey was made, and that the information was also made public, and I think it was published in the newspapers of the country. And the fact is that the officials of the American Cotton Association, who are asking to have this very work done as to cotton, secured from the Agricultural Department the information that the bulk of the crop of cotton made during the year 1918 cost about 28 cents; and it enabled them to put before the country the truth as to the cost of cotton production. It was important to the cotton farmers of this country, for many men believed that because cotton had been sold at one time for 10 cents it could still be made for 10 cents, and, notwithstanding the fact that the farmers of the South might assert that it cost 28 cents, they could never convince the people of this country that it cost them that much, but the mere statement of the Department of Agriculture that the agents of the United States Government had gone down into the cotton fields and had ascertained that the cotton crop of 1918 cost 28 cents a pound served to convince the people of the country that if cotton goods were high certainly the farmer was not reaping the unusual profit but that the mills of the country were receiving the major portion of the profit. And it helped the farmers of the State of Texas and the farmers of the State of South Carolina in the demand they are making—a price that will at least enable them to meet the cost of production.

Mr. SUMNERS of Texas. Will the gentleman yield?

Mr. BYRNES of South Carolina. I will.

Mr. SUMNERS of Texas. Does the gentleman stand here and say that that statement, wherever it was made, caused any man to pay one cent more for cotton or got the farmer one single cent more for his cotton?

Mr. BYRNES of South Carolina. I have never assumed to state what fixes the cost of cotton, and I do not think the gentleman from Texas could convince the other gentlemen from the South as to exactly what causes cotton to sell to-day for the prices at which it is being sold. And I can not say that the knowledge of the cost of production increased the price paid for cotton, unless it has served to induce the farmers to hold their cotton for a fair price. But I know that there is not a cotton farmer in this country who would not want to have behind his statement that his cotton is costing him 28 cents the statement of the United States Government that they have investigated it and found that the farmers' allegation is true. It should serve to strengthen the position of those who are holding their crops and demanding a price equal to the cost of production.

And it gives greater effect to the argument which is made with eloquence and effectiveness always by the gentleman from

Texas [Mr. SUMNERS], that the cotton farmers of the South are entitled to more than they are now receiving.

Mr. SUMNERS of Texas. Mr. Chairman, will the gentleman yield for a question?

Mr. BYRNES of South Carolina. I yield.

Mr. SUMNERS of Texas. Does not the gentleman know that the price of commodities is not fixed by argument, but by trade conditions and the conditions of commerce?

Mr. BYRNES of South Carolina. Well, in their fight for better prices, does the gentleman believe that it puts the cotton farmers in any better fix not to have the statement of the United States Government behind them, that their statement as to the cost of production is true?

Mr. SUMNERS of Texas. Not a bit on earth. The buyer does not pay a quarter of a cent more than he is obliged to pay for it.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. JONES of Texas rose.

Mr. ANDERSON. Mr. Chairman, I wonder if we can not come to some agreement as to the time to be expended on this item. Of course, all of this debate with reference to the statutory roll is on the amendment to strike out the statutory roll, which has no relation to the thing that the gentleman from Texas [Mr. SUMNERS] is trying to do. I wonder if we can not get a vote on this particular proposition, which is really an item necessary to carry on this work.

Mr. JONES of Texas. Mr. Chairman, I would like to make a few remarks on this amendment.

Mr. ANDERSON. Mr. Chairman, I ask unanimous consent that the debate on the pending paragraph and all amendments thereto close in 12 minutes, the gentleman from Texas [Mr. JONES] to have five minutes and the gentleman from Kansas [Mr. WHITE] to have five minutes and the gentleman from Minnesota two minutes.

The CHAIRMAN. The gentleman from Minnesota asks unanimous consent that the debate on this paragraph and all amendments thereto close in 12 minutes, the time to be detailed as outlined by him. Is there objection?

There was no objection.

Mr. JONES of Texas. Mr. Chairman, I rise to support the amendment of my colleague. I see here on page 41 of the hearings that Dr. Taylor states:

In a general way, the cost of producing wheat showed a range from about \$1 a bushel up to about \$5 a bushel on the different farms in Kansas.

That indicates the wide range of information that they get, and the lack of accuracy in connection with it. But over here on page 55 it says:

The farm-life studies all look toward a study of the methods of improving country life and making it more attractive from the standpoint of the home and the community, but with the greater emphasis here upon the community and the development of right relations in the community. I should say that this work at the present time is in this stage, that communities that have a better organized life and a more satisfactory country life are being studied and the results being published with a view to stimulating leadership in other communities where less development has taken place, but it all centers upon making farm life more attractive and keeping in the country the better element of our rural population.

I submit that there has been too much attention paid recently to efforts on the part of various people to try to make farm life more attractive. There is always some sort of an uplifter going around who imagines that by the waving of a magic wand or through some subtle process he will be able to make farm life attractive, and bewails the fact that there are many conveniences which men have in the cities which men in the country do not possess. There is one sure way, and only one sure way, to make farm life attractive, and that is to make it profitable, and then these other things will come in the natural course of events. They do not have these conveniences now, not because they do not appreciate them, not because they do not wish to have them, but because farm life is not profitable.

Now, I submit you are not going to get anywhere with the kind of conduct and the character of investigations that are shown to have been carried on by the people under this appropriation, and I believe that we could very much better afford to appropriate more to some bureau or organization of government that is trying to get a better system of distribution in this country. That is the real problem. [Applause.]

Even if you are going to make this appropriation, I would rather transfer it to the Bureau of Markets or strike it out altogether. I would transfer it to the Bureau of Markets, where something tangible and real is under investigation, and through which information of real value is being furnished.



Mr. BLANTON. I want to call attention to the splendid proposition which our colleague [Mr. SUMNERS of Texas] has now brought in to relieve that very situation. At present he can not get it out of committee.

Mr. JONES of Texas. I am glad the gentleman suggested that. I have taken occasion to read the measure of our colleague and his comments in reference to the same, and I believe that his bill is practical with reference to a method of distribution. There are many articles and commodities in the United States for which the producer gets very little but before they reach the consumer the consumer must pay high prices.

If we refer such matters to the bureau in the department that is doing something worth while, there would be some excuse for it; but to appropriate half a million dollars to some people who are investigating something that is of no value, either to the producer or the consumer, is pure folly. I suggest that all we are able to appropriate by the Government at this time should be appropriated toward securing a method of distribution in this country, and the studies that are carried on in the Department of Agriculture should be devoted primarily to the investigation of better methods of distribution in the United States. For that reason I think the paragraph ought to go out. [Applause.]

Much has been said recently of the necessity of securing some measure of relief for the farmers and stockmen of this country. All men agree that practically all the farm produce that has been grown this year and practically all the stock have been sold at less than the cost of production. This is a condition which can not continue if this country is to flourish and the prosperity of the Nation is to endure. This situation brings directly before Congress and before the people the most serious and important problem that the Republic has faced in many years.

As a matter of fact, one of the greatest causes of the trouble is that so many people are living in the cities and too few people are living in the country, and too few people are willing to undergo the burdens of farm life. This condition is getting worse. In the early part of the history of this country only about 15 per cent. of the people lived in the city, and there were then no large cities. In those days about 85 per cent lived in the country. Even 40 years ago 35 per cent lived in the cities and 65 per cent lived in the country. At the present time, according to the latest statistics which are available, about 51.4 per cent of the people of the United States live in cities and towns of more than 2,500 population.

From time to time we have heard statements on the floor of the House to the effect that farm life should be made more attractive; that organizations should be promoted and maintained which would cause the installation of more modern conveniences and better living conditions under which the farmers, the ranchmen, and stock farmers of America are living. This is all very well. It goes without saying, all these things would be appreciated and enjoyed by the people who live in the country, but to suggest this as a remedy or to start trying to change conditions after this fashion is putting the cart before the horse.

I grew up in the country, and until I was grown I had lived nowhere except on the farm where I was born. This place my father is still running. I know something, therefore, of the practical side of life in the country, and I know that it is idle to talk about bettering living conditions in the country or of making farm life more attractive except in one way, and this is the only way to stop the present drift from the country to the city. The way to accomplish this is to make farm life a paying business. On no other basis will conditions ever be changed, and if farm life is made more profitable the modern conveniences, the attractive places, and all of these other things will follow as mere incidents. They have not come heretofore, not because the people have not wanted them but because of the prevailing prices the farmers and stockmen have received they were not able to afford these things.

If the conditions are changed about so that farm life will be more profitable than life in the cities there will be a real back-to-the-farm tendency. Many people do not appreciate the difficulties under which the farmer labors. Many men do not understand the uncertainties of the seasons, the hardships which he has to face. The drift from the country to the city can not be stopped by a mere slogan. You can not drive the American people by a mere process of lecturing them.

On the other hand, by making country life attractive—and the one way to make it attractive is to make it remunerative, for when people have money they are able to surround themselves with conditions through which they can make life attractive—this question will be in a large measure settled. Compare in your own mind the average home in the country with the average

home in the city; contrast the home equipment, the furniture that the average farmer is able to use as compared with the average man who lives in the town or the city; compare the conveniences of these homes of the city man which the average farmer does not possess; compare the average returns of the man on the farm with that of the man in the city; compare the hours which he works, and you soon know the secret of the desire of the boys to leave the farm and go to the crowded city. The permanent prosperity of every man who lives in a town or city is necessarily dependent upon the prosperity of the man who produces the necessities of life.

It is just as certain as can be that we will never be able to get people to till the soil at the old figure. One can well see the conditions that might prevail if everybody moved to the town. We would all starve, and yet a great many more people could move to the country, not only without starving but with the effect of making conditions better in this country.

In view of the many things that have been said here as to the terrible conditions prevailing and as to the remedies that might be put forward, I thought it wise to submit these thoughts in connection with the solution of the problem.

So my way of thinking there are two ways in which farm conditions in this country may be materially improved: First, by securing a better, more efficient, and less wasteful system of distribution in this country, and, second, by increasing or bettering and furnishing larger markets in foreign countries for the raw products of the land in which we live. As an incident to these a better system of rural credits should be devised.

In my judgment the sudden placing of the graduated system of rediscount rates by the Federal Reserve System all at one time and the consequent headlong deflation was a mistake. Of course, everyone realizes that some deflation was necessary, but such as was necessary should have been begun earlier and done gradually. It is simply the difference between being in a 10-story building and desiring to come down with the choice of two methods—first, to jump out of the window, and, second, to come down the stairs. It seems that those in authority chose the method of jumping out of the window. Practically at the same time this was done those in charge of its operation chose to discontinue the activities of the War Finance Corporation. In my judgment the Congress acted very wisely in reviving the work of this body, as it will tend to give us better markets in this country and abroad for the raw products of America.

We must have a better marketing system in this country. A plan must be devised to secure for the producer a larger percentage of what the ultimate consumer pays. We have always paid too much attention to forms and not enough attention to the substance of things. If we will transfer in this bill the appropriations and the activities from some of the useless things to the far more useful and practical problem of bringing the producer and consumer in closer touch with each other, we will perform a work that is really worth while.

In my judgment, also, legislation should be enacted to abolish the wild gambling in futures of farm products through which by means of juggling certain persons are able to manipulate the prices of such products in violation of the legitimate laws of supply and demand. Of course, everyone realizes the necessity for legitimate trading exchanges, but the wild, absurd, and speculative gambling should be checked.

There are some men in this House and elsewhere throughout the country who smile in a cynical sort of way when a plea is made for relief for the American farmer. The man who treats lightly the problems of the American farmer is short-sighted. The American producer faces real problems, and his problems are the problems of the whole country and the problems of the human race. I want to say to everyone who does not take this matter seriously that all the busy prosperity of the cities, their skyscrapers, and their towering buildings of brick and marble, which make such inspiring skylines, with all the hum and spin of industry, are alike dependent upon the success of the producer, and their busy wheels will no longer be heard and those evidences of prosperity will become waste places of decay unless the farms and ranches of this country are rehabilitated and opportunity furnished them to share in that prosperity.

The CHAIRMAN. The gentleman from Kansas [Mr. WHITE] is recognized for five minutes.

Mr. WHITE of Kansas. Mr. Chairman, I want to say it is impossible to ascertain accurately the cost of the production of a bushel of wheat. [Applause.] You can not standardize the cost of a bushel of wheat. It can not be done, because the fact is that the circumstances surrounding its production are so varied the production of a bushel of wheat or a pound of beef or a pound of pork or a bushel of any kind of grain

is beset with so many precarious conditions that it is impossible to ascertain or standardize the cost.

I think of all the useless things that I have heard of, this is the most superlatively useless and extravagant item in this bill or in any piece of proposed legislation of which I have knowledge. [Applause.] In my own district on many farms in the last season volunteer wheat yielded from 20 to 30 bushels per acre. But that establishes no precedent; that fixes no rule; that disseminates no valuable information. I say to you, Mr. Chairman, from the viewpoint of a practical farmer, that the greatest stimulus which a slipshod, poor, needy farmer can have is his contiguity to a good farmer. [Applause.]

This bureau is endeavoring to disseminate information that is being disseminated throughout this country by duplicating agencies that are in a far better position to secure and disseminate the information.

I am in favor of this bill. I am going to vote for it. I do not think it is entirely useless. I am in favor of getting the chinch bug, the boll weevil, the blight, and the rust if it can be done. I do not know how much progress has been made in that direction. Very little, I think. Yet I am for it.

We will swat the fly in his good right eye;  
We will sing the chinch bug's knell,  
And punch a hole in the wicked boll  
And send the blight to—destruction.

[Laughter.]

I say to you, gentlemen, that you can ascertain the cost of a pound of steam pretty accurately, and the cost of any kind of a machine that is built for any purpose, but the man who puts wheat in the ground can not tell how big a crop he is going to get. The farmer is a manufacturer, and the farm is his factory and his investment. He must have tools. He must have a big investment in land, in fences, and in labor. Yet he does not know and can not know whether he will have a crop, or half a crop, or a third of a crop, or a failure. That is incident to every line of agriculture throughout this country, North as well as South, and no man knows how many more bushels of corn or wheat, or how many more pounds of beef, or how many more bales of cotton we will produce because of the activities of the Department of Agriculture. But in this particular instance I shall vote for the amendment of the gentleman from Texas to strike out the section and save to the taxpayers approximately one-half million dollars.

Mr. ANDERSON. Mr. Chairman, I am very sorry to see so many of the gentlemen who say they are practical farmers put themselves in disagreement with those who appeared before our committee and asked for items such as this. I think there is no item in the bill behind which the farmers' organizations are as completely united as they are on the proposition of securing costs of production of farm products. Everybody knows, of course, that you can not say dogmatically that it costs \$1 or \$2 a bushel to raise wheat the United States over. Of course, that is ridiculous; but taking the farm as a factory, as my friend from Kansas [Mr. WHITE] says, you can find out whether the operations of that farm are costing too much or not, and if so why they are costing too much. You can have an analysis of those operations that will enable you to determine which one of them as compared with the same operation elsewhere is costing too much.

Mr. WHITE of Kansas. Will the gentleman pardon a question?

Mr. ANDERSON. I have only two minutes, but I yield to my friend from Kansas.

Mr. WHITE of Kansas. Does not the gentleman think the farmer knows as much about his business as men in other lines of business know about theirs?

Mr. ANDERSON. Of course I do, but the farmer has not the facilities for securing his costs which industry generally has, and I am glad to see him taking a leaf out of the book of industry and undertaking to find out what it is costing him to do business—not upon any guesswork basis, but upon the basis of the scientific ascertainment of costs.

Mr. DEMPSEY. Will the gentleman yield for a question?

The CHAIRMAN. The time of the gentleman has expired.

Mr. ANDERSON. I would be glad to yield to the gentleman from New York, but my time has expired.

The CHAIRMAN. The question is on the motion of the gentleman from Texas to strike out the paragraph.

The question being taken, on a division (demanded by Mr. SUMNERS of Texas) there were—ayes 11, noes 51.

Accordingly the motion to strike out the paragraph was rejected.

The Clerk read as follows:

General expenses, Bureau of Farm Management and Farm Economics: For the employment of persons in the city of Washington and elsewhere, furniture, supplies, traveling expenses, rent outside of the District of Columbia, and all other expenses necessary in carrying out the work herein authorized, as follows:

Mr. ANDERSON. Mr. Chairman, I move to strike out the word "Bureau" in line 5, after the words "general expenses," and insert the word "Office."

The CHAIRMAN. The gentleman from Minnesota offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. ANDERSON: Page 4, line 5, strike out the word "Bureau" and insert in lieu thereof the word "Office."

The amendment was agreed to.

Mr. RUBEN. Mr. Chairman, I offer the same amendment in line 16.

Mr. ANDERSON. That has not been read.

The CHAIRMAN. That paragraph has not been read.

Mr. SUMNERS of Texas. Mr. Chairman, a parliamentary inquiry. That language is divided as a paragraph, but it is not a complete sentence. Is it to be regarded as a complete paragraph for the purpose of offering an amendment? It does not appear to be a complete sentence and does not seem to get anywhere.

The CHAIRMAN. The Clerk will read the next paragraph and then the Chair will recognize the gentleman for an amendment.

The Clerk read as follows:

To investigate and encourage the adoption of improved methods of farm management and farm practice, \$325,000: *Provided*, That of this amount \$150,000 may be used in ascertaining the cost of production of the principal staple agricultural products.

Total for Bureau of Farm Management and Farm Economics, \$414,830.

Mr. ANDERSON. I move to strike out, in line 16, the word "Bureau" and insert the word "Office."

The CHAIRMAN. The gentleman from Minnesota offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 4, line 16, strike out the word "Bureau" and insert in lieu thereof the word "Office."

The amendment was agreed to.

Mr. SUMNERS of Texas. I move to strike out the entire paragraph.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. SUMNERS of Texas: Page 4, after line 4, strike out lines 5 to 17, inclusive.

Mr. SUMNERS of Texas. Mr. Chairman, I recognize that there is no chance to strike out this item. My opposition to the section of the bill just read does not rest upon any disposition to give the committee trouble, but upon what I believe to be a violation of the duty and obligation of the American Congress in dealing with the great business of agriculture and dealing with the finances of a tax-burdened people. I listened to the gentleman in charge of this bill for some justification, for some reason, for not taking this money from where it is appropriated by this section and putting it where it would do some service, or otherwise leaving it in the Treasury. If these committees, if these bureaus, are to hold the confidence of the American people, they must quit spending money to get information which can not be applied definitely to any practical benefit. There are no more practical persons than the farmers in this country, and when you take a half million dollars almost from the people to find out what it costs to produce things that everybody knows are selling below the cost of production and they can not help themselves, they have the right to know why, and why this tax burden. It is not sufficient to say it might do some good, though none has been shown. But the question is, Will it do more good than if otherwise expended? The big fact is known.

We know that the commodities are being sold for less than the cost of production. How much more sure can we be made? What are you going to do with the information when you know that the farmer who is given the information is not getting the cost of production and knows it? If we have any money to spend let us spend it to increase his power to defend himself against the situation. That is what he needs. He needs an opportunity to make the situation better. I challenge anybody on either side of the House to show that the farmers are going to get any benefit out of this information. Yet he is compelled out of his poverty to pay this tax. It is money taken from his children. It is not right.

Mr. FESS. Will the gentleman yield?

Mr. SUMNERS of Texas. I will.



Mr. FESS. The gentleman is a member of the Committee on Agriculture.

Mr. SUMNERS of Texas. No; I do not possess that honor.

Mr. FESS. The gentleman has impressed himself on the Members of the House, including myself, as one who knows considerable about agriculture. I want to ask him whether he is convinced that the expenditure of this money is useless?

Mr. SUMNERS of Texas. It is pretty hard to say whether it is utterly useless.

Mr. FESS. It amounts to nearly half a million dollars.

Mr. SUMNERS of Texas. I can say without any question that in my judgment it is an extravagant and an unjustifiable waste of the public money. That is what I say about it. If gentlemen will examine the hearings made by the committee on this bill they will see that they want to study the life history of the casual laborer that goes into the wheat fields of the Northwest. They want to study the different sorts of insurance policies and help the farmer out on that. They want to study how much you should use a tractor and how much an ordinary plow, and then bring that information back here and give it out.

The CHAIRMAN. The time of the gentleman has expired.

Mr. RAYBURN. Mr. Chairman, I ask unanimous consent that my colleague have five minutes more.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SUMNERS of Texas. Now, to give you a sample, and this is the only one where there was any detailed information in this whole hearing, I have already referred to it. Listen to me. In 1918 they sent out a bunch of fellows—and this is the business for which you are asked to appropriate the money of the people—in 1918 they sent out people to interview farmers of the South—I believe it was in the spring of 1919—to study the production cost of the 1918 crop. They found the difference in the cost of cotton production ranging from 8 cents to \$1.07 a pound. They made some averages. Then they brought that information back here, and in the fall of 1919 they mimeographed it and sent it out to the farmers from whom they had gotten the information, and published it as a bulletin in the fall of 1920. The cotton had been sold before the study began.

Take my own country, on my own farm; this year we planted cotton three times, and it cost to produce that cotton, let us say, 50 cents a pound. As a matter of fact, we did not gather any. The men where the boll weevil did not get at it possibly raised it for 20 to 35 cents a pound. It does not make any difference whether it cost me 50 cents a pound or cost the other man 20 cents a pound, when we bring the cotton to the market we get the same price. You get nowhere with this information. Maybe next year the situation will be reversed. There is nothing of use gotten which the farm demonstrators could not get.

Mr. ANDERSON. Will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. ANDERSON. Of course, if anybody could suggest means by which you could modify the methods of raising cotton so as to decrease the cost of production, you would make more money.

Mr. SUMNERS of Texas. Oh, yes; we know the way to do that. The man on my place is an excellent practical cotton farmer. Under good conditions, if the weevil would stay away, and the rains come right, we could do it.

These folks can not help us. What good will it do us to tell us what it cost to raise cotton, the average cost, year before last, or last year even?

Mr. SUMMERS of Washington. Will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. SUMMERS of Washington. If it could be shown that the cotton farmer was losing money on cotton and he was making money on corn and other crops, that might be of some service.

Mr. SUMNERS of Texas. Yes; but we know about that. This year it happens to be a good year for corn, but next year during July or August there may come a drought and we will not make a nubbin. Does the gentleman think we have got to have a fellow running around in a Ford car at our expense to tell us all that? [Laughter.] We know just about as much in reference to that as any man that ever turned a wheel on a car. We have had enough time paying for what we must have. What we want is a better chance to get more for what we raise, and not take the money out of the pockets of the farmers to pay the expenses of a lot of fellows who are keeping the roads hot.

Mr. JOHNSON of Mississippi. Will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. JOHNSON of Mississippi. Does not the gentleman think it would be better to take this money and appropriate it for

some market system for the farmers which would be more remunerative?

Mr. SUMNERS of Texas. Well, I have talked so much about that and have plead so long with the Agricultural Committee and with the House for help there, and have had no better success than I am having in trying to defeat this item. We know that he needs help in the sale and distribution of his crops. That is where the nerve center of agriculture is located, and if we would take this money and put it there, and put these people to work who are riding on the backs of the farmers of this country, trying to tell men who know more than they do, then we might get somewhere.

The time is coming when the men who plow in this country are going to revolt against this sort of taxation and demand of the American Congress that the money taken from the sale of the products of his farm shall be given back in value. Gentlemen supporting this appropriation say that the manufacturer must know the cost of production. Certainly he must. He can use it. He can write that cost price into the sale price of his product. He is able to write the cost of production plus a profit into the price of his commodity, but the farmer sells in a restricted market to the highest bidder, and everybody knows it. I want to spend this money in helping to put the farmer into position to have something to say with regard to price, instead of wasting it for information which he can not use. What good does it do to tell the farmer that he loses 5 cents or 3 cents? It does not make any difference to him. If the market is 5 cents low, he loses it, and if it 3 cents low he loses that.

Summing up this whole matter, this item is made up of office expenses in Washington, printing, telegraphing, traveling expenses, and so forth. Most of it goes to these expense items and to salaries of "experts." Then after this overhead is taken care of there is not much left, but enough money left out of the \$414,830 to put about 20 men in the field. That seems to be the number of regular outside men. They "study" farm organization, farm finance, farm labor, agricultural history, land economics, get up, or rather work at helping with farm lease contracts, and so forth—"studying" why farm lands have gone up, conducting "rural-life studies," and production cost. For every one of these "studiers" in the field, the people who are being "studied," together with the other taxpayers, are putting up \$20,741 in money.

That is a pretty healthy sum, under a condition like the present, to ask a tax-burdened people to pay for this work of most uncertain value, to say the least of it.

This looks like we are hard pressed to find an excuse to tax the American people. This item ought to be stricken from this bill and this money shifted to the place where the farmers of this country need help.

They need help to reach a condition of economic strength so that they can write into the selling price of their commodities the average cost of production plus a reasonable profit, just as the manufacturer does. I suppose this spring they will "study" the cost of last year's cotton crop. Next fall they will give the farmers who had been "studied" the figures to show that it had been sold below the cost of production, and the next year print a bulletin on the subject, and we will make the people pay for it. Such transactions as this will make up a great record for this "economy Congress."

The CHAIRMAN. The time of the gentleman from Texas has again expired. The question is on the amendment offered by the gentleman from Texas.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 8, noes 30.

So the amendment was rejected.

The Clerk read as follows:

For the maintenance of a printing office in the city of Washington for the printing of weather maps, bulletins, circulars, forms, and other publications, including the pay of additional employees, when necessary, \$11,450: *Provided*, That no printing shall be done by the Weather Bureau that, in the judgment of the Secretary of Agriculture, can be done at the Government Printing Office without impairing the service of said bureau.

Mr. KIESS. Mr. Chairman, I make the point of order against the paragraph, beginning with line 11 and ending with line 18 on page 7. It repeals existing law. I read from page 1270, volume 40, Statute at Large:

That on and after July 1, 1919, all printing and binding, blank-book work, for Congress, the executive office, the judiciary, and every executive department, independent office and establishment of the Government shall be done at the Government Printing Office, except such classes of work as shall be deemed by the Joint Committee on Printing to be urgent or necessary to have done elsewhere than in the District of Columbia, for the exclusive use of any field service outside of said District.

The CHAIRMAN. Does the gentleman from Minnesota desire to be heard on the point of order?

Mr. ANDERSON. Mr. Chairman, may I inquire whether the point of order is against the entire paragraph or the proviso?

Mr. KIESS. The entire paragraph, beginning with line 11 and including line 18. I might say, Mr. Chairman, that it is not the intention of the Joint Committee on Printing to prevent the printing of weather maps at this printing establishment.

Mr. ANDERSON. That is what the gentleman is doing when he strikes this out.

Mr. KIESS. They can come to the joint committee and get permission. The trouble is that each department of the Government that maintains a printing office wants to have the authority to have all its printing done there. The policy as laid down by Congress is to have all printing done at the Government Printing Office when it can be done cheaper than elsewhere. Making the point of order against this paragraph is in the interest of economy and not with the intention of hindering the work of the Weather Bureau. This point of order has been made before on a similar bill, and the bureau came to the Joint Committee on Printing and received permission to do such printing as they could show was necessary to have done at their plant.

Mr. ANDERSON. Mr. Chairman, I am not prepared to sustain the item against the point of order made by the gentleman from Pennsylvania. If the gentleman insists on the point of order, it will have to go out. I know of no statute which authorizes this printing to be done in the Weather Bureau. Of course, the effect of the point of order will be that the Weather Bureau will have no money with which to print maps, and the maps will not be printed.

The CHAIRMAN. It seems very clear to the Chair, in view of the act approved March 1, 1919, a portion of which was just read by the gentleman from Pennsylvania, that the Chair must sustain the point of order. The Chair, therefore, sustains the point of order, and the Clerk will read.

The Clerk read as follows:

For necessary expenses outside of the city of Washington incident to collecting and disseminating meteorological, climatological, and marine information, and for investigations in meteorology, climatology, seismology, volcanology, evaporation, and aerology, \$1,300,110.

Mr. McLAUGHLIN of Michigan. Mr. Chairman, I move to strike out the last word for the purpose of calling attention to the fact that this is a lump-sum appropriation, a departure by the committee that framed this bill from the policy that has been followed by former committees and approved by the House. This is a lump sum, with no direction to the department as to how it shall be expended; and the statement made by the bureau is simply that they would like to have a lump sum, so as to spend it as they please. When we grant their request, we cut all the strings and let them expend the entire sum as they wish. Up to this time it has not been thought advisable to do that. There may be some reason now that I do not know of that would justify a lump sum.

Mr. RUBEY. Mr. Chairman, will the gentleman yield?

Mr. McLAUGHLIN of Michigan. Yes.

Mr. RUBEY. This identical language has been carried in the bill since 1912 and appropriations under it have been made. Last year there was appropriated the same amount appropriated this year.

Mr. McLAUGHLIN of Michigan. But the gentleman will notice that in the bill of last year, following the sum of \$1,303,000, just a little more than the amount carried this year, are the following words:

Including not to exceed \$700,000 for salaries, \$129,040 for special observations and reports, and \$295,750 for telegraphing and telephoning.

It seemed wise to the committee last year and to the Congress last year to divide that up and to specify and limit the amount that could be spent for each line of work, and this dividing up and specifying is in line with the insistent demand of the House year after year. This committee and other committees have been criticized for making lump-sum appropriations. Some of them are necessary; some of them are not; but in response to the insistent demand that there be specification wherever possible we have specified in many, many cases. This is one of the cases in which the total amount was divided and direction given to the bureau as to how much should be spent for each particular line of work. There may be some reason why the committee thinks in this work the string should be cut and the department should be permitted to spend this entire sum of money of more than a million dollars as it may please, but until I hear an explanation I shall have to think that the action of the present committee is unwise. Will the gentleman from Minnesota make no answer to my suggestion? I did not offer an amendment; my remarks were intended as an inquiry.

Mr. ANDERSON. Mr. Chairman, of course I did not intend to be discourteous; I did not know the gentleman had finished his statement. There was no particular point in striking out

the language which divided the entire appropriation into three items, \$700,000 for salaries, \$129,040 for special observations and reports, and \$295,750 for telegraphing and telephoning. However, the head of the bureau was of the opinion that the segregation of these items resulted in a lack of flexibility in the use of the entire appropriation which prevented its best utilization. However, I am so anxious to defer to the opinion of the gentlemen who have heretofore considered this appropriation that I take the liberty of offering an amendment to insert the following language:

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 7, line 23, after the figures "\$1,300,110," insert a comma and add: "including not to exceed \$697,080 for salaries, \$129,040 for special observations and reports, and \$295,750 for telegraphing and telephoning."

The CHAIRMAN. Does the gentleman from Minnesota desire to be heard on his amendment?

Mr. ANDERSON. Just a moment. The gentleman from Michigan will observe the item for salaries is somewhat less in my amendment than in the current year, and this is, of course, due to the practice, with which the gentleman is familiar, of transferring clerical positions to the clerical roll. We have reduced the amount of salaries by the sums thus transferred.

Mr. BANKHEAD. Will the gentleman permit a brief question really for information? I see this paragraph carries an appropriation for the study, and so forth, of volcanology. Are there any volcanoes within the jurisdiction of the Department of Agriculture?

Mr. ANDERSON. The gentleman from Michigan can tell more than I can, but I understand this is in reference to the study of volcanoes in Hawaii.

Mr. McLAUGHLIN of Michigan. Mr. Chairman, as the gentleman from Minnesota says, volcanology is carried on, or rather the proposition of studying volcanoes in Hawaii, and for a time it was done at private expense, the money needed being provided partly by private subscription and partly from the Massachusetts School of Technology, I believe, and by scientific men over the country and in the islands of Hawaii; but there came a time when they thought the importance of it justified it being taken over by the Government, and several years ago, at the suggestion of the Committee on Agriculture, the word "volcanology" was added to this item and the amount carried by the item was slightly increased so as to provide a few thousand dollars for carrying on that work in Hawaii.

Mr. BANKHEAD. Well, do the activities of volcanoes in Hawaii seriously affect agricultural interests?

Mr. McLAUGHLIN of Michigan. Well, volcanoes there are rather active and there have been times when there has been considerable destruction and loss of property by the eruption of volcanoes, but they are there making investigations of a general character which they consider of value to the entire country and for the world. Gentlemen of scientific attainments are in charge of the work and they have expensive and delicate instruments that are in operation and are watched and records made of them all the time.

Mr. BANKHEAD. Does any other bureau of the Government undertake a study of this same question other than the Department of Agriculture?

Mr. McLAUGHLIN of Michigan. None.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

For official traveling expenses, \$30,000.

Mr. HAYDEN. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. HAYDEN: Page 7, after line 24, insert: "For the maintenance of a highway weather service for the collection of reports concerning the effects of weather on public highways, and the issuing of advice, forecasts, and warnings in the aid of highway travel, in cooperation with Federal, State, and local agencies, including salaries, travel, and all other expenses in the city of Washington and elsewhere, \$20,000."

Mr. ANDERSON. Mr. Chairman, I reserve a point of order on the amendment.

Mr. HAYDEN. Mr. Chairman, the amendment which I have offered is clearly within the provisions of law creating the Weather Bureau, and I therefore doubt very much whether it is subject to a point of order. As to the merits of the amendment—

Mr. BLANTON. Mr. Chairman, it being legislation, I make the point of order.



The CHAIRMAN. The gentleman from Texas makes the point of order. Does the gentleman from Arizona care to discuss the point of order?

Mr. HAYDEN. Mr. Chairman, the amendment provides for nothing but a forecast of weather conditions on the public highways. If the Weather Bureau can make forecasts of weather conditions everywhere in the United States, certainly the bureau may make such forecasts in any part of the territory of the United States, such as a highway.

Mr. BLANTON. If the Chair is in doubt about it, I would like to be heard.

The CHAIRMAN. Has the gentleman from Arizona [Mr. HAYDEN] finished?

Mr. HAYDEN. The conclusion which I have pointed out is so obvious that further argument is unnecessary.

Mr. BLANTON. Mr. Chairman, there is no law authorizing the Department of Agriculture to make observations with respect to weather conditions and their effect upon highways. It is entirely a new departure and a new department.

Mr. HAYDEN. This project is not new. It was first undertaken in the winter of 1917 and 1918 to aid the Army Transport Service by furnishing information as to the conditions of the roads over which motor-truck convoys passed.

Mr. BLANTON. I mean there is no law at present authorizing it. The gentleman from Arizona can not cite the Chair to any substantive law authorizing it, and it is only in the interest of protecting the legislative committees in their proper function and authority that I make the point of order, although I am heartily in favor of the proposition that the gentleman seeks to put on this bill.

Mr. HAYDEN. The easiest and quickest way to have my amendment included in the bill is for the gentleman from Texas to withdraw the point of order. It seems to me, Mr. Chairman, that the time has arrived when Congress should recognize the great use that is made of the automobile all over the United States in interstate traffic. There are now thousands of people who travel from one State to another, and this important service of information which was found to be so valuable during the war should be continued.

The CHAIRMAN. If the gentleman from Arizona will permit, just what activity will be benefited should his amendment become law—agriculture, commerce, or navigation?

Mr. HAYDEN. The enactment of such legislation is in the interest of the general welfare of the people of the United States. Certainly it would benefit commerce, which has been defined by the Supreme Court to be any kind of intercourse between the people of different communities or of different States.

Mr. WINGO. Mr. Chairman, I do not care to go into the merits of the amendment, because that is neither here nor there. I want to confine myself to the very interesting parliamentary point of order. As I understand the organic law, it limits the activities of the Weather Bureau to such activities as would benefit commerce, agriculture, and navigation. Is that it?

Mr. HAYDEN. The gentleman from Arkansas is, as usual, correct in his statement.

Mr. WINGO. Now, commerce, agriculture, and navigation cover about all of the activities of the human race. I suggest to the logical processes of the mind of the chairman that if under the organic law you can provide for bulletins to protect one type of navigator—a sea captain or a captain of a coastwise vessel—and warn him of a storm that might put his vessel on a reef, then would it not be permissible under the organic law to provide for a service which might warn the "captain" of a Ford car when the weather was going to run his vessel of navigation into a mudhole? Of course, I intend to be serious, but I see that some of my philosophic friends evidently have discovered a weakness in the philosophy that I present to the Chair. In all seriousness, I suggest that the Weather Bureau was created for the purpose of advising the general public about the weather and not about any particular kind of weather or particular kind of boat or means of navigation. And I submit that it is not any more possible for a man to get seasick on a stormy sea in a coastwise vessel than if he were riding in a palatial Ford along some country roads in Arizona. And I hope the Chair will also take this view—that there is something in the public welfare. If it were a constitutional question, I would appeal to the general welfare clause of the Constitution, because if reports that have been circulated in my part of the universe are true, if the weather man can improve some of the roads in my friend's State, it would be conducive not only to commerce and navigation, but also to agriculture, because I think it would help to increase the pleasure of some of my agriculturists who travel in his district.

Mr. FOCHT. It has been suggested over here as to how far those agents of the department who travel in Ford cars might be involved in this.

Mr. WINGO. If the gentleman has discovered where by spending the paltry sum of \$20,000 he can improve the roads as well as the weather, if he can use that to improve the public roads, I say strength to his arm and wisdom to the Chair in sustaining his amendment.

Mr. ANDERSON. Mr. Chairman, I did not intend to make the point of order, but as long as it has been made it is important that it should be determined correctly. I assume the weather is not different over the highways than anywhere else in their vicinity, and that the general authority of the Weather Bureau would apply with respect to a weather service directed particularly to informing motorists as to what the weather was going to be just as much as to anyone else. But the language which I think is questionable is the language in the first part of the amendment, namely:

For the maintenance of a highway weather service.

I think that is all right. Then it says:

For the collection of reports concerning the effect of weather on public highways.

I do not think there is any law which authorizes the Weather Bureau to make reports concerning the effects of the weather upon public highways. It has authority to report what the weather is in the vicinity of the highways, but I do not think it has the authority to investigate the effects of the weather upon the highways. And that part of the amendment, I think, is clearly subject to a point of order.

The CHAIRMAN. The Chair will rule. This amendment brings up a rather close question, in the opinion of the Chair. The Chair feels it is impossible for him to determine which of the three activities enumerated in the act creating the Weather Bureau will be benefited. He also doubts if the authorization is broad enough to cover a specific case outside the three mentioned. This amendment is to ascertain "the effect on public highways," and the Chair doubts very much if the law contemplated that a specific subject of that kind should be included. The Chair, therefore, sustains the point of order. The Clerk will read.

Mr. WINGO. In order that I may grasp the significance of the Chair's ruling, I understand that he says the part is not included in the whole?

The Clerk read as follows:

For the maintenance of stations, for observing, measuring, and investigating atmospheric phenomena, including salaries, travel, and other expenses in the city of Washington and elsewhere, \$81,020.

Mr. HAUGEN. Mr. Chairman, I reserve a point of order on the paragraph.

Mr. ANDERSON. Let us have the point of order determined.

The CHAIRMAN. Will the gentleman kindly make his point of order and specify what it is?

Mr. HAUGEN. It is not authorized by law.

Mr. ANDERSON. Mr. Chairman, I do not know whether the Chair is familiar with the history of the Weather Bureau or not, but my impression is that the Weather Bureau is the successor of the Signal Service, which originated in the War Department. The law provides that "the civilian duties now performed by the Signal Corps of the Army shall hereafter devolve upon the bureau to be known as the Weather Bureau," and so forth. Then the following section provides what the duties and powers of the Chief of the Weather Bureau are, and those duties are very broad:

That the Chief of the Weather Bureau, under the direction of the Secretary of Agriculture, on and after July 1, 1891, shall have charge of the forecasting of the weather, the issue of storm warnings, the display of weather and flood signals for the benefit of agriculture, commerce, and navigation, the gauging and reporting of rivers, the maintenance and operation of seacoast telegraph lines, and the collection and transmission of marine intelligence for the benefit of commerce and navigation, the reporting of temperature and rainfall conditions for the cotton interests, the display of frost and cold-wave signals, the distribution—

A very wide power here—

the distribution of meteorological information in the interests of agriculture and commerce, and the taking of such meteorological observations as may be necessary to establish and record the climatic conditions of the United States, or as are essential for the proper execution of the foregoing duties.

That is a very broad power. Now, I assume that the language in the proposed item which attracted the attention of the distinguished gentleman from Iowa [Mr. HAUGEN] is the language "for the maintenance of stations." I desire to direct the attention of the Chair to this language in the law touching the Weather Bureau and its predecessor, the Signal Service of the Army:

The Secretary of War shall provide, in the system of observations and reports in charge of the Chief Signal Officer of the Army, for such stations, reports, and signals as may be found necessary for the benefit of agriculture and commercial interests.

The CHAIRMAN. Where is that found?

Mr. ANDERSON. That is in Revised Statutes, section 222. It is still applicable to the Weather Service, and I think it clearly authorizes the work proposed to be done under the item now under consideration.

Mr. HAUGEN. Mr. Chairman, I withdraw the point of order. I was under a misapprehension.

The CHAIRMAN. The gentleman from Iowa withdraws the point of order, and the Clerk will read.

Mr. HAYDEN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Arizona offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HAYDEN: Page 8, after line 4, insert: "For the establishment and maintenance of special stations in national forests and elsewhere, the collection of reports, and the issuing of forecasts and warnings in connection with the protection of forests from fires, in cooperation with the Forest Service, State, and other organizations, including salaries, travel, and other expenses in the city of Washington and elsewhere, \$15,000."

Mr. ANDERSON. Mr. Chairman, I reserve a point of order on that.

Mr. HAYDEN. Mr. Chairman, I am sure that my amendment is not subject to any point of order. As to the merits of the question, it seems to me that, with millions of dollars' worth of timber in the national forests which can be protected by a comprehensive scheme of this kind, so small an appropriation as \$15,000 is fully justified. Everyone realizes the enormous losses that occur each year by fires in the forest reserves. Heretofore Congress has provided for combating forest fires in a sporadic sort of way by doing simply what was necessary to be done when a fire occurs. There has been no general study of the fire hazard with a view to finding means to reduce it.

The Weather Bureau is the best available agency to collate data relating to the probable occurrence of fires and with such data as a basis to make predictions and issue warnings. I am confident that a practical plan can be worked out in cooperation with the Forest Service which will save vast quantities of timber from destruction. The average amount annually expended by the Federal Government in fighting fires in the national forests since 1910 is \$750,000. If this small appropriation has no other effect than to reduce that huge sum it will be fully justified. Whether we have much faith in the plan or not, the interests affected are so enormous that there can be no harm in giving the Weather Bureau an opportunity to demonstrate what may be accomplished by a good forecaster with his instruments and assistants.

The CHAIRMAN. Does the gentleman from Minnesota make the point of order?

Mr. ANDERSON. I withdraw the reservation of the point of order.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Arizona.

Mr. ANDERSON. Mr. Chairman, I desire to be heard on the amendment.

The CHAIRMAN. The gentleman from Minnesota is recognized.

Mr. ANDERSON. Mr. Chairman, the effect of this item is to provide a separate appropriation for work already being done in the department. This work is being done under the general authority of the Weather Bureau, and we think that it is being done to an extent that the present condition of the Treasury justifies. There is no doubt that the reports of the weather service in the national forests are of value. But they propose now to send half a dozen new men out over the forests to make general observations with respect to weather conditions in the national forest districts. There is no necessity for expanding the work in that way. It is being done adequately now, and there is no need whatever for putting into the bill a new item carrying this particular appropriation.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Arizona.

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. ANDERSON. Mr. Chairman, I ask for a division.

The CHAIRMAN. A division is demanded.

The committee divided; and there were—ayes 12, noes 33.

So the amendment was rejected.

Mr. HAYDEN. Mr. Chairman, I offer another amendment.

The CHAIRMAN. The gentleman from Arizona offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HAYDEN: Page 8, after line 4, insert: "For the maintenance of a highway weather service and the issuing of advices, forecasts, and warnings in aid of highway travel in cooperation with Federal, State, and local agencies, \$20,000."

Mr. BLANTON. Mr. Chairman, I make a point of order on that.

The CHAIRMAN. The gentleman from Texas makes a point of order on the amendment.

Mr. HAYDEN. Mr. Chairman, I believe I have so amended the amendment on which the Chair ruled before as to bring it clearly within the rule. I have stricken out the matter referred to by the gentleman from Minnesota as objectionable.

The CHAIRMAN. Does the gentleman desire to be heard on the point of order?

Mr. BLANTON. Mr. Chairman, I think it should be decided on the same rule that the other point was decided on, and I do not think it necessary to take up the time of the House.

Mr. ANDERSON. Special reports are clearly authorized by the law which applies to the Weather Bureau, and, while I shall oppose the amendment, I do not think in its present form it is subject to a point of order.

Mr. WINGO. Mr. Chairman, in the present form it remedies the defects of the former amendment. There is nothing in the rules of the House or in the organic act to say that Congress in the exercise of its power can not for the sake of convenience or administration properly segregate or hold down or limit an appropriation by which you undertake to have some definite expenditure for the purpose for which the original act was passed and the money appropriated.

Mr. BLANTON. Mr. Chairman, the Chair will remember that this question has been decided many times on points of order that have been made against what is known as the continuation of the United States Employment Service. In trying to get an appropriation of \$10,000,000 for that service parties in their amendments used the very language of the act creating the Department of Labor, recited the very language of the act creating that department in behalf of labor. In that amendment they tacked onto that an appropriation for \$10,000,000. The distinguished parliamentarian from Tennessee [Mr. GARRETT] happened to be in the chair, and decided that very question, that under the general law or under the general provision you could not make in order an amendment for some specific purpose under that act where it was clearly legislation. On four different occasions the distinguished Chairman [Mr. GARRETT] sustained the point of order.

Later on the authority in the House changed, and the distinguished parliamentarian from Connecticut [Mr. TILSON], whom the Speaker designated this morning to preside over the House of Representatives next Monday as Speaker pro tempore, was presiding over the Committee of the Whole, and that same question was raised, and the distinguished gentleman from Connecticut again decided the question against this very proposition. Later on, only two weeks ago, the distinguished parliamentarian from Massachusetts [Mr. WALSH] happened to be in the chair presiding over the committee, and this identical question was again raised in the House and decided in accordance with the precedents laid down in the House to which I have already referred.

Mr. BYRNS of Tennessee. Mr. Chairman, as I heard the amendment read it provides for cooperation of the States in the expenditure of this appropriation. It may be and doubtless is true, as the gentleman from Minnesota says, that the Congress is authorized to make appropriations for special observations, but I submit that an amendment which undertakes to provide that an appropriation shall be spent in cooperation with the States clearly carries legislation, and is therefore subject to the point of order.

Mr. HAYDEN. The gentleman will concede that there is a substantial saving of money to the Treasury by cooperation with the State.

Mr. BYRNS of Tennessee. As a matter of fact, I think the whole appropriation will be wasted, because I do not see that any value will be obtained by the expenditure of money for this purpose. I had a letter the other day from the president of an automobile club in my own home city. His attention had been called in some way to this estimate.

He was speaking on the general subject of economy, but he urged this instance as one showing the absolute disregard in that particular of the department to economy, because, as he said, this is just what the automobile clubs all over the country are doing. They are reporting to their various associations here and there as to the condition of the highways, and certainly the information which they obtain is more direct and more to be depended upon than any that can be obtained in this way, relative to the condition of roads.

Mr. HAYDEN. The American Automobile Association is very earnestly in favor of this, and I can say the same of my own home State association. The reports made in 1918 and 1919 are valuable and are appreciated by the owners and drivers of automobiles who travel from one place to another, and they



would like to see the service continued. Automobilists all over the United States will more and more demand this service, and I am satisfied that ultimately the service will be rendered to the people.

Mr. BLANTON. Will the gentleman from Tennessee [Mr. BYRNS] yield?

Mr. BYRNS of Tennessee. If I have the floor.

Mr. BLANTON. To come within the Holman rule, must not the amendment be shown to clearly retrench and save expenditure in public money?

Mr. BYRNS of Tennessee. The gentleman is clearly correct. Of course, this could not be considered to come within the Holman rule, because the bill carries no appropriation for this specific purpose. Therefore it could not on its face show any retrenchment of amounts carried in the bill.

The CHAIRMAN. The Chair will rule. The Chair has listened with interest to the gentleman from Texas and the gentleman from Tennessee. He feels that the gentleman from Tennessee predicated his observations probably largely upon the precedent that we have in Hinds in which, on an amendment, the Weather Bureau was directed to cooperate with the States, and because of that wording it was ruled out of order. The Chair ventures the assertion that there is no direction of authority in this amendment. The Chair feels that under the broad authority creating the Weather Bureau for the public good, and on which the only limitation so far as the Chair can ascertain is that it shall be for the benefit of agriculture, commerce, or navigation, and as this is clearly for the benefit of one of those three—

Mr. BLANTON. Which one, Mr. Chairman?

The CHAIRMAN. Preferably agriculture, for highways are of vital importance to the farmers. The Chair feels that this amendment comes within the law creating the Weather Bureau and therefore overrules the point of order.

Mr. HAYDEN. Mr. Chairman, on the merits of the amendment, permit me to say that the American Automobile Association and a number of State automobile organizations have found this service to be of such value that they have recommended to Congress that an appropriation of this character be made.

Mr. CARAWAY. In what way will this service help a man with an automobile?

Mr. HAYDEN. The gentleman from Arkansas realizes that a vast and increasing number of people travel from place to place in the United States by automobile. This highway weather service is particularly valuable to the tourist where improved roads have not been constructed for the entire length of his journey. Of course, if one could travel the whole distance over a paved highway the state of the weather would not make much difference. But where the highways have not been improved, as is usually the case, it is highly important for a tourist to know in advance the condition of the road over which he proposes to travel. If up-to-date and accurate information can be furnished in advance, it will be entirely practicable in many cases for the tourist to make a detour and save himself much difficulty. If this appropriation is made, any tourist will know that he can get an accurate road report from the local Weather Bureau station. This service was instituted and found to be immensely valuable during the period of the war, when great fleets of motor trucks were carrying supplies over the roads of the country.

Mr. CARAWAY. Honestly, does the gentleman expect the Weather Bureau to go out and ascertain whether a bridge has broken down and therefore warn everybody what road to take to get around it?

Mr. HAYDEN. That is exactly what should be done.

Mr. CARAWAY. All right. I realize that Congress will have gone into a rather peculiar line of business when it goes to providing that kind of information to everybody.

Mr. HAYDEN. Congress has provided a Weather Bureau station in every city and town of importance in the United States. One of the principal expenditures under this appropriation will be for telegrams, for the purpose of furnishing accurate and up-to-date information, which can be disseminated by such stations. Let me read from the statement made last December by Dr. Charles F. Marvin, Chief of the Weather Bureau, during the hearings on the Agricultural appropriation bill:

This work was begun during the war, when the State commission of Pennsylvania asked us to give them forecasts as to the weather conditions along the highways through Pennsylvania when the motor trucks were moving eastward, and the work has been so favorably received that we have been asked to extend it elsewhere, and we are now performing this work as far as our limited means will permit at quite a number of our stations.

The work at the present time is almost entirely carried on by mail. There is only a small amount of telegraphic charges connected with it.

Mr. BYRNS. Now, to whom do you send these reports?

Mr. MARVIN. Well, they go to the automobile interests in the different cities where they are issued, and those people have them displayed throughout the cities, at the garages or elsewhere, and the people traveling on the road covered by the report have the advantage of that information before them, and they know the conditions that they are going to meet. It is a very useful thing. I have an abundance of papers and letters here from the motor people and the motoring public in testimony of it.

It is a matter for the committee to determine entirely whether it is one that should be authorized. The fact that the Weather Bureau has this organization throughout the country constitutes a good argument as to why it should do the work.

We have 200 stations scattered all over the country to-day for other purposes, and the men are doing this kind of work. We are furnishing advice and information, and we have the organization and the machinery, and if you will furnish the additional appropriation we can handle it. If you attempt to have the good roads people and the State highway commissioners take up this work, I think it is bound to be more expensive.

Mr. McARTHUR. Will the gentleman yield?

Mr. HAYDEN. I yield to my friend from Oregon.

Mr. McARTHUR. Will it be possible in this forecast to have the Government tell us where the traffic cops will be located? [Laughter.]

Mr. HAYDEN. I hardly think that is a proper function of the Weather Bureau.

Mr. CARAWAY. Doubtless that would be a most useful service.

Mr. HAYDEN. Perhaps it would be exceedingly useful to the gentleman from Oregon. [Laughter.]

Mr. CLEARY. Will the gentleman yield?

Mr. HAYDEN. I yield to the gentleman from New York.

Mr. CLEARY. Is it not true that farmers frequently send farm products from the farm to the railroad station by automobile truck?

Mr. HAYDEN. Certainly.

Mr. CLEARY. And perhaps it would not do to start out with a load of wheat or something of that character if the weather was going to be very stormy. It might damage the load. So they would like to know whether the weather is fit for them to take their produce to market.

Mr. HAYDEN. The gentleman has made a very appropriate suggestion. Vast quantities of perishable agricultural products are now shipped by motor trucks for increasing distances. In order to illustrate the nature of the road reports made by the Weather Bureau, I shall include as a part of my remarks the following bulletin recently issued by the section director at Phoenix, Ariz.:

#### HIGHWAYS WEATHER BULLETIN.

##### RIVER CROSSINGS.

The river at Sacaton is dry. However, the crossing is sandy and rough. Crossing is all right for light cars.

##### APACHE COUNTY.

All roads in good shape except mountain roads, which are unsafe for travel.

##### COCHISE COUNTY.

Light rain over most of county on 6th, which helped roads considerably. All roads in good condition.

##### GILA COUNTY.

County forces at work in widening and improving road between Winkelman and Christmas. Work going on in widening county road north of Roosevelt. Contractor at work in reconstruction of portion of Salt River Pleasant Valley Road. General good condition of all roads in the county.

##### GRAHAM COUNTY.

Graham County roads are in good condition in all parts of the county.

##### GREENLEE COUNTY.

All roads in first-class condition; all graveled and well packed; no mud or slippery roads anywhere; all streams bridged. Best route between Safford and Clifton is via Duncan.

##### MARICOPA COUNTY.

Valley roads dusty; coast roads fair; Black Canyon rough; Wickenburg road good; Superior-Florence good; Apache Trail fair. Going to Ajo via Laveen be careful of drain-ditch crossings. Buckeye crossing very good to Gila Bend.

##### MOHAVE COUNTY.

All main roads in fair condition except Old Trails national highway from Crozier to Hackberry. New construction over Oatman-Topock road makes this temporarily impassable; all traffic is being routed via Yucca. Drivers should be careful in crossing washes.

##### PIMA COUNTY.

All roads in fair condition except for dust, which has been caused by continued dry weather.

##### SANTA CRUZ COUNTY.

All county roads in good traveling condition. Light shower on 6th. No damage to county roads.

##### PINAL COUNTY.

Mesa and mountain roads good. Valley roads very dusty and chunky; no rain.

##### YUMA COUNTY.

Road from Vicksburg to Ehrenberg in good condition. Ferry service good.

ROBERT Q. GRANT.

Mr. PELL. Will the gentleman yield?

Mr. HAYDEN. I yield to the gentleman from New York.

Mr. PELL. Why are not the ordinary weather reports, such as we now get, sufficient for the drivers of automobiles? I have driven an automobile a good deal, and all I wanted was the weather forecast in the paper, to see what the weather was going to be. You certainly do not expect the department to go into the business of road inspection and turn itself into a bureau of tours?

Mr. HAYDEN. Not entirely that; but with the present facilities of the Weather Bureau it is possible, with very small increased expense, to correctly advise those who intend to travel over the country by automobile as to the condition of the roads.

Mr. PELL. It is a complicated thing to make a road report of the country.

Mr. HAYDEN. The State and local authorities are very glad to cooperate if they can have the assistance of the United States Weather Bureau in this undertaking. As time goes on there will be a much more insistent demand for the service which I am seeking to have supplied by this amendment. Gentlemen may indulge in humorous remarks, but travel by automobile is the serious concern of a great number of American citizens, who will not hesitate to make their wants known in no uncertain manner.

Mr. ANDERSON. Mr. Chairman, of all the ridiculous proposals I have seen in my short experience with appropriations for the Agricultural Department, this is the most ridiculous. There is no more need for a highway weather service than there is for a thirteenth cylinder on a gasoline engine. This proposition is the outgrowth of a service that was performed by the Weather Bureau during the war in connection with the movement of trucks from points in central Ohio and in Michigan to the East, particularly with reference to snow conditions in the mountains, and it was a valuable service as thus conducted. But spread all over the country, with the idea of advising motorists what is the condition of the roads, it is absolutely ridiculous. The Chief of the Weather Bureau brought before the committee a post card on which it was stated the conditions of the roads in a part of Minnesota with which I happen to be familiar. I said then, after reading that post card, I would not know whether to stay at home or go.

In my opinion the service as it is proposed to establish it is so general that it is absolutely useless. Anybody who is going on an automobile journey who wants to know what the weather is going to be can find out from the weather station in the city in which he lives. There is no need of this service. It is a waste of money, and I hope the amendment will not be agreed to.

Mr. WINGO. I can not agree that this proposal is ridiculous. I recall that last year a cloud-burst washed out the bridges on the highways in my own and adjoining county. Many tourists were put to the trouble and loss of time of doubling back and finding another highway. This trouble, expense, and loss of time could have been avoided had the weather service reported the condition of the highway to the public with its daily weather report. At another time in my State a motor corps was delayed and put to great expense for lack of service provided by this amendment. If such service is ridiculous, it is because any weather-reporting service is ridiculous, and I do not so regard it. Oh, I know some gentlemen think the Government was created to tax the people and give no service in return.

Then, again, there are those who regard as ridiculous any service of a practical nature and consent only to such expenditures as are necessary to furnish positions for stargazers and meal tickets for experts. This bill appropriates thousands for saddle-colored messengers to guide Members of Congress from room to room in Government buildings, but this amendment, which would guide the traveling public on the highways in their own vehicles, burning their own and not Government gasoline, is denounced as ridiculous. Quietly resting in the bosom of this bill are provisions that will pay for and maintain a stately carriage and horses to be cared for by a Government employee, and by a Government employee will be used to convey in pomp and dignity a distinguished official from his domicile to his office and return him thence at eventide free from the contaminating touch of the proletariat. Such expenditures are approved by those who regard seed distribution as an improper use of public funds and practical aid to highway navigation and commerce proposed by the pending amendment as ridiculous.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arizona.

The amendment was rejected.

The Clerk read as follows:

Salaries, Bureau of Animal Industry: Chief of bureau, \$5,000; chief clerk, \$2,500; editor and compiler, \$2,250; executive assistant, \$2,500; 8 executive clerks at \$2,000 each; clerks—12 of class 4, 10 at \$1,680 each, 18 of class 3, 14 at \$1,500 each, 40 of class 2, 8 at \$1,380 each, 20 at \$1,320 each, 45 at \$1,300 each, 8 at \$1,260 each, 120 of class 1,

20 at \$1,100 each, 25 at \$1,080 each, 32 at \$1,000 each, 6 at \$960 each; architect, \$2,000; illustrator, \$1,400; laboratory aid, \$1,200; laboratory helper, \$1,200; 6 laboratory assistants at \$1,200 each; laboratory mechanics—1 \$1,640, 1 \$1,440; carpenters—1 \$1,140, 2 at \$1,000 each; 2 messengers and custodians at \$1,200 each; skilled laborers—1 \$1,200, 3 at \$1,000 each, 11 at \$900 each; painter, \$900; laborers—50 at \$960 each, 2 at \$900 each, 3 at \$780 each; messengers or laborers—11 at \$840 each, 29 at \$720 each; messenger boys—2 at \$660 each, 3 at \$600 each, 5 at \$540 each, 15 at \$480 each; charwomen—1 \$600, 2 at \$540 each, 17 at \$480 each, 5 at \$360 each, 2 at \$300 each, 7 at \$240 each; in all, \$655,050.

Mr. McLAUGHLIN of Michigan. Mr. Chairman, I move to strike out the last word. I notice there are a number of changes, the number of clerks employed at certain salaries being decreased or increased, as the case may be, which amounts to a modification of the salaries. I am wondering if it is wise for committees in this way to undertake to establish a change in the salary bases. The idea as to a lot of salaries has been to leave them as they are at the present time and to take care of employees by the payment of a bonus of \$240 each. If, following the recommendation of the head of a bureau, salaries are readjusted to take care of present conditions, all bureaus would have to do it or else there would be a lack of uniformity throughout the department, and then would come the question of whether or not it would be necessary or proper to reenact the bonus provision. It struck me as I looked through the statutory rolls for the different bureaus of the Department of Agriculture, as reported by the gentleman's committee, that perhaps the committee has done too much by way of readjusting salaries.

Mr. ANDERSON. Mr. Chairman, what the committee did in that direction we thought was in the direction of increasing the efficiency of the bureaus, and at the same time reducing the number of employees and the amounts of money carried in the bill. There were a number of instances in which the heads of bureaus represented to us that if they could have a smaller number of places at higher salaries they would reduce the number of clerks at lower salaries, thus effecting not only a reduction in the number of employees but a reduction in the amounts carried by the bill. Take the statutory roll, for instance, about which the gentleman is talking. The existing law carries salaries of clerks amounting to \$505,100. The department estimated for clerks with salaries amounting to \$506,280. The committee allowed clerks involving salaries of \$496,980, a reduction of approximately \$10,000 in that class of employees. So that the result of the committee's labor in this matter we think has been to increase the efficiency of the bureaus and also to reduce the amount of money paid for clerical service.

Mr. McLAUGHLIN of Michigan. But has not the gentleman done just what I say has been done. There has been a general readjustment and a general increase of salaries.

Mr. ANDERSON. No; there has not been a general increase of salaries, because a general increase of salaries would involve more money.

Mr. McLAUGHLIN of Michigan. There has been a general increase of salaries by employing less men and paying those who remain higher salaries than they theretofore received. Consequently it seems to me to be a general revision of salaries and a general increase. It may be all right. I like to see men get good pay, but when one bureau of a department does it, it throws out of joint the entire department, or if all of the bureaus of the department do it, it puts that department out of line with other departments of the Government. Committees having other departments in charge have refused to increase salaries so as to make them in keeping with present conditions, and instead have provided the \$240 bonus.

So it would seem to me that the gentleman has anticipated, or rather made unnecessary, the bonus provision by making a general increase of salaries.

Mr. ANDERSON. There has been no general increase of salaries involved.

Mr. McLAUGHLIN of Michigan. Is not the effect of it as I have stated?

Mr. ANDERSON. Undoubtedly some promotions will result from this rearrangement of the statutory roll, but the rearrangement has been entirely within the authority of the rule, and it has also been, I think, in the interest of efficiency in the service.

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

Mr. JONES of Texas. Mr. Chairman, I move to strike out the last two words for the purpose of asking a question. For several years the custom was followed of performing tests with reference to blackleg and of distributing blackleg vaccine in the department. I understand that that has been discontinued recently. I do not find any specific appropriation with reference to it in the bill, although it may be covered by some general appropriation. If it has been discontinued, will the gentleman tell me why the department has discontinued it?



Mr. ANDERSON. Mr. Chairman, since the gentleman asked me the question in general debate I have looked into the matter. There has been no change in the language which eliminates the work on blackleg vaccine. It is carried just as it always has been, in the general item for inspection and quarantine work.

Mr. JONES of Texas. I understand that they have discovered a vaccine in the Agricultural College at Manhattan, Kans., which is superior and generally recognized as superior to that which the Government has been using. I am told that those who have this matter in charge in the Department of Agriculture state that the reason they have not adopted and tested much more thoroughly this serum from Kansas is the fact that it is more expensive. Has any provision been made to proceed with an investigation of that serum?

Mr. ANDERSON. The matter was not brought up before our committee in any way.

Mr. JONES of Texas. The matter was brought to the attention of the department, and I was wondering if it might be brought to the attention of the committee.

Mr. ANDERSON. It has not been brought to the attention of the committee in any way.

The CHAIRMAN. The pro forma amendment is withdrawn, and the Clerk will read.

The Clerk read as follows:

For investigating the disease of tuberculosis of animals, for its control and eradication, for the tuberculin testing of animals, and for researches concerning the cause of the disease, its modes of spread, and methods of treatment and prevention, including demonstrations, the formation of organizations, and such other means as may be necessary, either independently or in cooperation with farmers, associations, State, Territory, or county authorities, \$1,978,800: *Provided, however*, That in carrying out the purpose of this appropriation, if in the opinion of the Secretary of Agriculture, it shall be necessary to destroy tuberculous animals and to compensate owners for loss thereof, he may, in his discretion, and in accordance with such rules and regulations as he may prescribe, expend in the city of Washington or elsewhere out of the moneys of the appropriation, such sums as he shall determine to be necessary, within the limitations above provided, for the reimbursement of owners of animals so destroyed, in cooperation with such States, Territories, counties, or municipalities, as shall by law or by suitable action in keeping with its authority in the matter, and by rules and regulations adopted and enforced in pursuance thereof, provide inspection of tuberculous animals and for compensation to owners of animals so destroyed, but no part of the money hereby appropriated shall be used in compensating owners of such animals except in cooperation with and supplementary to payments to be made by State, Territory, county, or municipality when condemnation of such animals shall take place; nor shall any payment be made hereunder as compensation for or on account of any such animal destroyed if at the time of inspection or test of such animal, or at the time of condemnation thereof, it shall belong to or be upon the premises of any person, firm, or corporation, to which it has been sold, shipped, or delivered for the purpose of being slaughtered: *Provided further*, That out of the money hereby appropriated no payment as compensation for any tuberculous animal destroyed shall exceed one-third of the difference between the appraised value of such animal and the value of the salvage thereof; that no payment hereunder shall exceed the amount paid or to be paid by the State, Territory, county, or municipality where the animal shall be condemned; and that in no case shall any payment hereunder be more than \$25 for any grade animal or more than \$50 for any pure-bred animal, and no payment shall be made unless the owner has complied with all lawful quarantine regulations.

Mr. BLANTON. Mr. Chairman, I reserve a point of order.

Mr. ANDERSON. Mr. Chairman, I desire to offer an amendment.

The CHAIRMAN. The gentleman from Texas will state his point of order.

Mr. ANDERSON. The gentleman reserves the point of order on what?

Mr. BLANTON. On the whole paragraph.

Mr. ANDERSON. Let us settle it.

Mr. BLANTON. Mr. Chairman, I make the point of order because the proviso requires the department to cooperate with the State departments and there is no provision of law authorizing such legislation. I am in sympathy with the legislation but I just wanted a ruling of the Chair as to whether or not this character of legislation should be put on an appropriation bill.

The CHAIRMAN. Does the gentleman from Minnesota desire to be heard on the point of order?

Mr. ANDERSON. It seems to me, Mr. Chairman, if this is the only point that the gentleman has in mind—

Mr. BLANTON. It is the only one.

Mr. ANDERSON. Under the ruling of the Chair heretofore the point of order would not be well taken. This does not direct anything to be done so far as cooperating is concerned. This simply authorizes the department in carrying out the work which is authorized by law to cooperate with States, counties, and municipalities.

Mr. BLANTON. Will the gentleman yield?

Mr. ANDERSON. Yes.

Mr. BLANTON. Why, it says that it can not be done except by cooperation. Does not it require it? There is where the

Chairman, I respectfully submit, made a mistake awhile ago. It says that he shall not do it except by doing so and so, and that is cooperation.

Mr. JONES of Texas. Would not that be a limitation?

Mr. BLANTON. I was speaking of the absence of any law authorizing this character of legislation. While I am in sympathy with the legislation, I want to see how the Chair was going to rule on it.

The CHAIRMAN. Does the gentleman from Minnesota desire to discuss the point of order?

Mr. ANDERSON. No; I do not care any further.

The CHAIRMAN. The Chair takes it that the gentleman from Texas makes the point of order on page 11, beginning line 20, and running through to the end of line 7 on page 13—

Mr. BLANTON. Yes; on the whole paragraph because of the provision to which I called the attention of the Chair, which is legislation unauthorized.

The CHAIRMAN. The Chair would like to ask the gentleman from Minnesota if he can give the Chair information as to whether there is any authorization for cooperation between the Government and the States in regard to this matter?

Mr. ANDERSON. There are some general statutes, I will say to the Chair, which provide certain cooperation with the States; for instance, like the Smith-Lever Act, for certain purposes. I do not know of any statute which directs cooperation on expenditures of this kind, and in my judgment this part of the language as well as some of the rest of the language is legislation.

Mr. RUBEX. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman yield?

Mr. ANDERSON. Yes.

Mr. RUBEX. I desire to call the attention of the Chair to the fact that the language commencing with line 21, in my opinion, is clearly a limitation. It says—

That out of the money hereby appropriated no payment as compensation for any tuberculous animal destroyed shall exceed one-third of the difference in value between the appraised value of such animal and the value of the salvage thereof—

The CHAIRMAN. What page is the gentleman reading from?

Mr. RUBEX. From page 12, bottom of the page. Now, continuing on the next page—

That no payment hereunder shall exceed the amount paid or to be paid by the State, Territory, county, or municipality where the animal shall be condemned; and that in no case shall any payment hereunder be more than \$25 for any grade animal, or more than \$50 for any pure-bred animal, and no payment shall be made unless the owner has complied with all lawful quarantine regulations.

It seems to me that the whole language is a limitation, and therefore is not subject to the point of order.

Mr. BLANTON. Mr. Chairman, I call the attention of the Chair to this language on page 12, beginning in line 10:

But no part of the money hereby appropriated shall be used in compensating owners of such animals except in cooperation with and supplementary to payments to be made by State, Territory, county, or municipality.

Mr. RUBEX. That is a limitation; it does not compel them to do it. If they do not do it, it does not make them do it.

Mr. BLANTON. In other words, this whole appropriation and its expenditure depends absolutely upon cooperation with State, county, and municipality.

Mr. JONES of Texas. I would like to suggest to the Chair that where the States do cooperate the expenditure will be less, and therefore it comes strictly within the application of the Holman rule, and if the States do not cooperate none of this money can be expended; therefore whatever effect the proviso has will tend to reduce expenditures, tend to retrench them, and therefore brings it strictly within the Holman rule, and it is a negative provision as well.

Mr. MADDEN. Before the Chair rules, if the Chair please—

The CHAIRMAN. The Chair will hear the gentleman.

Mr. BLANTON. Mr. Chairman, I hope the Chair will listen patiently to the chairman of the steering committee.

Mr. MADDEN. Under Rule XXI, which prohibits legislation on an appropriation bill, except in a case where legislation tends to reduce expenses, this legislation, it seems to me, would be in order, first, because it prohibits the expenditure of the money unless certain conditions exist. Those conditions are that the States must provide the means to pay part of the compensation for cattle killed as the result of tubercular disease, and it limits the amount that can be expended when the States do cooperate. Now, if that be the case, and it seems to be the case by the language employed in the bill itself, and if the department can not expend the money except under certain happenings, then it clearly must be understood to be a limitation on the expenditure of the money, even if the department is permitted to expend the money. The amount it can expend in any

case is limited to \$25 in one instance and \$50 in another, whereas if there were no limitation whatever placed upon the amount appropriated it might be within the power of the department to spend three times that amount of money. Consequently the language in the bill limits the amount to be expended and reduces the expenses and amount of the expenditure.

Mr. CARTER. If the gentleman will yield?

Mr. MADDEN. I will.

Mr. CARTER. Would not the practical application of the provision be about this, that when they came to spend the money, if they found that the States were not willing to spend a similar amount, no money would be spent?

Mr. MADDEN. Surely. That is just exactly what I said. And therefore if this is not a limitation there can be no language written that could be classed as a limitation. And the provision, I say to the Chair, under the rules of the House, in that it reduces or tends to reduce expenses on its face, is in order as legislation.

The CHAIRMAN. The point raised by the gentleman from Illinois is, of course, a valuable one. But the Chair feels that it is drawing on the assumption of what might happen and is a very indirect limitation of uncertain application. Because, if all the States should bear their share of the expense there would be no saving to the Government. The Government would still be forced to expend the amount of money appropriated. It is only in case the States would decline.

Mr. MADDEN. If the Chair will permit one word there. In case the States do pay this, the Government is limited in the amount that it can pay, whereas if there were no such limitation it might be within the power of the Government to pay the entire amount without respect to what the States did. So, clearly, on the face of the bill itself is indicated the limit of power placed in the hands of the Department of Agriculture to pay beyond a certain amount. Now, if you do not limit them to that amount, there will be no limitation and, consequently, there can be no doubt, in my mind, that there is a reduction in the expense when you place the limit beyond which the department can not go.

Mr. JONES of Texas. I beg the pardon of the Chair, but I believe it is an important item and one that should stay in the bill. In fact, I think it is the most important single item in the bill.

Mr. BLANTON. Will the gentleman yield right there?

Mr. JONES of Texas. Yes.

Mr. BLANTON. Is a piece of legislation, as to whether it stays in or goes out of a bill, to be determined upon its importance? In other words, if it is a very important item, although it is legislation against the rule in going on an appropriation bill, should it go into the bill?

Mr. JONES of Texas. I would not take the time of the House in discussing a matter that I did not think was of some importance.

Now, this is an appropriation that is made and so much money can be expended. Two provisos are put onto that legislation. The point of order goes to those two provisos. If all of the States appropriate their specific amounts, then the provisos will have no effect at all. But if any of the States fail, then the proviso will reduce the expenditure. Therefore the tendency of the proviso is to reduce expenditures. That is the only effect which the provisos can possibly have.

Now, the Holman rule, and the whole purpose of the Holman rule, is to permit legislation which is of such a nature that it causes a retrenchment of expenditures, if it has any effect at all. Of course, no one can say whether it will or not, but everyone can say if it is in effect at all it will reduce expenditures. It can have no other effect. It simply says that none of this money can be expended unless the States cooperate. In other words, the appropriation is not available until those conditions come to pass.

Now, that is purely negative legislation. The Holman rule permits legislation that is of a negative character; that is, that places restrictions and limitations on expenditures. There is not a single sentence or clause in either of the provisos which authorizes the spending of money under any conditions that are not authorized in the general provision in the first part of the paragraph. In other words, the whole purpose, the whole intent, and the only thing that can be accomplished by either proviso, is to reduce the expenditure, and it is purely negative legislation. It does not say they can spend \$100,000 more if the States cooperate, but that they can not expend any unless they do cooperate. It is a limitation that says they can only spend what is actually appropriated when certain conditions come to pass, and they name those conditions. I believe it is purely a negative proposition.

Mr. McARTHUR. Mr. Chairman, the practical effect of this legislation in a similar item during the last fiscal year was that the various States, in the matter of this cooperative indemnity, paid to the owners of cattle that were destroyed under process of law \$934,237.17, while the United States Government paid from its Treasury \$551,331.08. If there had been no limitation in paying this out on cooperative work, the Government would have paid the total of the two sums that I have read—if that much had been carried in the bill. I submit that this is clearly a limitation and in the interest of economy.

Mr. BLANTON. My colleague from Texas [Mr. JONES] would argue that the purpose of these provisos was to prevent the States from cooperating and paying their part thereof, saving this money to the Treasury.

Mr. JONES of Texas. Oh, no.

Mr. BLANTON. When the very purpose of these two provisos is just the opposite. It is to force the States to come in and cooperate with the Federal Government in putting up this money.

Mr. JONES of Texas. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. JONES of Texas. Would the Government spend less money if we knocked out the provisos?

Mr. BLANTON. No. But there is no authority of law for it. I just called the attention of the Chair to the provisos, as I thought that was the quickest way to reach it. The distinguished chairman of this Subcommittee on Appropriations, the gentleman from Minnesota [Mr. ANDERSON], has admitted that there is no authority of law for this legislation. My distinguished colleagues favor it. I am not opposing the legislation, but I am trying to enforce the rules of the House which the Members of Congress were given to understand would be enforced when we voted for the new provision concentrating all the appropriating power of all the committees of this House in one big appropriating committee. I voted for this concentrated committee because I believed it would result in economy. I believed that the Members of this House would be treated fairly, and that when questions arose, when the committee had seen fit to go beyond its authority and place legislation upon the appropriation bill, I took it for granted that the Chair would not decide the question on the ground of expediency, or on the ground of whether or not the legislation was good, or on the ground of whether or not it should be passed, but upon the question of the rules, and give every Member of this House the benefit of these rules, on which we saw fit to vote for this law concentrating all this power in one committee.

Mr. ANDERSON. Mr. Chairman, I do not wish the gentleman from Texas [Mr. BLANTON] to put me in a false position. I only said I did not know of any specific statute which authorized the requirement of cooperation. I do not admit that the whole paragraph is legislation.

Mr. DOWELL. Mr. Chairman, will the gentleman yield for a question?

Mr. ANDERSON. Yes.

Mr. DOWELL. Standing alone, as to the appropriation commencing at line 12 and continuing down to the figures on line 20, there can be no question about the entire appropriation for this purpose. Now, all that is following that is a mere limitation on how that appropriation may be expended. It is a limitation upon it, is it not, and it has nothing to do with the appropriation itself?

Mr. ANDERSON. If the Chair were considering the whole item and the point of order as made against the whole item, I would like to direct the attention of the Chair to some law on the subject. But if the Chair is only considering the proviso—that is, the question of whether it is a limitation or not—I do not care to discuss that question, because it has been sufficiently discussed already.

The CHAIRMAN. The gentleman from Texas [Mr. BLANTON] made the point of order on the whole paragraph.

Mr. DOWELL. On the theory that if one part was objectionable all of the paragraph was objectionable?

Mr. BLANTON. Yes.

Mr. DOWELL. As I understand the appropriation, down to line 20 there is not any question about that being in order, and the point of order raised is as to the proviso, which it seems to me is a limitation upon the appropriation, and not legislation.

The CHAIRMAN. Does the gentleman from Minnesota desire to be heard further?

Mr. ANDERSON. Mr. Chairman, only if the point of order is directed to the entire paragraph after the amount. It might be of some value to the Chair if I directed his attention to the authority of the Secretary of Agriculture with respect to the



eradication of contagious animal diseases. I read from section 8 of the act of May 24, 1884.

The CHAIRMAN. What page is the gentleman going to read from?

Mr. ANDERSON. This is on page 41 of the volume I have before me. I do not know where it is in the book that the Chair has. I read:

That it shall be the duty of the Commissioner of Agriculture to prepare such rules and regulations as he may deem necessary for the speedy and effectual suppression and extirpation of said diseases, and to certify such rules and regulations to the executive authority of each State and Territory and invite said authorities to cooperate in the execution and enforcement of this act. Whenever the plans and methods of the Commissioner of Agriculture shall be accepted by any State or Territory in which pleuropneumonia or other contagious, infectious, or communicable disease is declared to exist, or such State or Territory shall have adopted plans and methods for the suppression and extirpation of said diseases, and such plans and methods shall be accepted by the Commissioner of Agriculture, and whenever the governor of a State or other properly constituted authorities signify their readiness to cooperate for the extinction of any contagious, infectious, or communicable disease in conformity with the provisions of this act, the Commissioner of Agriculture is hereby authorized to expend so much of the money appropriated by this act as may be necessary in such investigations and in such disinfection and quarantine measures as may be necessary to prevent the spread of the disease from one State or Territory into another.

Now, this is a very general statute, not only authorizing but directing cooperation with the States in the extirpation of communicable and infectious diseases of animals.

Mr. BLANTON. Is not that an appropriation bill that the gentleman is reading from?

Mr. ANDERSON. No; it is not an appropriation bill that I am reading from. It is the act for the establishment of the Bureau of Animal Industry in the Department of Agriculture and to provide for the extirpation of pleuropneumonia and other contagious diseases among domestic animals. It is permanent law.

The CHAIRMAN. Will the gentleman permit the Chair to ask him a question?

Mr. ANDERSON. Certainly.

The CHAIRMAN. Is there any provision in the statute which the gentleman is reading that permits the killing of animals and the payment therefor?

Mr. ANDERSON. Yes; there is such a statute. I read:

That the Secretary of Agriculture shall have authority to make such regulations and take such measures as he may deem proper to prevent the introduction or dissemination of the contagion of any contagious, infectious, or communicable disease of animals from a foreign country into the United States or from one State or Territory of the United States or the District of Columbia to another, and to seize, quarantine, and dispose of any hay, straw, forage, or similar material, or any meats, hides, or other animal products coming from an infected foreign country to the United States, or from one State or Territory or the District of Columbia in transit to another State or Territory or the District of Columbia whenever in his judgment such action is advisable in order to guard against the introduction or spread of such contagion.

Mr. BLANTON. Right there; that is only from one State to another, not in the various States themselves. There is the distinction. This seeks to require cooperation for acts that the Secretary may perform in a State, regardless of State laws, or regardless of the entry of stock from one State into another.

Mr. MADDEN. He must certainly kill them in one State to prevent their going into another State.

Mr. ANDERSON. Certainly, as my friend from Illinois suggests, you have to kill them in one State to prevent their going into another. My impression is that there is a statute which authorizes the Secretary of Agriculture to kill infected animals and pay the cost of the animals so killed.

The CHAIRMAN. Will the gentleman permit another question?

Mr. ANDERSON. Certainly.

The CHAIRMAN. Does not the matter that the gentleman is now referring to come in another part of this bill? Is not the gentleman reading about the quarantine regulations?

Mr. ANDERSON. No. This is the law creating the Bureau of Animal Industry.

The CHAIRMAN. Is there any other part of this bill which provides for the very thing the gentleman is now referring to?

Mr. ANDERSON. There is a general item which provides for the enforcement of the inspection and quarantine law.

Mr. RUBEX. It appropriates the money for it?

Mr. ANDERSON. It appropriates the money for that purpose.

Mr. CARTER. Unless the Chair is satisfied about the matter being a limitation—

The CHAIRMAN. The Chair will hear the gentleman from Oklahoma if the gentleman from Minnesota will yield.

Mr. ANDERSON. I yield to the gentleman from Oklahoma.

Mr. CARTER. Unless the Chair is satisfied that this is a limitation, I should like to cite him to *Hinds' Precedents*. I find in the manual this language:

The limitation may not be applied directly to the official functions of executive officers, but it may restrict executive discretion so far as this may be done by a simple negative on the use of the appropriation.

Citing *Hinds' Precedents*, volume 4, sections 3968 and 3972, it seems to me very clear.

Mr. BLANTON. Mr. Chairman, in order to save time I will withdraw the point of order. I think my action has been protested enough against the action of the committee, and I withdraw the point of order.

The CHAIRMAN. The gentleman from Texas withdraws the point of order.

Mr. ANDERSON. I offer an amendment.

The CHAIRMAN. The gentleman from Minnesota offers an amendment which the Clerk will report.

The Clerk read as follows:

Page 11, line 20, after the figure "\$1,978,800" substitute a comma for the colon and insert "of which \$978,000 shall be set aside for administrative and operating expenses and \$1,000,000 for the payment of indemnities."

Mr. ANDERSON. I should like to say with reference to the amendment that when the committee considered this particular item, owing to the great change that has taken place in the market value of cattle, which is an element in determining the amount of indemnity to be paid by the Federal Government, we did not have any indication as to what the division between operating expenses and indemnity should be. Since that time I have conferred with the department, and they have suggested that if a division is made it should be made upon the basis of the amendment which I have sent to the Clerk's desk.

Mr. McLAUGHLIN of Michigan. Will the gentleman yield?

Mr. ANDERSON. Yes.

Mr. McLAUGHLIN of Michigan. How much money was paid in indemnities during the last calendar year?

Mr. McARTHUR. The gentleman means fiscal year, does he not?

Mr. ANDERSON. I can not say how much for the calendar year.

Mr. McLAUGHLIN of Michigan. What are the latest data the gentleman has as to the money paid for indemnities out of the appropriation we last made?

Mr. ANDERSON. In 1920, up to the time these hearings were held, as I recall, \$171,973.

Mr. McLAUGHLIN of Michigan. That was up to about the 20th of November?

Mr. ANDERSON. November 30.

Mr. McLAUGHLIN of Michigan. That would be five months. In five months they used \$171,000, and the gentleman is now proposing to provide \$1,000,000 for a year.

Mr. ANDERSON. When I did that I was following the example of the gentlemen on the Agricultural Committee, who have always insisted without exception that the amount for indemnity should be more than the amount for operating expenses.

Mr. McLAUGHLIN of Michigan. The gentleman's memory is short. The members of the Committee on Agriculture have never insisted on any such thing. The gentleman on the Committee on Agriculture insisted on making such a division as seemed just and proper under all the circumstances. They occasionally used their own judgment, and did not take for granted everything said by the gentlemen from the Department of Agriculture.

Mr. SUMNERS of Texas. I desire to direct a question to the gentleman in charge of the bill.

The CHAIRMAN. The gentleman from Michigan has the floor.

Mr. McLAUGHLIN of Michigan. I yield for a question.

Mr. ANDERSON. If I have the floor, I will answer it.

Mr. SUMNERS of Texas. The gentleman stated that the price of cattle had changed. Has that resulted from the ordinary market conditions, or the difference in the estimates made by the Farm Management Bureau?

Mr. ANDERSON. That resulted from the actual market, because the amount of the indemnity paid is reduced by the slaughter value of the carcass, so that if the slaughter value is less the indemnity paid is more.

Mr. SUMNERS of Texas. I thought perhaps the Office of Farm Management had changed the estimates of the cost of production.

Mr. HAUGEN. Mr. Chairman, I would like to ask the chairman of the committee a question, if he has any estimates of the amount required to pay the indemnities? In the estimates, I understand, it was put somewhere about \$2,000,000, and in the amendment of the chairman there is only \$1,000,000 made available.

Mr. ANDERSON. I have no estimate of \$2,000,000 for indemnity.

Mr. HAUGEN. There were a number of tables submitted, and, as I understand, the total was \$2,000,000. We should provide an adequate fund to pay the indemnity besides providing for the administration.

Mr. ANDERSON. I am wholly unable to reconcile the position of the gentleman from Iowa with the position of the gentleman from Michigan. The gentleman from Michigan says that the amount is too high, and the gentleman from Iowa says that it is not enough.

Mr. HAUGEN. The legislatures are about to meet, and it will take some time for the States to make the appropriations. I understand the legislatures are contemplating making large appropriations to pay indemnities.

Mr. ANDERSON. The tables to which the gentleman refers put the total estimates for Federal indemnity at \$2,097,000. That is based upon a larger sum for operating expenses that we have authorized in the bill.

Mr. HAUGEN. The all-important part is to pay the indemnity. The administration will be of little value unless the indemnities are provided for. We do not want to spend money for veterinary service unless we have money to pay the indemnities with. I am not certain but that the division made by the gentleman in his amendment is a proper division. I would like to see the amount available for indemnity made much larger.

Mr. McLAUGHLIN of Michigan. I have not expressed the opinion as to what either of these amounts should be. I have noticed that there is an increase of \$500,000 in the appropriation. The only thought I had in mind was that a part of this proposed increase might possibly be saved, just as the gentleman from Iowa says the amount of the indemnity must be large enough.

Mr. HAUGEN. My understanding is that the legislatures did not have an opportunity to make their appropriations, but that they will take hold of it this year, and that it will take about \$2,000,000 to meet the indemnity, and therefore we should provide for the indemnity instead of for the veterinarians.

Mr. McLAUGHLIN of Michigan. Is not the estimate of \$2,000,000 the estimate of the amount to be appropriated and used by the States?

Mr. HAUGEN. Yes; we match dollar for dollar.

Mr. McLAUGHLIN of Michigan. Oh, no.

Mr. HAUGEN. The general arrangement is the Federal Government pays one-third, the State pays one-third, and the owner stands one-third.

Mr. McLAUGHLIN of Michigan. Mr. Chairman, I move to strike out the last word. The gentleman from Iowa is mistaken in saying that the Federal Government matches dollar for dollar. The law says that we shall not pay more than a State pays in any case. I have in mind the State of Wisconsin, where there is an indemnity as high as \$200. In several of the States the indemnity is very high. The law we have enacted here is that the Federal Government shall not pay more than the State pays.

Mr. HAUGEN. The Federal Government pays one-third and the State arranges it between the State and the owner.

Mr. McLAUGHLIN of Michigan. In some States they pay more than the Federal Government pays. The law provides that we shall pay not more than one-third of the value of the animal; it says also we shall not pay more than the State pays; and says finally that we shall not pay more than \$25 for a grade animal or more than \$50 for a pure-bred animal.

Mr. HAUGEN. The State is expected to pay one-third and the owner one-third.

Mr. McLAUGHLIN of Michigan. In the State of Wisconsin they may pay as much as \$200 for an animal. We would not be permitted to pay more than \$25 or \$50, but the State of Wisconsin would pay up to the full amount. We do not pay as much as the State, so our amount of indemnity does not need to be measured by the amount of indemnity contemplated by the State.

Mr. SNELL. Mr. Chairman, I would like to ask the gentleman in charge of the bill a question. Do I understand that it costs \$1,000,000 overhead to pay out in the vicinity of \$400,000 for animals killed and destroyed?

Mr. McLAUGHLIN of Michigan. A great deal more work is done under this item than testing animals for tuberculosis; it does not all go for tuberculosis. Only a part of the bureau's work under this item is the testing of animals for tuberculosis, leading up to slaughter, and the payment of the indemnity.

Mr. SNELL. Is all the testing done in each State by the Federal authority instead of the State authority?

Mr. McLAUGHLIN of Michigan. If we keep on furnishing money I think we can say that ultimately much of the expense will be paid by the Federal Government, because the States are getting careless. They permit their veterinarians to be ineffi-

cient, and the more careless they are the more they ask from the Federal Government and the more we supply their demands.

Mr. SNELL. If there is considerable doubt about the advisability of the amount of this appropriation, why would it not be a good idea to reduce it to what it was last year?

Mr. McLAUGHLIN of Michigan. This is the situation: The animals are tested for tuberculosis partly for the safety of the animals and for the satisfaction of the owner and partly to provide for a basis for issuing of certificates so that the owner may ship to another State. If the work of testing the animals as the basis for a certificate is efficiently and honestly done, the certificate going with the animal to the other State is accepted; if the work has been inefficiently done the animal is rejected in the State to which it goes, and then there is trouble between the States. The officials of one State accuse the officers and shippers of the other State, and what do they do? They lie down and insist that the Government of the United States shall do the inspecting and issue the certificates.

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

Mr. McLAUGHLIN of Michigan. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. SNELL. Does the gentleman think that this appropriation could be cut at this time and still get the efficiency that is necessary on the part of the Federal Government?

Mr. McLAUGHLIN of Michigan. The States are going to depend upon the Federal Government for this kind of work, and the Federal Government is doing good work. This work is in the hands of very competent, capable, and conscientious men. They are doing splendid work, and there seems to be no effort upon the part of the States to improve the character of the work their own men are doing, so the work will pile up on the Federal Government. I questioned some of these gentlemen who were before the committee, and I have talked with them at other times. I have said to them, "What do you do when you find a veterinarian on the State pay roll who is inefficient, who has been issuing improper certificates, and what do you do when you find a veterinarian has been in collusion with the owner of a herd and has issued dishonest certificates?" The reply has been that they take him off the pay roll and then call in the Federal Government to do the examining, and that is all they do. I then asked whether they permitted that veterinarian to continue his private practice after having shown himself incompetent and dishonest, and the reply was that they did, that there was no statute to provide for his punishment. So that they just lie down and ask the Federal Government to do the work.

Mr. SNELL. Are we behind in paying for the animals that have been destroyed up to the present time?

Mr. McLAUGHLIN of Michigan. No.

Mr. SNELL. Then if we paid up in full and used only \$171,000 in five months, why do they need a million dollars for the next year?

Mr. McLAUGHLIN of Michigan. This act provides that we shall cooperate with the States only on a certain basis, and that the States must be willing to cooperate with us. Some of the States do not have laws that enable them to cooperate. Our officials have been cooperating with only 33 States last year, but it is expected that during the coming year all of the States will be in a position to cooperate with the Federal Government so that more work will be done, more States will be taken in, and more money will be needed.

Mr. MONDELL. Mr. Chairman, will the gentleman yield?

Mr. McLAUGHLIN of Michigan. Yes.

Mr. MONDELL. Do I understand that that is the basis on which the committee brought in this very large appropriation—that there was a hope or an expectation that we might do more than we have done, with nothing definite or assured? Is that the way we are appropriating money?

Mr. SNELL. That is what I am trying to find out.

Mr. MONDELL. If we are throwing away a million dollars here and a million dollars there, on the mere hope or expectation that we may do something, it is about time that we knew about it.

Mr. McLAUGHLIN of Michigan. I am not a member of the committee reporting this bill. I speak only in a general way and from such information as I have been able to gather.

Mr. MONDELL. I had assumed that the gentleman was speaking from knowledge.

Mr. McLAUGHLIN of Michigan. I understand that is why the amount is increased. The gentleman can get the particulars from the members of the Committee on Appropriations.



Mr. MONDELL. There seems to be a notion in the minds of some people that because these appropriations are agricultural appropriations they must be very large, whether they are needed or not.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. MCARTHUR. Mr. Chairman, I rise in the hope that I may shed a little light on this matter. I want to quote some figures furnished me by the Bureau of Animal Industry on this very question. During the last fiscal year, ending June 30, 1920, the Government paid out by way of indemnity \$551,331.08, and there was paid out to the cattle owners by the various States by way of indemnity \$934,237.18—practically \$2 by the States to \$1 by the Federal Government.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. MCARTHUR. Certainly.

Mr. SNELL. What period does that cover?

Mr. MCARTHUR. The last fiscal year, ending June 30, 1920. The head of the Tuberculosis Eradication Division of the Bureau of Animal Industry advises me that the money on hand at the present time will be barely sufficient to cover the cost of carrying on this work up to June 30, 1921, and that even a larger sum will be required for the next fiscal year, for the reason that a very wide campaign is under way for the wiping out of this disease among the cattle of this country, especially in the dairy industry. The figures I have here show the growth of that campaign. At the present time there are on the accredited herd lists of the bureau 5,018 herds, approximating 80,000 cattle, which have passed either two or three tuberculin tests yearly at the hands of the bureau, and there are 27,842 herds, approximating 440,000 cattle, that have passed one test. There has been a tremendous growth since this work was undertaken, and it is costing money to carry it on.

Mr. RUBEY. Mr. Chairman, will the gentleman yield?

Mr. MCARTHUR. Yes.

Mr. RUBEY. Is it not a fact that there are a great many herds on the waiting list?

Mr. MCARTHUR. Yes; thousands of them are asking that this work be done, and that this test be administered, because it is all important in eradicating this disease, which is costing the people of the United States \$50,000,000 a year.

Mr. FESS. Mr. Chairman, will the gentleman yield?

Mr. MCARTHUR. Yes.

Mr. FESS. What has the gentleman to say about the observations of the gentleman from Michigan that the States are not doing it?

Mr. MCARTHUR. My observation has been that it is necessary for the Federal Government to take hold of this work for the reason that the veterinarians employed by the Bureau of Animal Industry are men of ability and of the highest character, whereas in a number of States the official veterinarians, who are appointed for political purposes, are men who can not be depended on to do the right thing, and we have witnessed a great many instances of tubercular animals which have been certified to by crooked veterinarians and shipped to distant parts of the country, there to be dumped on the unsuspecting public at a good price.

Mr. FESS. What is the specific purpose of the appropriation? Is it a matter of obtaining food or of preserving health?

Mr. MCARTHUR. The specific purposes of the appropriation are very many. First, to stamp out this disease which entails an economic loss to the people of the country; and, second, to insure a wholesome supply of milk and dairy products for the consumers of the country, and also to insure a wholesome supply of meat from domestic animals.

Mr. SNELL. Will the gentleman yield for a further question?

Mr. MCARTHUR. I will.

Mr. SNELL. The evidence the gentleman has presented, where it cost about \$500,000 last year, is in direct line with the statement of the gentleman from Wisconsin that it took \$191,000 for the last five months. Now, if that is the direct evidence, I can not see any reason for appropriating \$1,000,000 for the next year.

Mr. MCARTHUR. If the gentleman will permit, this work is growing tremendously from month to month. There are thousands of herds on the waiting list now.

Mr. SNELL. Is it growing because we appropriate more money and they want to get it?

Mr. PELL. Yes.

Mr. SNELL. Or because there is some actual need?

Mr. MCARTHUR. It is growing because of the wisdom of this law; and, Mr. Chairman, the sooner we go on with the campaign of eradicating bovine tuberculosis, the better off the country will be. We can not make any headway if the job is

half done. There is only one way to fight this disease and stamp it out, and that is to do it and get rid of it. It will be only a few years, if this campaign is carried forward, when tuberculosis in our cattle will be stamped out and further appropriations will be unnecessary.

Mr. FESS. Will the gentleman yield further?

Mr. MCARTHUR. I will.

Mr. FESS. What has the gentleman to say of the impression that as we increase the expenditure we are increasing tuberculosis?

Mr. MCARTHUR. There is nothing in that statement, Mr. Chairman, because as we increase the appropriation we are certainly decreasing tuberculosis, and we are slaughtering and disposing of infected animals, and there are very large areas in various sections of the country where tuberculosis has been wiped out altogether. Federal and State authorities are taking it up by county units in a great many States, and they have wiped it out altogether in one county in my State, in one in Washington, and in one in Wisconsin, and, in my judgment, it will not be many years until tuberculosis among cattle of this country will be a thing of the past. If we are going to carry the campaign forward and wipe out this disease, this is no time to talk about reducing the required appropriations. We either should abandon the work altogether or go forward with it. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. FOCHT. Mr. Chairman, I move to strike out the last word.

Mr. ANDERSON. Mr. Chairman, I think there is an amendment pending.

The CHAIRMAN. The gentleman from Pennsylvania rises in opposition to the amendment of the gentleman from Oregon to strike out the last two words.

Mr. FOCHT. Mr. Chairman, I have listened to this discussion with much interest, also with a great deal of surprise. I am amazed that there are so many tubercular cattle in the country after making these appropriations so many years.

Mr. MCARTHUR. Will the gentleman yield?

Mr. FOCHT. Ever since I have been here—I will yield.

Mr. MCARTHUR. How many years did the gentleman imagine these appropriations had been made?

Mr. FOCHT. Well, we have been making them for 14 years—here and in Pennsylvania.

Mr. MCARTHUR. The gentleman is mistaken; only for three years here.

Mr. FOCHT. That is all right. As a matter of fact, in my State we have cleaned out tuberculosis. Now, I would like to know where these crooked veterinarians come from you are talking about. I will say, gentlemen—

Mr. MCARTHUR rose.

Mr. FOCHT. No; I can not yield now. I want to ask this of the gentlemen who talk about the efficiency of these veterinarians: From what particular State do you get the eligible veterinarians? Where do they come from to Washington and where are they educated? You know very well that the only place you can go is Pennsylvania and New York, where we have a high standard for veterinary surgery. They have to stand a searching examination and they can not practice the profession as they did in the old days. Now, as for dishonesty, why, that is simply a question of opinion and evidence. How many herds are passed on or disposed of? I have heard a good deal about \$2,000,000 for the service, but we have not heard a word about how many cattle were found to have had tuberculosis, nor how many cattle there are that have tuberculosis, and if we do find some cases why do you come down to Washington and forever hit the Treasury?

We talk about economy. The leader of this House has just preached another sermon about it, and yet we want to raid the Treasury here for \$2,000,000 for tuberculosis, when there is not a tubercular cow or steer in the District of Columbia. Why does not your State of Oregon, your State of Minnesota, your State of Iowa, do as New York and Pennsylvania do, take care of your own tuberculosis? That is the question.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FOCHT. Mr. Chairman, I ask unanimous consent to continue for five minutes longer.

Mr. MCARTHUR. Reserving the right to object—

Mr. FOCHT. And I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent to revise and extend his remarks. Is there objection?

Mr. MCARTHUR. Reserving the right to object, I understood the gentleman from Pennsylvania asked for five additional minutes. Coupled with that I ask unanimous consent that I

be given five additional minutes in which to reply to the gentleman from Pennsylvania.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. FOCHT] asks unanimous consent to revise and extend his remarks. Is there objection? [After a pause.] The Chair hears none. And the gentleman from Pennsylvania asks unanimous consent to be allowed to proceed for five additional minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. FESS. Will the gentleman yield?

Mr. FOCHT. Yes.

Mr. FESS. I have a good deal of sympathy with what the gentleman is saying. However, if the purpose of this item is to eradicate not only disease in cattle, but disease also of the human, which will certainly be multiplied by the presence of disease in meat, would it not be a proper function of the Federal Government even if it had to do all of that?

Mr. FOCHT. I am in favor of all of this. You all understand that. Sometimes I like, as I follow these arguments along, to let it be known that I am not so overwhelmed and immersed in the idea expressed that I accept everything I hear. I like to call attention to some inconsistencies.

But here is something I would like to say in connection with this objection. Now, when I first came here and saw this agricultural bill, I really thought it would be a fair proposition to offer as a substitute for it, with all these scientific matters referred to here, the Lancaster Almanac. But there has been a great growth in the need of assistance to the farmer, and I am heartily in favor of it all. You may wonder why I would rise here, coming as I do from the State of Pennsylvania, when it is known we do not raise enough east of the Alleghenies to sustain human life, and talk about agriculture.

But the fact is that there is more agriculture in Pennsylvania than among many of those who have gone to the western plains, out to the granary of the world and the great corn belts of the Middle West, and all that. We have a great agricultural industry in Pennsylvania, and I am much interested in it. When I came in the course of my studies to a beautiful sentiment expressed by Edward Everett, I thought you would appreciate it and thereby could understand why I was inspired to come to the front here and say a few words this afternoon. After I read it I will likely make a few more observations. Here is what Edward Everett said about agriculture:

Before the heaving bellows had urged the furnace, before a hammer had struck upon an anvil, before the gleaming waters had flashed from an oar, before trade had hung up its scales or gauged its measures the culture of the soil began. "To dress the garden and keep it"—this was the keynote struck by the hand of God himself in that long, joyous, wailing, triumphant, troubled, pensive strains of life music, which sounds through the generations and ages of our race.

[Applause.]

So much for Edward Everett.

Now, as to the assistance that we are supposed to give the farmer, I am surprised that so much has been said about his inability to take care of himself. This \$36,000,000 is a bagatelle for the farmers. If agriculture is the queen of all occupations, in the presence of \$4,000,000,000 of appropriations which we are about to pass for all purposes, or will have passed by the end of the session, it seems to me that \$36,000,000 is the most insignificant amount that we could appropriate. If it is necessary for the farmer to have \$100,000,000 to develop those things which sustain human life, then that is the first place we ought to make an appropriation. But it strikes me that there is a suggestion or two in connection with all of these voluminous bills, carrying millions of dollars, as far as the American farmer is concerned.

In the first place, do not worry about him, but do him justice. One thing that has been discussed here so often and so long is that of getting his product to market, so that there may not be a condition existing such as was described here yesterday, depicting the farmer way out on the land, and being in hard luck, and then undertaking to reconcile that hard-luck story—

The CHAIRMAN. The time of the gentleman has expired.

Mr. FOCHT. I would like to have three minutes more, if the gentlemen will let me have it.

The CHAIRMAN. The gentleman asks unanimous consent to be allowed to proceed for three additional minutes. Is there objection?

Mr. ANDERSON. Reserving the right to object, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in three minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. McARTHUR. Reserving the right to object, will the gentleman answer a question?

Mr. FOCHT. I do not know that it will be possible to answer every question that you might ask. But I will try to do so. Go ahead.

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent to be allowed to proceed for three additional minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. McARTHUR. Mr. Chairman, will the gentleman yield?

Mr. FOCHT. Yes; go ahead.

Mr. McARTHUR. I want to know if the gentleman from Pennsylvania is aware of the fact that in the cooperative movement for the testing of tubercular cattle during the last fiscal year, ending June 30, 1920, there were tested in my State of Oregon 22,000 and in the gentleman's State 19,000?

Mr. FOCHT. No; I was not aware of that fact; but you have more bad cattle yet. I am glad to have the gentleman's information. But he is reading statistics, I understand, and it is of no use for me to refer further to statistics which may prove anything. What I want to say, Mr. Chairman, is this: That, so far as the farmer is concerned, he can take care of himself if we will take care of that robbery that is committed from the farm to the market [applause], so that somewhere from the hard-luck story that we heard yesterday down to the 80-cent butter and the 90-cent eggs that my wife bought to-day, some one is profiteering and thereby invites a hanging. That is all that the farmer needs—a square deal. He will take care of himself if he is given a chance.

We need these scientists. They may kill, or they may cure, and their mistakes may be buried, but we should appropriate this money. I am for it. I have always been for adequate salaries and a sufficient number of employees and efficiency, and I have never heard my constituents complain.

Mr. BLANTON. The gentleman paid too much, because the price of Blue Valley butter to-day is 70 cents and the price of the best eggs is 80 cents. [Laughter.]

Mr. FOCHT. Yes; that may be true, but I am guided rather by the odor than a name. [Laughter.]

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

The question is on agreeing to the amendment offered by the gentleman from Minnesota.

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

For all necessary expenses for the eradication of southern cattle ticks, \$660,000: *Provided*, That no part of this appropriation shall be used for the purchase of animals or in the purchase of materials for or in the construction of dipping vats upon land not owned solely by the United States, except at fairs or expositions where the Department of Agriculture makes exhibits or demonstrations; nor shall any part of this appropriation be used in the purchase of materials or mixtures for use in dipping vats except in experimental or demonstration work carried on by the officials or agents of the Bureau of Animal Industry.

Mr. JONES of Texas. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Texas moves to strike out the last word.

Mr. JONES of Texas. Mr. Chairman, my purpose in doing this is to call again to the attention of the committee the question of vaccine which was distributed for blackleg by the department for several years. The custom has prevailed in that department to distribute blackleg vaccine, which was found upon test to be of some benefit in the treatment of a fatal disease that afflicts cattle. Now, for a long period of time the people in the cattle-raising sections were accustomed to use a great deal of this vaccine. Some years ago the Agricultural and Mechanical College of Kansas discovered a system that was far superior to the old serum that was used, and practically all the stockmen discarded the Government vaccine and began to use the other. An effort was made to get the department to adopt the new form of vaccine. They could do so because the formula was not patented. It was a free formula that everyone might use. The Agricultural and Mechanical College of Kansas perfected the formula and was willing that the public should have the benefit of it, and did not seek to exploit it in any way.

I took it up with the head of the department that handled those matters, and he freely conceded that the Manhattan vaccine, as it is sometimes termed, is far superior to the kind that the Government is using, and yet the Government continues to use the old form of vaccine. I asked him the reason for doing so, and he said it was too expensive to obtain the better form of vaccine, saying that he had observed certain rules with respect to securing it, and that it was necessary to kill yearlings and inoculate them with this blackleg and then produce the serum from the dead animal.

I called his attention to the fact that in my country stockmen claimed that they have been inoculating burros, and that they can get them for \$4 or \$5 apiece and make the serum from them. He said he was under the impression that they could not



be given this disease. At any rate, it seems passing strange to me that the department would continue to use the old form of vaccine when practically all the stockmen who have handled stock in great numbers have discarded that form and are using the new and better form. If we are to have anything of this character, an appropriation should be made such as to enable the department to make and distribute the best form of serum.

It seems to me that in so far as the Government is going to continue in this line of investigation by this method of distribution it should secure the best. What they do distribute should be of that character. I can not see any reason, simply because the inferior form happens to be a little cheaper, why they should continue to use it, and I believe that whatever money is expended by the department should be expended in investigating and using the better form of serum.

I do not understand why that matter was not brought to the attention of the committee. I took it from the investigation that I made and that of several others that it would probably be brought to the attention of the committee. I believe it is important enough, if we are going to have investigations of these various diseases, to secure the best that can be had. I simply wanted to call this to the attention of the committee, so that the department would be called upon for its opinion with reference to this matter and for its reason for continuing the distribution of this inferior form of vaccine, which according to their own admission is inferior.

The CHAIRMAN. The gentleman withdraws his pro forma amendment. The Clerk will read.

The Clerk read as follows:

For all necessary expenses for investigations and experiments in dairy industry, including repairs, alterations, improvements, and additions to buildings absolutely necessary to carry on experiments, including the employment of labor in the city of Washington and elsewhere, cooperative investigations of the dairy industry in the various States, and inspection of renovated-butter factories, \$375,000.

Mr. HAUGEN. Mr. Chairman, I reserve a point of order for the purpose of asking the gentleman in charge of the bill if he does not think a limitation should be placed on the provision in line 21, "Additions to buildings absolutely necessary"?

Mr. ANDERSON. This does not contemplate the construction of new buildings.

Mr. HAUGEN. The additions might be several times the cost of the original building.

Mr. ANDERSON. I doubt if the comptroller would construe such an addition to be within the language of this appropriation. The department asked for the insertion in the bill of a provision authorizing the erection of buildings, evidently contemplating the erection as well as the repairs and improvements of buildings. The committee struck out that word. I do not know just what limitation the gentleman has in mind. If this language is too broad, I have no objection to limiting it.

Mr. HAUGEN. A limitation of cost, of course, would be the only limitation we could place on it. It is customary to do that.

Mr. ANDERSON. I have no objection to a limitation of cost if the gentleman desires to offer such an amendment. I do not think this provision is subject to any abuse. I think the department really has the authority now, and I suppose the general limitations of cost would apply. For that reason it seems to me the language is entirely safe.

The CHAIRMAN. Does the gentleman withdraw his reservation of the point of order?

Mr. HAUGEN. I am going to leave the matter to the discretion of the chairman of the committee. I think there should be a limitation. We have always placed such a limitation, and I am afraid that much of the \$375,000 may be used for a building if no limitation is placed on it. I simply call it to the attention of the chairman of the committee and leave it to him to determine for himself.

Mr. ANDERSON. I call the attention of the gentleman to the fact that the same language has been carried in the next item for many years without any limitation. The gentleman knows that we have a dairy farm at Beltsville and another one down in Louisiana, and it is necessary to have some flexibility in making ordinary repairs of buildings in order to carry on the work of the department. The gentleman knows it better than most of us.

Mr. HAUGEN. The gentleman knows that we have expensive buildings, and we ought in my estimation to place a limitation on this item.

Mr. BLANTON. Mr. Chairman, I make the point of order that there is no quorum present.

Mr. ANDERSON. Will the gentleman withhold his point of order until we dispose of this item?

Mr. BLANTON. I withdraw the point of order.

Mr. HAUGEN. I simply desire to call the attention of the gentleman in charge of the bill to this matter. I am inclined to

believe, in view of what has taken place in the past, that we ought to place this limitation on the item.

Mr. BLANTON. The gentleman from Minnesota has had his attention called to it. He understands it.

Mr. ANDERSON. I do not think it is necessary.

Mr. HAUGEN. I do not make the point of order.

The CHAIRMAN. The gentleman from Iowa withdraws his point of order.

Mr. ANDERSON. I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. HICKS, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the Agricultural appropriation bill, H. R. 15812, had come to no resolution thereon.

#### LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted—

To Mr. DENISON, indefinitely, on account of illness.

To Mr. KENNEDY of Rhode Island, indefinitely, on account of sickness in his family.

#### LEAVE TO EXTEND REMARKS.

By unanimous consent, leave was granted to Mr. SUMNERS of Texas, to Mr. JONES of Texas, and to Mr. HAYDEN to extend their remarks on the Agricultural appropriation bill.

#### MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. CROCKETT, one of its clerks, announced that the Senate had passed the following resolution:

##### Senate resolution 431.

*Resolved*, That the Senate has heard with profound sorrow the announcement of the death of Hon. CHARLES F. BOOHER, late a Representative from the State of Missouri.

*Resolved*, That a committee of six Senators be appointed by the Vice President, to join the committee appointed by the House of Representatives, to take order for the superintending of the funeral of Mr. BOOHER at Savannah, Mo.

*Resolved*, That the Secretary communicate a copy of these resolutions to the House of Representatives.

*Resolved*, That as a further mark of respect the Senate do now adjourn.

And that the Vice President had appointed as the committee on the part of the Senate Mr. REED, Mr. SPENCER, Mr. TRAMMELL, Mr. FERNALD, Mr. DIAL, and Mr. CAPPER.

The message also announced that the Senate had passed without amendment joint resolution (H. J. Res. 440) directing the Secretary of War to cease enlisting men in the Regular Army of the United States except in the case of those men who have already served one or more enlistments therein.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. 4787. An act granting consent for the construction, maintenance, and operation of a bridge across the Delaware River from the city of Philadelphia, Pa., to the city of Camden, N. J.; and

S. 4825. An act to extend the time for the construction of a bridge across the Columbia River, between the States of Oregon and Washington, at or within 2 miles westerly from Cascade Locks, in the State of Oregon.

#### SENATE JOINT RESOLUTION AND BILLS REFERRED.

Under clause 2, Rule XXIV, Senate joint resolution and bills of the following titles were taken from the Speaker's table and referred to their appropriate committees as indicated below:

S. J. Res. 236. Joint resolution directing the Secretary of War to cease enlisting men in the Regular Army of the United States until the number of enlisted men shall not exceed 175,000; to the Committee on Military Affairs.

S. 4825. An act to extend the time for the construction of a bridge across the Columbia River, between the States of Oregon and Washington, at or within 2 miles westerly from Cascade Locks, in the State of Oregon; to the Committee on Interstate and Foreign Commerce.

S. 4787. An act granting consent for the construction, maintenance, and operation of a bridge across the Delaware River from the city of Philadelphia, Pa., to the city of Camden, N. J., and also to consent to an agreement between the States of Pennsylvania and New Jersey and the city of Philadelphia for the construction, maintenance, and operation of such bridge; to the Committee on Interstate and Foreign Commerce.

#### DEATH OF EX-REPRESENTATIVE H. C. CLAYPOOL.

Mr. RICKETTS. Mr. Speaker, I ask unanimous consent to address the House for one minute.

The SPEAKER. The gentleman from Ohio asks unanimous consent to address the House for one minute. Is there objection?

There was no objection.

Mr. RICKETTS: Mr. Speaker and gentlemen of the House, it is with deepest regret I announce the sudden death of a former Member of this House from my State, Hon. Horatio C. Claypool, of Chillicothe, Ohio, who rendered a valuable and distinctive service to his constituency and the country during the Sixty-second, Sixty-third, and Sixty-fifth Congresses.

In manner Mr. Claypool was affable, congenial, and pleasant, and enjoyed the respect and confidence of a host of friends.

In his demise Ohio has lost one of her most distinguished sons, and Chillicothe and Ross County have lost an honored and valued citizen.

#### ADJOURNMENT.

Mr. ANDERSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 57 minutes p. m.) the House adjourned until Monday, January 24, 1921, at 12 o'clock noon.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV:

304. A letter from the Secretary of the Treasury, transmitting copy of communication from the Secretary of War, submitting supplemental estimates of appropriations required by the Engineer Department of the Army for expenses of buildings and grounds in Washington, fiscal year 1921. (H. Doc. 993), was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. PORTER, from the Committee on Foreign Affairs, to which was referred the bill (H. R. 15834) authorizing the accounting officers of the Treasury to adjust certain accounts of certain diplomatic and consular officers, reported the same with an amendment, accompanied by a report (No. 1218), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. SINCLAIR, from the Committee on Indian Affairs, to which was referred the bill (S. 126) conferring jurisdiction on the Court of Claims to permit the Yanktonal and Cuthead Bands of Sioux Indians to intervene in the action of the Sisseton and Wahpeton Bands of Sioux Indians against the United States (Docket No. 33731), and to hear, determine, and render judgment in said action in claims of Yanktonal and Cuthead Bands of Sioux Indians against the United States, reported the same without amendment, accompanied by a report (No. 1224), 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. REED of New York, from the Committee on War Claims, to which was referred the bill (H. R. 1307) for the relief of the heirs of Adam and Noah Brown, reported the same without amendment, accompanied by a report (No. 1219), which said bill and report were referred to the Private Calendar.

Mr. EDMONDS, from the Committee on Claims, to which was referred the bill (S. 3743) for the relief of W. R. Grace & Co., reported the same without amendment, accompanied by a report (No. 1220), which said bill and report were referred to the Private Calendar.

He also, from the same committee, to which was referred the bill (S. 4250) for the relief of John B. Elliott, reported the same without amendment, accompanied by a report (No. 1221), which said bill and report were referred to the Private Calendar.

He also, from the same committee, to which was referred the bill (H. R. 15530) for the relief of Ephraim Lederer, collector of internal revenue for the first district of Pennsylvania, reported the same without amendment, accompanied by a report (No. 1222), which said bill and report were referred to the Private Calendar.

Mr. MILLER, from the Committee on Military Affairs, to which was referred the bill (S. 3176) to authorize the President of the United States to appoint Marion C. Rayson an officer of the Army, reported the same without amendment, accompanied by a report (No. 1223), which said bill and report were referred to the Private Calendar.

#### CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Public Buildings and Grounds was discharged from the consideration of the bill (H. R. 15793) authorizing the Secretary of the Interior to purchase necessary lands for the use of the Government fuel yards, for the erection of a garage, and payment by check by branches of the Federal Government for fuel furnished, and the same was referred to the Committee on Mines and Mining.

#### PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. SMITH of Illinois: A bill (H. R. 15851) to reimburse officers, nurses, and civilian employees of the United States Public Health Service and inmates of the United States Public Health Service Hospital at Corpus Christi, Tex., for losses sustained as a result of a storm which occurred in Texas upon September 14, 1919; to the Committee on Claims.

By Mr. HULINGS: A bill (H. R. 15852) to provide for the investigation of frauds or errors committed at primary elections for the nomination of candidates for Congress in the House of Representatives and for the correction thereof, and for other purposes; to the Committee on Election of President, Vice President, and Representatives in Congress.

By Mr. FESS: A bill (H. R. 15853) to amend an act entitled "An act to provide for vocational rehabilitation and return to civil employment of disabled persons discharged from the military or naval forces of the United States, and for other purposes," approved June 27, 1918, as amended by the act of July 11, 1919; to the Committee on Education.

By Mr. KAHN: A bill (H. R. 15854) relating to the creation of the office of lieutenant general of the Armies of the United States; to the Committee on Military Affairs.

Also, a bill (H. R. 15855) authorizing the Secretary of War to furnish free transportation and subsistence from Europe to the United States for certain destitute discharged soldiers and their wives and children; to the Committee on Military Affairs.

By Mr. CAMPBELL of Pennsylvania: A bill (H. R. 15856) fixing the compensation of Senators, Representatives in Congress, Delegates from Territories, and Resident Commissioners; to the Committee on the Judiciary.

By Mr. NEWTON of Minnesota: A bill (H. R. 15857) further regulating the granting of visas by diplomatic and consular officers of the United States, and for other purposes; to the Committee on Foreign Affairs.

By Mr. LEHLBACH: A bill (H. R. 15858) supplemental to an act entitled "An act for the retirement of employees in the classified civil service, and for other purposes" (Public, No. 215, 66th Cong.); approved May 22, 1920; to the Committee on Reform in the Civil Service.

By Mr. PETERS: A bill (H. R. 15859) authorizing the Secretary of the Navy to transfer to the Fleet Naval Reserve any enlisted man of the naval service with 16 or more years' naval service; to the Committee on Naval Affairs.

By Mr. SISSON: A bill (H. R. 15860) providing for the purchase of farm loan bonds; to the Committee on Banking and Currency.

By Mr. HILL: Joint resolution (H. J. Res. 455) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. SWEET: Joint resolution (H. J. Res. 456) authorizing and directing the accounting officers of the Treasury to allow credit to the disbursing clerk of the Bureau of War Risk Insurance in certain cases; to the Committee on Interstate and Foreign Commerce.

By Mr. HUDSPETH: Resolution (H. Res. 650) authorizing the Committee on Agriculture to make certain investigations of the Wool Administration, War Department, regarding wool taken over by the Government in Texas during the late war; to the Committee on Rules.

By Mr. RAKER: Memorial of the Legislature of California, relating to the protection of the quicksilver-mining industry; to the Committee on Ways and Means.

Also, memorial of the Legislature of California, relative to the naturalization and property rights of aliens; to the Committee on Immigration and Naturalization.

Also, memorial of the Legislature of California, relating to the protection of the poultry industry; to the Committee on Ways and Means.

By Mr. STINESS: Memorial of the General Assembly of Rhode Island, requesting of the Subcommittee on Appropriations of the United States House of Representatives a sufficient sum for the proper and efficient maintenance of the United States Naval Training Station, Newport, R. I.; to the Committee on Appropriations.



## PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DOREMUS: A bill (H. R. 15861) to confirm private claim No. 61 in the township of Ecorse, Wayne County, Mich.; to the Committee on the Public Lands.

By Mr. DYER: A bill (H. R. 15862) granting a pension to Josephine Holmes; to the Committee on Pensions.

By Mr. HARRELD: A bill (H. R. 15863) granting an increase of pension to Olive G. Hughes; to the Committee on Invalid Pensions.

By Mr. HILL: A bill (H. R. 15864) for the relief of Chancey W. Peak; to the Committee on War Claims.

By Mr. RICKETTS: A bill (H. R. 15865) granting a pension to Frances Melcher; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15866) granting a pension to James Campbell; to the Committee on Invalid Pensions.

By Mr. RUBEY: A bill (H. R. 15867) granting a pension to Martha Baker; to the Committee on Invalid Pensions.

By Mr. SELLS: A bill (H. R. 15868) granting an increase of pension to William M. Lillard; to the Committee on Pensions.

By Mr. WOOD of Indiana: A bill (H. R. 15869) granting a pension to Jennie Hutton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15870) granting a pension to Charles Dilden; to the Committee on Pensions.

Also, a bill (H. R. 15871) granting a pension to Francis M. Washburn; to the Committee on Pensions.

## PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5164. By Mr. CURRY of California: Petition of residents of Sacramento, Calif., protesting against the Fess-Capper bill; to the Committee on Education.

5165. Also, petition of the Retail Grocers' Association of Stockton, Calif., opposing tax on sales; to the Committee on Ways and Means.

5166. By Mr. DARROW: Memorial of the Philadelphia Board of Trade, opposing Senate bill 4711, requiring all ships sailing under a foreign flag and entering the ports of the United States or clearing therefrom to have a permit from the United States Shipping Board; to the Committee on the Merchant Marine and Fisheries.

5167. By Mr. DYER: Petition of the Chamber of Commerce of Oklahoma City, Okla.; J. H. Winchester & Co., National Bottle Manufacturers' Association, Atlantic Coast Shipbuilders' Association, New York City; and Northwestern Towboat Owners' Association, of Seattle, Wash., favoring House bill 13591, regarding collisions by vessels belonging to the United States; to the Committee on the Judiciary.

5168. Also, petition of B. M. Schlueter, St. Louis, Mo., opposing House bill 14657 and Senate bill 4561; to the Committee on Agriculture.

5169. Also, petition of Consolidated Saw Mills Co., Hyman-Michaels Co., Steel & Hibbard Lumber Co., and the Shapleigh Hardware Co., all of St. Louis, Mo., urging passage of the Winslow bill, making payments to railroads; to the Committee on Interstate and Foreign Commerce.

5170. Also, petition of C. P. Hutchinson, Webster Grove, Mo., favoring the Smith-Towner bill; to the Committee on Education.

5171. Also, petition of Philip Schwartz, St. Louis, Mo., opposing House bill 14657 and Senate bill 4561; to the Committee on Agriculture.

5172. Also, petition of Leppert-Roos Fur Co., of St. Louis, Mo., favoring the repeal of revenue legislation; to the Committee on Ways and Means.

5173. Also, petition of the Midget Consolidated Gold Mining Co., of St. Louis, Mo., urging relief for the gold-mining industry; to the Committee on Ways and Means.

5174. Also, petition of the Chamber of Commerce of Kansas City, Mo., recommending changes in legislation with a view to improving the economic condition of the country; to the Committee on Ways and Means.

5175. Also, petition of William R. Warner & Co., St. Louis, Mo., opposing the granting of water rights in national parks; to the Committee on the Public Lands.

5176. Also, petition of Louis Wessbecher, St. Louis, Mo., protesting against the occupation of German territory by French colonial troops; to the Committee on Foreign Affairs.

5177. Also, petition of Neidringhaus Metalware Corporation, St. Louis, Mo., favoring passage of Senate bill 4204, to prohibit interference with interstate commerce; to the Committee on Interstate and Foreign Commerce.

5178. By Mr. GALLIVAN: Petition of the Consumers' League of Massachusetts, favoring the Gronna bill (S. 3944); to the Committee on Agriculture.

5179. Also, petition of Irene Glenn, of Boston, Mass., favoring the Smith-Towner bill; to the Committee on Education.

5180. Also, petition of Irving C. Tomlinson, C. S. B., and Alice P. Tapley, of Boston, Mass., favoring House bill 14854 and Senate bill 4593, to the Committee on Agriculture.

5181. Also, petition of John F. Carey, of Roxbury, Mass., opposing the Smith-Towner bill; to the Committee on Education.

5182. Also, petition of John L. Saltonstall, of Boston, Mass., and L. D. Knowlton, N. R. O., favoring an appropriation of \$500,000 for the Naval Reserve Force; to the Committee on Appropriations.

5183. Also, petition of W. L. Montgomery & Co., of Boston, Mass., protesting against an import duty on hides; to the Committee on Ways and Means.

5184. Also, petition of Babsons Statistical Organization (Inc.), of Wellesley Hills, Mass., favoring an appropriation for the Shipping Board which will enable it to finish vessels which are under construction and are nearly built; to the Committee on Appropriations.

5185. Also, petition of the National Association of United States Customs Inspectors of Boston, Mass., favoring H. R. 15089 and S. 4693; to the Committee on Ways and Means.

5186. By Mr. KENNEDY of Rhode Island: Resolution of the General Assembly of the State of Rhode Island, requesting a sufficient appropriation for the proper and efficient maintenance of the United States Naval Training Station at Newport, R. I.; to the Committee on Appropriations.

5187. Also, resolutions of Newport (R. I.) Chamber of Commerce, urging adequate appropriation for maintenance of Newport Naval Training Station; to the Committee on Appropriations.

5188. By Mr. LAMPERT: Refinancing plan for United States Government, by R. D. Wynn, president and general manager of the Molle Typewriting Co., Oshkosh, Wis., January 24, 1921; to the Committee on Ways and Means.

5189. By Mr. LINTHICUM: Petition of Robert F. Leach, jr., and Women's Civic League, Baltimore, regarding appropriation for social hygiene work; to the Committee on Appropriations.

5190. Also, petition of Dr. Lillian Welsh, Baltimore, regarding Smith-Towner bill; to the Committee on Education.

5191. Also, petition of R. W. Baldwin, Savage, Md., regarding S. 4828; to the Committee on Interstate and Foreign Commerce.

5192. Also, petition of the Women's Civic League, Baltimore, regarding H. R. 15228; to the Committee on Reform in the Civil Service.

5193. Also, petition of Fehsenfeld Cigar Co., Baltimore, Md., regarding tax on tobacco; to the Committee on Ways and Means.

5194. Also, petition of Mrs. Mary H. Tormey, Baltimore, regarding H. R. 14961; to the Committee on Interstate and Foreign Commerce.

5195. By Mr. LUFKIN: Petition of members of Elizabeth H. Whittier Club, Amesbury, Mass., expressing their hope and belief that American citizenship may be conferred on the American Indians; to the Committee on Indian Affairs.

5196. By Mr. NEWTON of Minnesota: Petition of Mrs. Emma S. Seale and sundry other citizens, of Minneapolis, Minn., opposing the Sheppard-Towner bill; to the Committee on Interstate and Foreign Commerce.

5197. By Mr. O'CONNELL: Petition of the Chamber of Commerce of the State of New York, favoring Senate bill 4504 and House bill 14461 as amended; to the Committee on Immigration and Naturalization.

5198. Also, petition of Henry E. Leonard, of Brooklyn, N. Y., and the Isle of Pines, protesting against a higher duty on citrus fruits; to the Committee on Ways and Means.

5199. By Mr. SHERWOOD: Petition of District Lodge, No. 57, of the International Association of Machinists, Toledo, Ohio, favoring the resumption of free and unrestricted commercial exchange and traveling privileges with Soviet Russia; to the Committee on Foreign Affairs.

5200. By Mr. STINESS: Petition of the Chamber of Commerce of Newport, R. I., urging that the Subcommittee on Naval Appropriations of the Committee on Appropriations provide a sum sufficient for the proper maintenance of the Newport Training Station; to the Committee on Appropriations.

5201. By Mr. TAGUE: Petition of Loose-Wiles Co., the Loose-Wiles Biscuit Co., and the Windsor Confectionery Co., all of Boston, Mass., favoring a 1 per cent gross sales tax on candies; to the Committee on Ways and Means.

5202. Also, petition of the Public Education Association of Worcester, Mass., favoring the Fess-Capper bill; to the Committee on Education.

5203. Also, petition of Leas & McVitty Co., of Boston, Mass., protesting against an import duty on hides; to the Committee on Ways and Means.

5204. By Mr. TEMPLE: Petition of the Civic Club of Midland, Pa., protesting against the passage of the Yellowstone National Park bill (H. R. 12466); to the Committee on the Public Lands.

5205. Also, petition of the Woman's Club of Ambridge, Pa., in support of the Sheppard-Towner bill (H. R. 10925), the Smith-Towner bill (H. R. 7), and protesting against the passage of the Yellowstone National Park bill (H. R. 12466); to the Committees on Education, Interstate and Foreign Commerce, and the Public Lands.

5206. Also, petition of the Woman's Club of Woodlawn, Pa., protesting against the passage of the Yellowstone National Park bill (H. R. 12466); to the Committee on the Public Lands.

5207. Also, petition of the Woman's Club of Woodlawn, Pa., supporting the Smith-Towner bills (S. 1107; H. R. 7); to the Committee on Education.

5208. Also, petition of the Woman's Club of Woodlawn, Pa., supporting the Sheppard-Towner bills (S. 3259; H. R. 10925); to the Committee on Interstate and Foreign Commerce.

5209. Also, petition of the Civic Club of Midland, Pa., in support of the Sheppard-Towner bills (S. 3259; H. R. 10925); to the Committee on Interstate and Foreign Commerce.

5210. Also, petition of the Civic Club of Midland, Pa., in support of the Smith-Towner bills (S. 1107; H. R. 7); to the Committee on Education.

5211. By Mr. THOMPSON: Petition of the committee on law, Van Wert (Ohio) Lodge, No. 667, International Association of Machinists, asking for the appointment of national boards of adjustment to handle controversies between the railroads and their employees; to the Committee on Interstate and Foreign Commerce.

5212. By Mr. YATES: Petition of Mr. and Mrs. Roy E. Peters, favoring the Fess-Capper bill (H. R. 12652); to the Committee on Education.

5213. By Mr. YOUNG of North Dakota: Petition of the Woman's Club of Barton, N. Dak., expressing disapproval of the Smith bill (H. R. 12466); to the Committee on the Public Lands.

5214. Also, petition of the faculty of the State Normal School of Dickinson, N. Dak., and Woman's Club of Barton, N. Dak., favoring the Smith-Towner bill; to the Committee on Education.

5215. By Mr. ZIHLMAN: Petition of the Merchants' & Manufacturing Association of Baltimore, opposing Senate bill 3390, the Muscle Shoals bill; to the Committee on Appropriations.

5216. Also, petition of the Charles County Sheep Growers' Association, La Plata, Md., favoring the passage of the French-Capper truth in fabric bill (H. R. 11641); to the Committee on Interstate and Foreign Commerce.

## SENATE.

MONDAY, January 24, 1921.

(Legislative day of Tuesday, January 18, 1921.)

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

Mr. SMOOT. Mr. President, at the time the recess was taken on Saturday the Senator from Iowa [Mr. KENYON] was occupying the floor on the packer's bill (S. 3944), and if he desires to go on at this time I have no objection, but if not I should like to proceed with what I shall have to say in relation to the bill, whichever course the Senator from Iowa prefers.

Mr. KENYON. I have no desire at all to speak further on the bill.

Mr. SMOOT. Then I shall proceed.

Mr. KENYON. Does the Senator desire a quorum?

Mr. GRONNA. I hope that no Senator will call for a quorum. I shall be glad to proceed if the Senator from Utah is not desirous of doing so at this time.

Mr. SMOOT. It seems to me that the bill is of sufficient importance and means so much not only to the packers of the country but to the business interests of the country generally, Senators ought to be willing to listen to-day to what is said in relation to the measure.

Mr. KENYON. The Senator does not expect that they will?

Mr. SMOOT. I express the hope that they will. I know that in the past they have not done so. If Senators realized what the bill means—I do not mean to the packers, but to the busi-

ness interests of the United States—I think they would listen to the debate to-day.

Mr. GRONNA. I wish to say to the Senator from Utah that I had intended to speak on Saturday, but gave way to others.

Mr. SMOOT. So did I.

Mr. GRONNA. There are certain statements which I should like to make for the Record with reference to the pending bill.

Mr. SMOOT. So far as I am concerned, I am not going to take all the time, I will say to the Senator.

Mr. CURTIS. If the Senator from Utah thinks there ought to be a quorum here, I suggest the absence of a quorum.

The VICE PRESIDENT. Does the Senator from Utah object?

Mr. SMOOT. No; I do not object.

The VICE PRESIDENT. The Secretary will call the roll.

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

Ashurst	Hale	Knox	Sterling
Ball	Harris	La Follette	Sutherland
Brandegee	Harrison	McCumber	Trammell
Capper	Henderson	McLean	Underwood
Curtis	Johnson, Calif.	Moses	Wadsworth
Dial	Jones, Wash.	Nelson	Walsh, Mass.
Dillingham	Kellogg	Page	Walsh, Mont.
Edge	Kendrick	Robinson	Warren
Elkins	Kenyon	Sheppard	Willis
Gooding	Keyes	Sherman	
Gronna	Kirby	Smoot	

Mr. HARRISON. I wish to announce that the Senator from Oregon [Mr. CHAMBERLAIN] and the Senator from South Dakota [Mr. JOHNSON] are absent by reason of illness.

I wish also to announce that the Senator from Virginia [Mr. SWANSON] and the Senator from Kentucky [Mr. BECKHAM] are absent on official business.

The VICE PRESIDENT. Forty-two Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The reading clerk called the names of the absent Senators, and Mr. OVERMAN and Mr. PHIPPS answered to their names when called.

Mr. POMERENE, Mr. SMITH of South Carolina, Mr. FRANCE, Mr. CALDER, Mr. SPENCER, Mr. FERNALD, Mr. HITCHCOCK, Mr. NEW, Mr. PITTMAN, Mr. FLETCHER, Mr. MCKELLAR, Mr. TOWNSEND, Mr. SMITH of Arizona, Mr. LENROOT, and Mr. CULBERSON entered the Chamber and answered to their names.

The VICE PRESIDENT. Fifty-nine Senators have answered to the roll call. There is a quorum present.

Mr. JOHNSON of California. Will the Senator from Utah yield to me for a moment?

Mr. SMOOT. I yield.

Mr. JOHNSON of California. Upon the bill which is pending before the Senate, namely, the bill (H. R. 5726) to fix the compensation of certain employees of the United States, I ask unanimous consent that a vote may be taken, say, to-morrow afternoon at 4 o'clock, or on Wednesday afternoon. I am not particular about the time; but I ask unanimous consent that a vote may be taken upon that bill at a time fixed, and I suggest to-morrow, Tuesday, at 4 p. m.

Mr. DIAL. Mr. President, I object.

### MEAT-PACKING INDUSTRY.

Mr. SMOOT. I ask that Senate bill 3944, known as the packers' bill, be laid before the Senate.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 3944) to create a Federal live-stock commission, to define its powers and duties, and to stimulate the production, sale, and distribution of live stock and live-stock products, and for other purposes.

Mr. SMOOT. Mr. President, in the short time that I shall occupy the attention of the Senate on this bill I desire to point out as succinctly as possible the absolute facts in relation to the report made by the Federal Trade Commission and to answer in detail, if I can, some of the statements made in behalf of the bill.

Mr. President, on December 10 the distinguished Senator from Iowa [Mr. KENYON] delivered an elaborate address in support of Senate bill 3944, known as the Gronna bill, to create a Federal live-stock commission, and for other purposes.

As pointed out by him, numerous bills have been introduced during the past two years on the subject of packer regulation. The Federal Trade Commission has made a report of its ex parte investigation of the meat-packing industry, covering several volumes, likewise various committees in both branches of Congress have held exhaustive hearings on the subject.

It would be a monumental task for any Senator to undertake to analyze and discuss the report of the Federal Trade