

PORTO RICO REGIMENT OF INFANTRY.

Manuel Font, of Porto Rico, to be second lieutenant.

PROMOTIONS IN THE ARMY.

CORPS OF ENGINEERS.

Lieut. Col. Mason M. Patrick to be colonel.
Maj. Meriwether L. Walker to be lieutenant colonel.
Capt. Max C. Tyler to be major.
First Lieut. Albert H. Acher to be captain.

CHAPLAINS.

To be chaplains with the rank of captain after seven years' service.

Chaplain William R. Scott.
Chaplain Franz J. Feinler.

FIELD ARTILLERY ARM.

Second Lieut. Jacob L. Devers to be first lieutenant.

CAVALRY ARM.

Second Lieut. Elkin L. Franklin to be first lieutenant.

PORTO RICO REGIMENT OF INFANTRY.

First Lieut. Henry C. Rexach to be captain.
First Lieut. Pedro J. Parra to be captain.
Second Lieut. Leopoldo Mercader to be first lieutenant.
Second Lieut. Urbino Nadal to be first lieutenant.

PROMOTIONS AND APPOINTMENTS IN THE NAVY.

Lieut. (Junior Grade) George McC. Courts to be a lieutenant.
The following-named citizens to be assistant surgeons in the Medical Reserve Corps:

Lockhart D. Arbuckle.
Ogden D. King.
John J. Loughlin.

Asst. Paymaster Harry W. Rusk, jr., to be a passed assistant paymaster.

The following-named assistant paymasters to be passed assistant paymasters:

William E. Moorman.
Harry T. Sandlin.
Stanley M. Mathes.
Delos P. Heath.

The following-named assistant naval constructors to be naval constructors:

James O. Gawne.
Alva B. Court.
The following-named boatswains to be chief boatswains:
Meade H. Eldridge.
Bernhard Schumacher.
Edward Crouch.
Otto J. W. Haltnorth.
Daniel Dowling.

The following-named gunners to be chief gunners:

Charles W. A. Campbell.
Lawrence Wittmann.
Machinist Newton R. George to be a chief machinist.

POSTMASTERS.

ALABAMA.

S. A. Borom, Hurtsboro.

CALIFORNIA.

E. R. Rhymes, Sanitarium.
J. C. White, Arbuckle.

ILLINOIS.

G. E. Combs, Villa Grove.
James W. Donaldson, Livingston.
James L. Mishler, Pearl City.
William G. Wack, Mansfield.

INDIANA.

John M. Wickizer, Argos.

KANSAS.

R. W. Moorhead, Sabetha.

LOUISIANA.

Merrill D. Harris, Crichton.

MISSOURI.

Thomas J. Juden, Cape Girardeau.

MONTANA.

K. O. Slette, Culbertson.

NEBRASKA.

J. R. Durrie, Laurel.

NEW JERSEY.

Harrison Hollinger, Port Norris.
William L. Scheuerman, Basking Ridge.

NORTH CAROLINA.

J. H. Ball, Elkin.

OKLAHOMA.

Earl E. Le Crone, Forgan.

OREGON.

W. A. Heylman, Estacada.
Fitzhugh G. Lee, Junction City.
Jared W. Moore, Redmond.
Katie B. Veatch, Cottage Grove.
James A. Watkins, Philomath.

TENNESSEE.

Charles C. Berry, Dyer.
James C. Walker, Monterey.

TEXAS.

George W. Locke, Groveton.

VIRGINIA.

A. Sidney Francis, Boykins.
Bayard Mackey, Rosslyn.

WASHINGTON.

Herbert J. Nunan, Oak Harbor.

WEST VIRGINIA.

C. L. Perkins, Gassaway.

WISCONSIN.

John Cremer, Cashton.
Carl J. Cunningham, Chippewa Falls.
William Hughes, Pardeeville.
J. L. Palmer, Pittsville.
Ira B. Pierce, Monticello.
A. W. Stiles, River Falls.
Joseph H. Sullivan, Spooner.
Margaret Sullivan, Hurley.
Joseph L. O'Neil, Gays Mills.
Thomas D. Smith, Fairchild.

WYOMING.

Ethel A. Berry, Guernsey.

REJECTION.

Executive nomination rejected by the Senate April 13 (legislative day of April 12), 1916.

REGISTER OF LAND OFFICE.

Ross G. Moore, of Broken Bow, Nebr.

HOUSE OF REPRESENTATIVES.

THURSDAY, April 13, 1916.

The House met at 11 o'clock a. m.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

We lift up our hearts in gratitude to Thee, our Father in heaven, for the natural yearning in the heart of man for civil, political, and religious liberty; for the brave men of every age who struggled for those inherent rights which culminated in the Government of the United States of America; for the long lists of the brave and the true who have woven their characters into the warp and woof of our Republic, whose names stand on the pages of our history as beacon lights for those who would conserve our God-given rights. To-day our hearts turn in love and gratitude to Thee for the life, work, and far-flung influence of Thomas Jefferson. "The hand that traced the charter of independence is, indeed, motionless; the eloquent lips that sustained it are hushed; but the lofty spirits that conceived, resolved, and maintained it, these can not perish."

Cold in the dust the perished heart may lie,
But that which warmed it once can never die.

So Jefferson lives, not only in the heart of every true American but in the heart of every lover of liberty round the world. We thank Thee for his life, his deeds, and imperishable character. May we strive to live his thoughts, his deeds, his virtues, in the spirit of Him who died that we might know Thee, worship Thee, and do unto others as we would be done by. Amen.

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

ORDER OF BUSINESS TO-MORROW.

Mr. RUSSELL of Missouri rose.

The SPEAKER. For what purpose does the gentleman rise?

Mr. RUSSELL of Missouri. I wanted to submit a request for unanimous consent.

The SPEAKER. The gentleman will state it.

Mr. RUSSELL of Missouri. To-morrow, under the rules, will be pension day, but in order to try to facilitate other more important public business I ask unanimous consent that the House take a recess to-morrow evening at 5.30 o'clock until 8 o'clock, and that bills on the two Pension Committees and conference reports from either of those committees be considered, and that the House adjourn not later than 11 o'clock.

The SPEAKER. The gentleman from Missouri asks unanimous consent that to-morrow at 5.30 o'clock p. m. the House stand in recess until 8 o'clock, when there shall be a night session of three hours, not to extend beyond 11 o'clock, to consider bills of a private character from the two Committees on Pensions and conference reports from those committees. Is there objection?

Mr. MANN. Reserving the right to object, Mr. Speaker, what conference reports are there pending?

Mr. RUSSELL of Missouri. One from each committee, as I understand, but I have not examined the calendar this morning.

Mr. MANN. I wish the gentleman would make his request that to-morrow at 5 o'clock we proceed with the consideration of bills on the Private Calendar reported from those two committees and conference reports.

Mr. RUSSELL of Missouri. And not have a night session?

Mr. MANN. Yes; and not have a night session.

Mr. LEVER. That would be entirely agreeable to me.

Mr. RUSSELL of Missouri. This is entirely agreeable to me, as it seems to be to the chairman of the Committee on Agriculture [Mr. LEVER].

The SPEAKER. The gentleman from Missouri modifies his request so that at 5 o'clock to-morrow the House shall take up pension bills of a private character and conference reports on the same subject. Is there objection?

There was no objection.

SPEAKER PRO TEMPORE FOR SUNDAY, APRIL 16, 1916.

The SPEAKER. The Chair designates Mr. NEELY, of West Virginia, to preside on Sunday at the memorial exercises respecting the late Mr. BROWN, of West Virginia.

EXTENSION OF REMARKS.

Mr. KETTNER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a speech delivered by Secretary Lane at the Panama-California Exposition while he was representing the President of the United States.

The SPEAKER. The gentleman from California [Mr. KETTNER] asks unanimous consent to extend his remarks in the RECORD by printing the speech of Secretary Lane at the Panama-California Exposition, when he was acting in lieu of the President. Is there objection?

There was no objection.

Mr. DAVIS of Texas. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD touching the refund of the cotton tax and the bill introduced by Mr. TILLMAN, of Arkansas, to make that a kind of trust fund to pension the old Confederate soldiers.

The SPEAKER. The gentleman from Texas asks unanimous consent to extend his remarks in the RECORD on the subject of the cotton tax and the bill introduced by the gentleman from Arkansas [Mr. TILLMAN] to make the proceeds a trust fund for the purpose of pensioning the old Confederate soldiers. Is there objection?

Mr. BARNHART. Mr. Speaker, reserving the right to object, I want to inquire if these are the gentleman's own remarks? It is not the insertion of an article by somebody else?

Mr. DAVIS of Texas. Yes; except that it contains a letter from Senator SHEPPARD.

The SPEAKER. Is there objection?

There was no objection.

Mr. JOHNSON of Washington rose.

The SPEAKER. For what purpose does the gentleman from Washington rise?

Mr. JOHNSON of Washington. This being Jefferson's birthday, I desire to ask unanimous consent to place in the RECORD a short statement by Thomas Jefferson.

The SPEAKER. The gentleman from Washington asks unanimous consent to extend his remarks in the RECORD by printing a part of a statement by Thomas Jefferson.

Mr. SLAYDEN. Part of it or the whole of it?

SEVERAL MEMBERS. Print it all.

Mr. BARNHART. Why not all of it?

Mr. MANN. It will be news to you.

Mr. BARNHART. It may be news to me, and it may not; but notwithstanding that, I have a right to inquire why it should be part of a statement and not the full statement.

The SPEAKER. The Chair understands that it is a short statement.

Mr. JOHNSON of Washington. The statement is this:

Were we directed from Washington when to sow and when to reap we should soon want bread.

Mr. BARNHART. I have no objection to that part.

Mr. JOHNSON of Washington. Now, I ask unanimous consent to add another paragraph.

The SPEAKER. The gentleman asks unanimous consent to add another paragraph. Is there objection?

There was no objection.

Mr. JOHNSON of Washington. Mr. Speaker, when Thomas Jefferson declared that were the people directed from Washington when to sow and when to reap they should soon want bread, and when he said also—

That government is best which governs least.

He never dreamed that on his birthday in 1916 there would be in power in the United States an administration more centralized than the most ardent Hamiltonian of old could have desired. The people see now one-man power, backed up by great Federal commissions and ever-increasing autocratic bureaus. They hear no more of well-balanced Cabinet meetings. Jeffersonian Democracy is but a hollow name. The people are told when to sow and when to reap and what profits to make by a Government which under Democracy has become more centralized than ever—more expensive than ever—with revenue cut off at the customhouses and collected by a miserable system of "horse-fly" stamp taxation. Oh, shades of Jefferson!

AMERICAN ACADEMY OF ARTS AND LETTERS.

The SPEAKER. The unfinished business is the bill (S. 1424) incorporating the American Academy of Arts and Letters. When the House adjourned last evening the question was on the adoption of the amendment offered by the gentleman from Alabama [Mr. HUDDLESTON].

Mr. HARRISON. Mr. Speaker, I make a point of order that that is not the unfinished business of the House. I shall occupy the attention of the Chair only a moment. I realize that the Chair on two occasions before, in answer to parliamentary inquiries, has held that on the day following Calendar Wednesday, where the previous question had been ordered on the amendments and the bill to its final passage, that made the bill the unfinished business, to take up immediately after the approval of the Journal the following day. But, as I gather from an investigation of the precedents, the only time the question was directly passed upon was some two years ago when it came before the Speaker on a point of order made by the gentleman from Tennessee [Mr. GARRETT] to the omnibus pension bill, when on a Saturday following the Friday when the bill was up for consideration, and the previous question had been ordered on the amendments and the bill to its final passage, the Chair overruled the point of order made by the gentleman from Tennessee [Mr. GARRETT] and held that the bill was the unfinished business on the following day. Now, I have no quarrel with any of those decisions; but merely for the purpose of obtaining a ruling of the Chair on the question directly I have made the point of order. There is this change, if it can be interpreted as a change, since the last ruling of the Chair: We have adopted a rule affecting Calendar Wednesday since the ruling of the Chair was made. That rule may not be construed as having any bearing on this question. Personally I doubt that it has, because the ruling of the Chair before was that the bill did not go over as unfinished business on the following Calendar Wednesday, but that it went over as unfinished business on the next legislative day.

The rule recently adopted with reference to Calendar Wednesday provided that we could not utilize more than two Wednesdays in the consideration of a bill unless the previous question was ordered and the time extended by a two-thirds vote of the Members of the House. When the Chair ruled in answer to the inquiry of the gentleman from Illinois [Mr. MANN] on two previous occasions that the matter came up as the unfinished business on the Thursday following Calendar Wednesday it was then in order under the rules of the House to consider a bill on any number of Wednesdays until it was finally disposed of by the House. It was not confined to two Calendar Wednesdays. The Chair will recall that many bills have been considered in this House under the former Calendar Wednesday

rules almost for an entire session of Congress, and when the Chair ruled on the point of order affecting the status of the pension bill as unfinished business after the previous question had been ordered on the amendments and the bill to its final passage on a Friday, the day on which, under the rules, pension bills could be considered, it was a rule of the House—and it is still the rule of the House—that when we have a pension bill up for consideration, if not concluded on one Friday it goes over to another Friday, and the same bill may be considered throughout the session of Congress. The same rule applies to District day and claims day.

The SPEAKER. No; not after the previous question has been ordered.

Mr. HARRISON. Certainly not after the previous question has been ordered; but if the consideration of the bill was not finished, and the previous question was not ordered, the consideration of the bill could in that event be continued indefinitely. Now, in view of the fact that the new rule adopted by the House affecting Calendar Wednesday limits the consideration of a bill to two Wednesdays, unless the previous question is ordered, or by a two-thirds vote the consideration is continued, the point of order that I make is to get a ruling of the Chair on the question whether or not since the adoption of that rule this matter as unfinished business goes over to next Wednesday or can be considered to-day.

Mr. FOSTER. Mr. Speaker, when this rule was presented to the House for its adoption it was said:

We provide that at the end of the second Calendar Wednesday, unless the previous question has been ordered, the committee shall lose the right to consider another bill until all the committees have been called again in their turn, unless the House by a two-thirds vote decides to take up for further consideration upon the next succeeding Calendar Wednesday the bill which was under consideration.

So I think there was no question in the Committee on Rules that it was the intention of the committee to leave it as it was with reference to the effect of the previous question. I do not think the rule had any effect upon that at all. The whole debate was along that line.

Mr. MANN. Mr. Speaker, under the new rule the House is not limited to the consideration of a bill on two Calendar Wednesdays.

Mr. HARRISON. It is unless two-thirds of the membership vote to the contrary.

Mr. MANN. Oh, yes.

Mr. HARRISON. Or unless the previous question is ordered.

Mr. MANN. Yes; but that does not change the status of anything, except that it requires a two-thirds vote. A majority at any time can refuse to consider a bill at all on Calendar Wednesday. The only distinction that the rule makes is that now it requires a motion and a two-thirds vote. I can not see why it has any effect whatever upon the question as to whether, the previous question being ordered, the matter comes up the next day. I can recall no case—although there may be one, where, when the previous question has been ordered, which means that the House shall vote at once upon the proposition—which holds anything except that it comes up automatically as the unfinished business.

[Mr. HOWARD addressed the House. See Appendix.]

Mr. LEVER. Mr. Speaker, the RECORD shows, on page 5918, the following:

Mr. LEVER. I ask unanimous consent, Mr. Speaker, that general debate on this bill be limited to eight hours, four hours to be controlled by myself and four hours by the gentleman from Iowa [Mr. HAUGEN].

Then some discussion took place, and finally I submitted another request, which the Speaker stated for me, and which will be found on page 5918 of the RECORD:

The SPEAKER. That when the House adjourns to-morrow it adjourn to meet on Thursday at 11 o'clock a. m., and that the gentleman from South Carolina [Mr. LEVER] control half the time and the gentleman from Iowa [Mr. HAUGEN] control the other half. Is there objection?

The SPEAKER. That reduces itself at last to a unanimous consent to meet at 11 o'clock, and of course that is subject to all of the rules of the House.

Mr. MANN. And in addition to that, Mr. Speaker, there was a request submitted that general debate on the Agricultural bill should cease with the adjournment to-night. I objected to that because I said that no one knows what will be up on Thursday.

The SPEAKER. All of these agreements are made subject to the general rules and practice of the House. A Member might rise to a question of personal privilege which might take the entire day, and no Speaker would be justified in ruling that out.

As far as this other matter is concerned, it has been held, and properly I think, that where the previous question is ordered on a bill on Wednesday it is unfinished business on the next legislative day, whatever it happens to be. The office of the previous question is to put an end to the debate. Members get tired

and they want to stop speech making. That is exactly what the previous question is. The House deliberately by a large majority yesterday adopted the previous question.

As far as the change in the rules is concerned, the gentleman from Illinois [Mr. FOSTER] is exactly right about it. The rule says:

Provided, That not more than two hours of general debate shall be permitted on any measure called up on Calendar Wednesday, and all debate must be confined to the subject matter of the bill, the time to be equally divided between those for and against the bill: Provided further, That whenever any committee shall have occupied two Wednesdays it shall not be in order, unless the House by a two-thirds vote shall otherwise determine, to consider any unfinished business previously called up by such committee, unless the previous question had been ordered thereon, upon any succeeding Wednesday until the other committees have been called in their turn under this rule.

That does not change the rule as to the previous question. The reason that the change in the rule was adopted was that while Calendar Wednesday was established with the very best intentions in the world, either purposely or accidentally, it came to be a sort of hindrance to business rather than for the promotion of business. So, after a good deal of private conference between gentlemen who are interested in matters of this sort, the Committee on Rules brought in the rule limiting general debate on any bill on Calendar Wednesday to two hours, and confining it to the subject matter of the bill. The point of order is overruled, and the Clerk will report the bill by title.

The Clerk read as follows:

A bill (H. R. 4678) incorporating the American Academy of Arts and Letters.

The SPEAKER. The Clerk will report the pending amendment.

The Clerk read as follows:

Page 1, line 3, after the word "assembled," strike out all the remainder of said paragraph down to and including the word "Letters," on line 3 of page 3, being all the remainder of section 1 of the bill, and insert in lieu thereof the following: "That the American Academy of Arts and Letters is hereby incorporated; that the governor of each of the States of the United States shall be authorized to appoint one member on a board of control of said corporation, and his successor and successors."

The SPEAKER. The question is on the Huddleston amendment.

The question was taken; and on a division (demanded by Mr. HUDDLESTON) there were 27 yeas and 83 noes.

So the amendment was rejected.

The SPEAKER. The question now is on the third reading of the Senate bill.

The bill was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was being taken when Mr. BARNHART demanded the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 211, nays 96, answered "present" 8, not voting 118, as follows:

YEAS—211.

| | | | |
|---------------|-----------------|------------------|----------------|
| Abercrombie | Dempsey | Helvering | McLaughlin |
| Adair | Denison | Hernandez | Madden |
| Adamson | Dillon | Hinds | Magee |
| Alexander | Dixon | Holland | Mann |
| Ashbrook | Dooling | Hollingsworth | Mapes |
| Austin | Doolittle | Hood | Martin |
| Ayres | Dunn | Hughes | Matthews |
| Barkley | Dyer | Hull, Iowa | Miller, Del. |
| Barnhart | Elston | Husted | Miller, Minn. |
| Beakes | Esch | Hutchinson | Miller, Pa. |
| Britt | Estopinal | Igoe | Montague |
| Britten | Evans | Johnson, Ky. | Moore, Pa. |
| Browne | Farley | Johnson, S. Dak. | Moore, Ind. |
| Browning | Ferris | Johnson, Wash. | Morgan, Okla. |
| Burgess | Fess | Kahn | Mott |
| Butler | Flood | Kearns | Neely |
| Caldwell | Flynn | Kelster | Norton |
| Campbell | Fordney | Kelley | Oakey |
| Cannon | Foss | Kennedy, Iowa | Oldfield |
| Capstick | Frear | Kennedy, R. I. | O'Shaunessy |
| Carew | Freeman | King | Overymer |
| Carlin | Fuller | Konop | Padgett |
| Carter, Mass. | Gallagher | Kreider | Paige, Mass. |
| Carter, Okla. | Gandy | Lafean | Peters |
| Cary | Gard | La Follette | Phelan |
| Charles | Gillett | Leshner | Platt |
| Chiperfield | Glass | Lever | Pratt |
| Church | Glynn | Lieb | Rainey |
| Clark, Fla. | Graham | Lindbergh | Raker |
| Conry | Gray, N. J. | Linthicum | Randall |
| Cooper, Ohio | Green, Iowa | London | Ricketts |
| Cooper, Wis. | Greene, Mass. | Longworth | Riordan |
| Copley | Greene, Vt. | Loud | Roberts, Mass. |
| Costello | Gregg | McArthur | Roberts, Nev. |
| Cox | Griffin | McCulloch | Roberts |
| Crago | Hadley | McDermott | Rowe |
| Dale, Vt. | Hamilton | McDadden | Rowland |
| Dallinger | Hamilton, Mich. | McHilleuddy | Sanford |
| Danforth | Hamilton, N. Y. | McKellar | Saunders |
| Darrow | Hastings | McKenzie | Schali |
| Davis, Minn. | Hawley | McKinley | Scott, Mich. |

| | | | |
|--------------|-----------------|------------|-----------------|
| Sells | Snell | Tague | Watson, Pa. |
| Sherwood | Snyder | Talbot | Watson, Va. |
| Shouse | Sparkman | Temple | Webb |
| Slegel | Steenerson | Tillman | Wheeler |
| Sims | Stephens, Cal. | Tilson | Williams, Ohio |
| Sinnott | Stephens, Nebr. | Timberlake | Williams, T. S. |
| Slayden | Sterling | Tinkham | Wilson, Ill. |
| Small | Stone | Towner | Winslow |
| Smith, Idaho | Sulloway | Volstead | Wood, Ind. |
| Smith, Mich. | Sutherland | Walsh | Woods, Iowa |
| Smith, Minn. | Switzer | Ward | Young, N. Dak. |
| Smith, Tex. | Taggart | Wason | |

NAYS—96.

| | | | |
|----------------|---------------|-----------------|----------------|
| Aiken | Davenport | Hensley | Rouse |
| Almon | Davis, Tex. | Howard | Rubey |
| Anderson | Dent | Howell | Rucker |
| Bailey | Dickinson | Huddleston | Russell, Mo. |
| Bell | Dies | Hull, Tenn. | Saackelford |
| Black | Dill | Jacoway | Shallenberger |
| Blackmon | Doughton | James | Sherley |
| Booher | Dowell | Keating | Sisson |
| Borland | Ellsworth | Kincheloe | Sloan |
| Buchanan, Tex. | Finley | Lee | Steagall |
| Burke | Foster | Lenroot | Steele, Iowa |
| Byrnes, S. C. | Garner | McLemore | Steele, Pa. |
| Callaway | Garrett | Mays | Stephens, Tex. |
| Candler, Miss. | Godwin, N. C. | Moon | Sweet |
| Cantrill | Gordon | Moss, Ind. | Tavener |
| Caraway | Gray, Ala. | Nicholls, S. C. | Taylor, Ark. |
| Cline | Gray, Ind. | Nolan | Taylor, Colo. |
| Collier | Hamlin | Park | Thomas |
| Connelly | Hardy | Quin | Thompson |
| Cramton | Harrison | Ragsdale | Tribble |
| Crisp | Hayden | Ramseyer | Trinn |
| Crosser | Hellin | Rayburn | Whaley |
| Cullop | Helgesen | Reavis | Wingo |
| Curry | Helm | Reilly | Wise |

ANSWERED "PRESENT"—8.

| | | | |
|---------|-----------------|-------|-------------|
| Edwards | Humphrey, Wash. | Mudd | Page, N. C. |
| Fields | Kinkaid | North | Rauch |

NOT VOTING—118.

| | | | |
|-----------------|------------------|----------------|-----------------|
| Allen | Fitzgerald | Langley | Pou |
| Anthony | Focht | Lazaro | Powers |
| Aswell | Gallivan | Lehbach | Price |
| Bacharach | Gardner | Lewis | Rodenberg |
| Barchfeld | Garland | Liebel | Russell, Ohio |
| Beales | Good | Littlepage | Sabath |
| Bennet | Goodwin, Ark. | Lloyd | Scott, Pa. |
| Bruckner | Gould | Lobeck | Scully |
| Brumbaugh | Griest | Loft | Sears |
| Buchanan, Ill. | Guernsey | McAndrews | Slemp |
| Burnett | Hart | McClintic | Smith, N. Y. |
| Byrns, Tenn. | Haskell | McCracken | Stafford |
| Casey | Haugen | Maher | Stedman |
| Chandler, N. Y. | Hay | Meeker | Stephens, Miss. |
| Coady | Hayes | Mondell | Stiness |
| Coleman | Heaton | Mooney | Stout |
| Cooper, W. Va. | Henry | Morgan, La. | Summers |
| Dale, N. Y. | Hicks | Morin | Swift |
| Decker | Hill | Morrison | Treadway |
| Dewalt | Hilliard | Moss, W. Va. | Van Dyke |
| Doremus | Hopwood | Murray | Vare |
| Driscoll | Houston | Nelson | Venable |
| Drukker | Hubert | Nichols, Mich. | Walker |
| Dupré | Humphreys, Miss. | Oglesby | Watkins |
| Eagan | Jones | Oliver | Williams, W. E. |
| Eagle | Kent | Olney | Wilson, Fla. |
| Edmonds | Kettner | Parker, N. J. | Wilson, La. |
| Emerson | Key, Ohio | Parker, N. Y. | Young, Tex. |
| Fairchild | Kiess, Pa. | Patten | |
| Farr | Kitchin | Porter | |

So the bill was passed.

The Clerk announced the following pairs:

For the session:

Mr. FIELDS with Mr. LANGLEY.

Until further notice:

Mr. WM. ELZA WILLIAMS with Mr. GRIEST.

Mr. EDWARDS with Mr. SLEMP.

Mr. HOUSTON with Mr. GUERNSEY.

Mr. PATTEN with Mr. FAIRCHILD.

Mr. MORRISON with Mr. HUMPHREY of Washington.

Mr. BYRNS of Tennessee with Mr. KINKAID.

Mr. HENRY with Mr. HAYES.

Mr. STEPHENS of Mississippi with Mr. SWIFT.

Mr. HILLIARD with Mr. EMERSON.

Mr. KEY of Ohio with Mr. FARR.

Mr. BURNETT with Mr. COLEMAN.

Mr. LEWIS with Mr. MOSS of West Virginia.

Mr. VAN DYKE with Mr. MUDD (ending Apr. 15).

Mr. SABATH with Mr. NORTH.

Mr. MCANDREWS with Mr. HILL.

Mr. BUCHANAN of Illinois with Mr. MORIN.

Mr. DRISCOLL with Mr. GOULD.

Mr. KITCHIN with Mr. STINESS.

Mr. DEWALT with Mr. FOCHT.

Mr. LIEBEL with Mr. MOONEY.

Mr. ASWELL with Mr. ANTHONY.

Mr. LITTLEPAGE with Mr. BACHARACH.

Mr. LAZARO with Mr. BARCHFIELD.

Mr. KETTNER with Mr. HOPWOOD.

Mr. HUMPHREYS of Mississippi with Mr. PORTER.

Mr. HULBERT with Mr. MEEKER.
 Mr. BRUCKNER with Mr. HASKELL.
 Mr. DUPRE with Mr. BEALES.
 Mr. HAY with Mr. PARKER of New York.
 Mr. EAGAN with Mr. GARLAND.
 Mr. COADY with Mr. HEATON.
 Mr. DALE of New York with Mr. LEHLBACH.
 Mr. HART with Mr. CHANDLER of New York.
 Mr. DOREMUS with Mr. NICHOLS of Michigan.
 Mr. DECKER with Mr. MCCracken.
 Mr. FITZGERALD with Mr. BENNET.
 Mr. YOUNG of Texas with Mr. NELSON.
 Mr. McCLINTIC with Mr. SCOTT of Pennsylvania.
 Mr. WILSON of Louisiana with Mr. POWERS.
 Mr. OGLESBY with Mr. VARE.
 Mr. MURRAY with Mr. HICKS.
 Mr. WILSON of Florida with Mr. HAUGEN.
 Mr. SUMNERS with Mr. EDMONDS.
 Mr. OLIVER with Mr. TREADWAY.
 Mr. STOUT with Mr. DRUKKER.
 Mr. VENABLE with Mr. KIESS of Pennsylvania.
 Mr. POU with Mr. STAFFORD.
 Mr. SCULLY with Mr. RODENBERG.
 Mr. SEARS with Mr. GOOD.
 Mr. WALKER with Mr. RUSSELL of Ohio.
 Mr. GOODWIN of Arkansas with Mr. MONDELL.
 Mr. WATKINS with Mr. PARKER of New Jersey.
 Mr. EDWARDS. Mr. Speaker, I am paired, but I desire the RECORD to show that I am present.

The name of Mr. EDWARDS was called, and he answered "Present."

Mr. HUMPHREY of Washington. Mr. Speaker, I am paired with the gentleman from Indiana, Mr. MORRISON. I voted "yea." I desire to change my vote and answer "present."

The name of Mr. HUMPHREY of Washington was called, and he answered "Present."

The result of the vote was announced as above recorded.

On motion of Mr. SLAYDEN, a motion to reconsider the vote by which the bill was passed was laid on the table.

AGRICULTURAL APPROPRIATION BILL.

Mr. LEVER. 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. 12717, the Agricultural appropriation bill.

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. HAMLIN in the chair.

Mr. HAUGEN. Mr. Chairman, I yield 20 minutes to the gentleman from Iowa [Mr. TOWNER].

Mr. TOWNER. Mr. Chairman, William Peters Hepburn was born in Columbiana County, Ohio, November 4, 1833. He died at Clarinda, his Iowa home, February 7, 1916. It is the custom of the House of Representatives to set aside a special day for memorial services in honor of those who die while yet they are our associates. I am not justified in asking that this be done in honor of Col. Hepburn, who was not a Member of Congress at the time of his death. Yet, in view of the fact that for 22 years he was a Member of this House, that for 12 years he was chairman of the Interstate and Foreign Commerce Committee, and that his name is associated with much of the most important legislation of recent years, I believe I am justified in asking that the House for a brief period shall lay aside its business to consider with me the life and public service of this really great leader and statesman.

EARLY LIFE.

Mr. Hepburn's father died before he was born. His mother was a strong and capable woman, whose Christian character and resolute virtues were impressed on her son in double measure during his childhood and youth. When he was 8 years old the family moved to Iowa and settled on a farm near Iowa City. He attended the public schools and early developed a quenchless thirst for knowledge. An invaluable part of his education was the four years he spent as an assistant in a printing office. Mr. Hepburn early determined upon the law as his profession, and his reading and thinking were continually influenced by that ambition. He began his study of the law in an office in Iowa City, and when an opportunity offered went to Chicago, where he finished his studies, and was admitted to the bar in 1854, before he had attained his majority.

In 1855 Mr. Hepburn was married to Melvina A. Morseman, who survives him. Their married life of over 60 years was beautiful in its mutual devotion and constancy. The bride of

his youth was to him through all those years the constant object of his thought and care, with a respect and confidence more sacred and profound in silvered age than even in the springtide of their earlier years. Mrs. Hepburn was throughout all the long period of their married life the confidant, adviser, and efficient helper of her husband. In his campaigns, at Washington, and in the multiplied activities of his public career she was his constant companion and assistant. Never was the unity, the harmony, and the purity of the American home more beautifully exemplified than in the home life of Mr. Hepburn and his wife.

AS A LAWYER.

It is needless to say that Mr. Hepburn was a poor boy. He earned his education and made his way unaided almost from childhood. When he returned from Chicago, after his admission to the bar, he was compelled to accept a place as assistant in the office of the clerk of the district court. Soon he was able to move to Marshalltown, where he began his career as a lawyer. He was elected county attorney of Marshall County, then clerk of the House of Representatives of Iowa, then district attorney of the eleventh judicial district, comprising several counties. This position he resigned in 1861 to enlist in the Army.

After the war he established a new home at Clarinda, which remained his Iowa residence until his death. There he resumed the practice of law. He soon rose to distinction in the practice of his profession and was recognized as one of the leading lawyers of the State. He had a remarkable power of analysis, and seemed to know infallibly the strong and weak points of a case. He had that rare power of graphic presentation which held the attention of court and jury and made his powerful and convincing appeal irresistible. As an advocate Mr. Hepburn held a high place among the greatest lawyers of his time.

AS A SOLDIER.

When the Civil War broke out Mr. Hepburn resigned his position as district attorney. Securing a horse, he rode from Marshalltown to Iowa City, and obtained from Gov. Kirkwood authority to raise a company. This he did and was elected its captain. His company was enrolled as Company B, Second Iowa Cavalry. Capt. Hepburn was soon promoted to the rank of major and placed in command of the second battalion of his regiment. In that position he greatly distinguished himself at the Battle of Corinth. In the same year he was placed on the staff of Gen. Sheridan, and later upon that of Gen. Rosecrans, serving with him during all the time Rosecrans was in command of the Army of the Cumberland.

Afterwards he received a commission as lieutenant colonel and was placed in command of the second brigade, Cavalry division, of the Sixteenth Army Corps. His regiment was mustered out at the expiration of his term of enlistment, but he reenlisted and remained in command of a provisional Cavalry regiment until the close of the war.

Col. Hepburn was justly proud of his army record and remained the steadfast friend of his soldier comrades all his life. While in Congress he was always an advocate of liberal pensions, and was considered the special champion of the veterans on the floor of the House. His denunciations of those who sought to belittle or discredit the service and sacrifice of the "boys in blue" are still remembered for their bitterness and power.

IN PUBLIC LIFE.

It was inevitable that one so richly endowed should soon seek and find a place in public life; and so it was that after a few years of active practice of his profession, following his return from the South, he actively entered politics. He became a candidate for Congress in 1880, contesting for the nomination against the incumbent from his district, Col. Sapp, of Council Bluffs. The contest was a memorable one. The convention balloted for three days without result, and then took a recess of four days. Balloting was then resumed, and after two days more of struggle Col. Hepburn was nominated on the three hundred and eighty-fifth ballot. He was elected and served in the Forty-seventh, Forty-eighth, and Forty-ninth Congresses. He was then defeated by Maj. Anderson, who was succeeded for two terms by Hon. James P. Flick. Col. Hepburn was then reelected to the Fifty-third and to each succeeding Congress up to and including the Sixtieth.

He was thirteen times the nominee of his party, in most instances with little or no opposition.

In Congress Col. Hepburn's career was brilliant and distinguished. Wisely he held aloof from active participation until he was thoroughly at home and familiar with the practice and procedure of the House. He grew steadily in power and influence until he became a distinguished figure, with a place among the half dozen leaders of the House. As a debater he was

not surpassed, if, indeed, he was equaled, on either side. He had a superb equipment, a commanding presence, a resonant and pleasing voice, an extensive and unique vocabulary. He was thoroughly at home, fearless, and stimulated with the joy of conflict. Members now in the House recall the thrilling encounters in which he took part as among the red-letter days of the House.

But it was not only as a debater that Col. Hepburn excelled. He was a constructive statesman. He served as chairman of that great committee, the Interstate and Foreign Commerce Committee, during the years when some of the most important and beneficent legislation of modern times was enacted. He served all through both the McKinley and Roosevelt administrations. Especially during the stormy years when Roosevelt was pressing his reform legislation, Col. Hepburn was his able and efficient helper in the House. President Roosevelt declared the Fifty-ninth Congress would be memorable in history because of its constructive legislation. Of the five great acts on which that statement was based, four came from Col. Hepburn's committee, and of three of them—the Hepburn rate law, the pure-food act, and the public health act—Col. Hepburn was himself the author. He introduced the Nicaragua canal bill, which was the precursor of the Panama Canal act. He also introduced bills, which became laws, providing for safety appliances for railroads, for the Marine Hospital Service, and other legislation of similar character.

Col. Hepburn was regarded as a conservative. He acquired that reputation because of his tenacious adherence to his settled beliefs. But he was independent in thought, and a real reformer in action. He was the first "insurgent" against the old rules of the House. At the commencement of each Congress Col. Hepburn made a fight against the rules giving the Speaker what he regarded as dangerous powers. Afterwards enough joined him to repeal the old rules, until now the Speaker is shorn of excessive power. Col. Hepburn years ago began fighting each river and harbor bill because of its "pork-barrel" provisions. Members still recall how he ridiculed appropriations for the improvement of creeks and inlets that had no place on the map, and how he convulsed the House describing the difficulties with which an appropriation would try to catch up with the devious wanderings and bewildering changes in the course of the Missouri.

AN HEROIC FIGURE.

Col. Hepburn was a heroic figure. He belonged to a heroic age. He came to Iowa while it was yet a Territory, five years before it became a State. He knew and became a part of the pioneer life of the West. The pioneer has been more than any other the true, distinctive type of American manhood. In the pioneer were combined all those forces which subjugated a continent. Prof. Bryce truly said, "The West is the most American part of America." The westerner is the impelling, aggressive, dominating element in the development of our national life.

Graduating from such a school as this in his early manhood, Col. Hepburn entered upon the heroic age of American history, the Civil War period. Men grew larger in that atmosphere. Provincialism died in the contemplation of the danger of losing and the blessing of keeping a united Nation. The Union, one and indivisible, enlarged the American vision to continental proportions. To the westerner this idea had an especial appeal. From his outlook of boundless prairies, with their limitless vistas, he could comprehend more easily than others the value of a great Nation. And so it was not strange that Iowa, with a population of but 600,000, should send 80,000 volunteers to the defense of the Union. This was one-half her entire adult male population. It was 70 per cent of those subject to military duty. It constitutes a record of heroism and devotion unequaled even in our own proud history.

Col. Hepburn was a typical representative of that period, stalwart, heroic, titanic. There was nothing little about him, either physically or mentally. He was intolerant of the narrow view. He had no patience with the meannesses of life. He could not abide that attitude of mind which has no outlook higher than personal advantage. He was subject to easy disparagement because he was contemptuous of criticism. He suffered defeat rather than subject himself to the humiliation of an explanation. He had none of the arts of the demagogue. If men supported him, it was because of his sterling worth, and not because of any servile appeal or pretended favor. He would not

Crook the pregnant hinges of the knee.
Where thrift may follow fawning.

To his party, to his country, to his own convictions he was ever loyal, not passively but devotedly, heroically, passionately loyal. He was a soldier; but he was not a mercenary, he was a volunteer. He was a fighter; but he was not a duelist, he

was a champion. He was typical of his age. As such he will linger in our memory, an heroic figure, pioneer, soldier, statesman. [Applause.]

Mr. HAUGEN. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. GILLET].

Mr. GILLET. Mr. Chairman, about a year ago I discussed here the attitude of the President toward the merit system as disclosed by the Executive orders which he had issued waiving the regular requirements of the civil-service rules in individual cases and making appointments to office in disregard of those requirements. It has always been recognized that the President should have this power to set aside the regular rules and requirements of the civil service, because there might occasionally arise emergencies when special services were required which the regular routine of the civil-service rules would not secure, but the spirit of the civil-service law demands that these exceptions shall be made only when the interest of the Government requires it, and that they shall not be made for the purpose of promoting personal or political favoritism.

President Wilson, both before his election and since, has frequently proclaimed that he was a sincere advocate of the merit system. It seemed to me his conduct in the first two years of his office was greatly at variance with his professions. I have recently been to the Civil Service Commission and looked up his record for the past year, and regret to say that it but confirms the impression created by the previous two years. As the civil-service rules become more and more established as part of our system of Government, and as they become more and more understood and respected by the voters as the best defense against political favoritism, one would naturally expect that the exceptions created by Executive order would steadily diminish. That there will occasionally be cases where a President, with the purest and best motives, might think it wise to except individuals from the regular method of entrance to the service, I readily admit.

President Roosevelt inaugurated the custom that when any one requested him to waive the civil-service requirement in order to give a person an appointment the matter should be referred to the Civil Service Commission, and they should report upon the wisdom of the action. That, it seems to me, was a very sensible and disinterested innovation. The Civil Service Commission in such a case would be expected to sit as a judicial body, uninfluenced by political or partisan views, and making its conclusions simply for the good of the service, and it seems to me the report of that commission ought to be conclusive to a President who wished to act for the country at large and not for his own personal or political gain. And it seems to me the genuineness of a President's devotion to the merit system could be very well measured by his acceptance or rejection of the recommendations of the commission in such cases.

Last year I discussed this subject in the House. I found then that in the first two years of his administration President Wilson had authorized 137 personal appointments by Executive orders which waived the requirements of the civil service. In all except 18 of those 137 he first requested the judgment of the Civil Service Commission. When he or any other President authorizes an appointment without submitting the question to the commission, I assume that he does it because he has made up his mind to make that appointment, thinks the Civil Service Commission would not approve it, and so prefers to do it against their unexpressed rather than against their recorded opposition.

Subtracting those 18, it leaves 119 cases which President Wilson submitted to the Civil Service Commission. Of those 119, 41 were approved by the Civil Service Commission, and of those cases I have no criticism. While the judgment of the commission has not always agreed with mine, yet I give them credit for honest and impartial investigation and decision, although they owe their positions to the present President, who did not follow the example of his Republican predecessors, but for the first time allowed partisanship to determine his appointments, removing two of the members whom he found in office. All through the administrations of President Roosevelt and President Taft the board consisted of two Democrats and one Republican. As soon as President Wilson came into power he removed the Republican and appointed a Progressive, recommended by the Progressive Senator who was his most faithful supporter in the Senate, so that the board has been constituted ever since of two Democrats and one Progressive. The law forbids that all three shall belong to the same political party.

I compared last year the number of the Executive orders issued by President Wilson during the first two years of his administration with the Executive orders made by President Taft during the same period of his administration, and found

that there were 77 exceptions by President Taft as against the 137 by President Wilson. President Wilson appointed 18 without referring them to the commission at all. President Taft appointed 11. I assume that all those were cases where both Presidents knew that the commission would not approve their action, and I think they all deserve criticism and were flagrant departures from the principles of the merit system. Of the 119 cases which President Wilson referred to the Civil Service Commission 41 were approved by them. Of President Taft's 66, 65 were approved by the Civil Service Commission. Against those appointments I have no criticism. President Wilson appointed 78 men against the judgment of the Civil Service Commission, while President Taft only appointed 1 against their recommendation, so the relative figures are 78 to 1. Perhaps that measures fairly their relative faithfulness to the merit system.

Now, in the past year, from February 25, 1915, when my investigation last year ended, to April 1, I find President Wilson has authorized 104 appointments without regard to the civil-service rules. Of those, 20 were appointed without at all requesting the judgment of the Civil Service Commission. I assume that those were not referred because the President knew that the Civil Service Commission would disapprove the appointments. Indeed, in 6 of those 20 cases the Civil Service Commission had already disapproved exactly similar requests, so that their position was known. Therefore, in those 20 cases he was acting in intentional opposition to the judgment of the commission.

Of the remaining 84 cases, 22 were approved by the Civil Service Commission, and while my opinion did not always coincide with that of the commission, yet against those appointments I make no criticism. I believe the commission intended to be impartial and fair, and I accept their conclusion as correct.

In the other 62 cases the Civil Service Commission, the President's own board, advised against the appointments; and yet, notwithstanding such objection, the President made the appointments. So the record for this year stands 22 appointments made with the approval of the commission, 20 made without any reference to the commission, and 62 made against the advice of the commission, so that in the case of 104 persons for whose appointment to office the civil-service rules were abrogated, only 22 of them were made with the concurrence of the commission, and all the rest may fairly be assumed to have been made from motives of political or personal favoritism. It does not seem to me that is a record which is creditable to any man who claims to be a supporter of the merit system.

I looked up the record of the corresponding year in the Taft administration, to make the comparison as I did last year, and I find there were 56 cases in which the civil-service rules were waived. Of those, 38 were approved by the commission and 17 were made against the recommendations of the commission, and only 1 was made without reference to the commission. So the comparison is as follows: President Taft made 56 exceptions, 38 with the approval of the commission and 18 against the opinion of the commission. President Wilson made 104 appointments, 22 with the approval of the commission and 82 against the opinion of the commission. President Taft yielded to the politicians and abandoned civil-service principles in one-third of the cases. President Wilson was faithless to his civil-service professions in four-fifths of the cases and abided by the recommendation of his commission in only one-fifth of the cases.

It would seem to me that the wisest as well as the easiest course for a President would be to abide unchangeably by the advice of the commission. When a politician came to him seeking to have the civil-service rules waived, so that he could be appointed to a classified office, the President might easily say: "You can submit your case to the Civil Service Commission, and if you can get them to approve it I will be glad to give you the place, but I will not do it without their approval." But apparently the political exigencies of this administration have not allowed that course to be followed, and the President has 82 times disregarded the opinion of his own commission.

The commission in their report give a very brief statement of the reasons given for the action in each case, and in many of them you can read between the lines and appreciate how preposterous it was that the rules should be waived in order that the services of these men might be secured.

For instance, the Postmaster General wished to have two unclassified laborers admitted to the classified service although they were not eligible, and so at the request of the Postmaster General the President waived the requirements of the rules, because the Postmaster General stated—

That these men were highly desirable, entirely trustworthy, and had rendered excellent service, having been directly connected with the office of the Postmaster General since the beginning of the present administration.

The fact that the Postmaster General had brought in with him two good men and had kept them in direct connection with his office was apparently sufficient reason to have the rules of the civil-service law set aside so that his proteges might get permanent appointments. It is needless to say that the Civil Service Commission was not convinced by this statement and did not approve the appointments.

In another case a lady was authorized to be appointed in the Immigration Service without reference to the civil-service rules, and there the Secretary stated that this lady "had peculiar qualifications, and it was deemed advisable to have a woman of high character and sympathetic initiative." If "sympathetic initiative" is to become one of the feminine qualifications for appointment to office, the civil-service examinations ought to be radically changed. In this case, too, the Civil Service Commission, of course, did not recommend the appointment.

In another case in the Post Office Department the statement was that the "postmaster is personally acquainted with the gentleman and feels that he is mentally and physically capable of performing with satisfaction and efficiency the duties." I can think of no case where a person who wanted to give a man an appointment would not make that general statement, but the President, against the advice of the commission, seemed to think that was sufficient reason to justify the setting aside of the rules.

In another case a man had been in the Railway Mail Service for 20 years, beginning in 1882, when he resigned with a "fair record." He was reappointed to the Railway Mail Service. He can no longer be a young man, for it is 34 years since he first entered the Railway Mail Service, which is supposed above all others to need young men; but he was a son of Gen. Houston, a Texas hero, and so he was permitted to be reappointed, and to my surprise the Civil Service Commission offered no objection to the recommendation of the Postmaster General. I appreciate and sympathize with the warm regard Texans have for the memory of Gen. Houston, but I do not think that is sufficient reason for them to load his son in his old age upon a branch of the national service where young men are particularly needed.

In another case a man was appointed law clerk in the office of the Solicitor of the Treasury, upon the statement of the Attorney General that "the relationship existing between the solicitor and the man holding this position is quite confidential; that the duties of the office require a man of considerable experience as a lawyer," and so forth. The President was prudent enough in this case not even to venture to ask the opinion of the Civil Service Commission.

Then a lady was appointed in the Bureau of Foreign and Domestic Commerce because the Acting Secretary vouched for "her unusual efficiency and ability as a stenographer and typewriter and the exceptional aptitude she has shown." If the head of a bureau can get every young lady he wishes by simply saying that she has unusual efficiency and ability as a stenographer and typewriter and exceptional aptitude for the work he wishes her to perform, the civil-service laws might as well be repealed at once.

It seems to me that the cases show a deplorable laxity and easy willingness to oblige applicants, an introduction of favoritism and personal influence which the civil-service laws and rules were intended to prevent and which is inconsistent with the professions of a believer in the civil-service principles.

I remember that during President Roosevelt's administration the gentleman from Virginia [Mr. HAY] criticized him severely for issuing some of these Executive orders allowing personal appointments without regard to the civil-service rules. That was before he had inaugurated the custom of referring such cases to the Civil Service Commission for report. Perhaps Mr. HAY's criticism showed the need of some such impartial tribunal, and so was the indirect cause of that innovation. If so, it had a more valuable result than most congressional speeches. At that time it was difficult to judge fairly what exceptions had been made for the good of the service and what exceptions were made from personal or political favoritism. Now the judgment of the Civil Service Commission supplies for us a standard. Mr. HAY, criticizing President Roosevelt, said:

Whenever he suspends a rule of the civil service he violates principles which he himself has enunciated.

I am not as severe a critic as Mr. HAY, because I recognize that some exceptions may be desirable for the good of the service, and so are no violations of civil-service principles. But when President Wilson suspends the rules against the advice of his own Civil Service Commission it seems to me Mr. HAY's criticism is exactly applicable. The President has at different times declared himself in favor of the merit system. Even at the moment when he signed the bill which dealt the severest blow to the civil-service law it has ever received since it was enacted he

said, as if conscious that his act needed some explanation and exculpation:

My warm advocacy and support both of the principle and the bona fide practice of civil-service reform is known to the whole country.

And yet, despite this public advertisement of his convictions, he continues year after year to authorize appointments which can not get the approval even of the Civil Service Commission which he himself selected. In his first two years the commission acquiesced in 41 of the 137 exceptions which he made—less than a third. This year, out of 104 exceptions which he has authorized, the commission has only approved 22—about one-fifth. At this rate of progress, what can the spoilsman not expect during the next six months, when the pressure of the campaign becomes even more acute? And what has become of his "warm advocacy and support both of the principle and the bona fide practice of civil-service reform"?

According to the standard set up by the gentleman from Virginia [Mr. HAY], the present honored chairman of the Committee on Military Affairs, "Whenever he suspends a rule of the civil service he violates principles which he himself has enunciated." That has been done 104 times during the past year, and in 82 of those cases he acted in direct defiance of the opinion of the Civil Service Commission. In my judgment, that is not "bona fide practice of civil-service reform."

I sincerely regret that the year's record is so bad. When the President assumed office I had full confidence that the merit system would be upheld and promoted. I have no doubt now that the President at heart approves it. I can only conclude that the men and influences by which he is surrounded are stronger than his convictions, and that he yields his predilections to party and personal pressure. But as long as four-fifths of his appointments are made directly against the advice of the Civil Service Commission I do not see how he can expect or receive the approval or support of civil-service reformers. [Applause.]

Mr. KAHN. Mr. Chairman, will the gentleman yield?

Mr. GILLETT. For a question.

Mr. KAHN. Is it not a fact that President Wilson was at one time the president of the National Civil Service Reform League?

Mr. GILLETT. No. He was vice president of that league and resigned it when he was nominated; but he resigned, saying that it did not at all indicate any lack of enthusiasm for the cause, and he has frequently asserted that in spite of his conduct in the cases I have enumerated.

Mr. LEVER. Mr. Chairman, I yield now to the gentleman from Texas [Mr. SMITH].

Mr. SMITH of Texas. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. LEVER. I now yield to the gentleman from Pennsylvania [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, I make the same request.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HAUGEN. Mr. Chairman, I yield to the gentleman from Wisconsin [Mr. ESCH].

Mr. ESCH. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. LEVER. Mr. Chairman, I now yield 30 minutes to the gentleman from Nebraska [Mr. STEPHENS].

Mr. STEPHENS of Nebraska. Mr. Chairman and gentlemen of the committee, I purpose to devote the time allotted to me to a discussion of markets, especially as related to the live-stock industry. I have prepared a few charts or had them prepared by the department for the purpose of illustrating in concrete form the precarious condition of the live-stock industry in the United States at the present time. This great Committee on Agriculture has taken a very important step toward solving this problem, and I congratulate it and its worthy chairman, Mr. LEVER, on the splendid progress so far made.

Some three years ago this bill carried for the first time an appropriation for the establishment of a Bureau of Markets, and in my judgment it was the most important step in the development of agriculture since the department was organized. We have been devoting ourselves exclusively to an effort to make two blades of grass grow where only one grew before, paying no attention whatever to the finding of a market for that extra blade of grass. We now propose to find where to market the products we raise economically and profitably.

Mr. MADDEN. Mr. Chairman, will the gentleman yield for a question?

Mr. STEPHENS of Nebraska. Certainly.

Mr. MADDEN. I am curious to know what the gentleman's opinion is as to what the duties of such a bureau would be; whether they would sell cattle or hogs or sheep or agricultural products, or whether they would simply accumulate information for selling and buying of them.

Mr. STEPHENS of Nebraska. My idea is that this bureau will ascertain what the trouble is and offer suggestions as to how to remedy it. We do not know exactly what the trouble is; that is, people generally do not know what the trouble is. Some of us think we know.

Mr. MADDEN. Will the gentleman yield for one more question?

Mr. STEPHENS of Nebraska. Certainly.

Mr. MADDEN. Some time since there was the creation of what was known as the Federal Trades Commission, and that commission was to have the power to remedy all the evils that human flesh is heir to, in the business world, at least. Now, has not it the power, or would the bureau suggested by the gentleman have a greater power?

Mr. STEPHENS of Nebraska. Well, I think it has the power to do many things, and it no doubt will exercise that power when it is thoroughly organized, in dealing with unfair trade conditions; but this bureau of markets is designed to locate the producer's trouble and suggest how he can keep out of bankruptcy.

The live-stock industry, including the industries based upon it, is greatest of all the great industries in the United States. About \$14,000,000,000 is invested in it, and these charts show the live-stock supply has decreased enormously during the last 15 years, which indicates most clearly that the trouble lies at the markets. Good markets will increase the live-stock supply; poor markets will decrease the supply. That is a fundamental law. Then the question is what is the matter with our markets? The per capita meat supply of the United States was about 35 per cent less in 1915 than in the year 1900. In other words, if each person had 100 pounds of meat in 1900, he would have only 65 pounds in 1915. This is certainly an astounding situation and deserves the most careful consideration.

Mr. FESS, Mr. MADDEN, and Mr. REAVIS rose.

The CHAIRMAN. To whom does the gentleman yield?

Mr. STEPHENS of Nebraska. I yield to the gentleman from Ohio [Mr. Fess].

Mr. FESS. In other words, the increase in cattle raising has not kept pace with the increase of our population?

Mr. STEPHENS of Nebraska. That is correct.

Mr. FESS. Did the gentleman expect it to do so?

Mr. STEPHENS of Nebraska. Certainly; there is no reason on earth why it should not, and I purpose in my remarks to show why it has not increased in proportion to the population.

Mr. BAILEY. Will the gentleman yield?

Mr. STEPHENS of Nebraska. I will.

Mr. BAILEY. Does not the gentleman think that the increase of the price of farm lands might have a good deal to do with the decrease of the production of meat and cattle?

Mr. STEPHENS of Nebraska. It should have no effect in decreasing the supply of cattle, but it would naturally make cattle raising more expensive. But the demand for meat is constantly going up and the supply of meat going down. If the price of beef cattle went up as the expense of production went up, the supply would naturally follow and there would be no shortage of cattle. The packers, however, have kept the price level so low that feeders in great numbers have quit the business. Not only has the price level been kept too low, but it has fluctuated violently, making the feeling business exceedingly hazardous. The price of land ought to have nothing to do with the supply of cattle if there were a free competitive market for the sale of the cattle, which, I regret to say, does not exist.

Mr. REAVIS. Will the gentleman yield?

Mr. STEPHENS of Nebraska. I will.

Mr. REAVIS. Does the gentleman from Nebraska mean to leave the impression that there is an increase in cattle raising now over what it was 10 years ago?

Mr. STEPHENS of Nebraska. No, indeed. Here is another chart that shows the condition of the live-stock industry. This chart shows the population of the United States in 1900 to be about 75,000,000. While our population has increased to over 100,000,000 in 1915, the cattle, hog, and sheep supply has not kept pace with the growth in population. Hogs have increased only slightly, while sheep and cattle have decreased more than 20,000,000 head, thus greatly reducing the per capita supply of meat in 1915 as compared with 1900. As stated before, the reduction in sheep and cattle amounts approximately to a loss

in the per capita supply of 35 per cent. These are alarming figures.

Mr. MADDEN. Will the gentleman yield?

Mr. STEPHENS of Nebraska. I yield to the gentleman.

Mr. MADDEN. Does the gentleman think that the laws which encourage the raising of live stock in other countries and admitting it free into the United States, has anything to do with the reduction in the number of cattle and hogs and sheep raised in the United States?

Mr. STEPHENS of Nebraska. Not in the least, because at the present time and during the last two years we have had very little importation of live stock, and during that time the price of fat cattle on the market has been so low that cattle feeders have suffered the greatest losses in the history of the industry.

Mr. SMITH of Michigan. Will the gentleman yield?

Mr. STEPHENS of Nebraska. I yield.

Mr. SMITH of Michigan. I was interested in your illustration on the map, and in your explanation where you stated that it showed the relative value of the different industries in the United States, while in the heading it reads, "Per cent of distribution." What I should like to know is whether that shows the amount of distribution or the relative value of the product mentioned in the chart?

Mr. STEPHENS of Nebraska. This chart was prepared by the Census Bureau, and I assume it refers to the amount invested in these different industries.

Mr. BORLAND. I want to ask the gentleman whether his line on the chart, representing the gross number of cattle in this country for these different years, includes all kinds of cattle, beef cattle as well as dairy cattle?

Mr. STEPHENS of Nebraska. All kinds; yes, sir.

Mr. BORLAND. The gentleman is aware, of course, that there has been an increase, a slight one, and not comparable with the increase in population, but a slight increase, in the amount of dairy stock in this country, so that the relative diminution in the supply of beef cattle is much greater than the aggregate would show?

Mr. STEPHENS of Nebraska. Yes; that is correct.

Mr. BORLAND. In other words, the increase in dairy cattle has kept the supply of cattle from going down as rapidly as it would have gone down?

Mr. STEPHENS of Nebraska. I think the gentleman is correct.

If I may proceed now for a few moments without interruption—

Mr. FESS. One other question. Is this estimated on the number of cattle or is it the value?

Mr. STEPHENS of Nebraska. On the number.

The live-stock industry falls naturally into two divisions, namely, production and distribution. On the one hand we have the growers and feeders who raise the cattle and finish them for the market, and on the other hand we have the distributors consisting of the packers and their vast machinery of distributing the finished product through the various channels of trade to the consumers. On the one hand we have millions of producers scattered over a vast territory, isolated and practically unorganized, and on the other hand we have the great central markets to which the live stock from every section is shipped, owned largely and controlled absolutely by four or five great meat-packing concerns. The producers, unorganized, need help from the National Government; the packers, perfectly organized, need to be controlled by the National Government.

Let us examine the situation briefly. Take a map of the United States and for the purpose of illustration draw a vertical line from the north boundary to the south boundary through the city of Chicago. Label the territory to the west of this vertical line the cattle country and the territory to the east of it the consumers' country. Then draw lines out from the central market at Chicago to St. Paul, Sioux City, Omaha, Kansas City, and St. Louis, the secondary cattle markets. From these secondary markets extend these lines out into the cattle ranges of the West beyond the corn belt, and we have a map showing graphically how the cattle flow along these lines to the secondary and central market at Chicago. The lines showing the connection of this vast cattle country with the central market at Chicago do not mean that every animal passes through Chicago before the finished products gets to the consumer, but it does mean that practically every animal that moves in the interstate trade from any of these secondary cattle markets to the consumer has the price fixed upon it, indirectly if not directly, by the big four packers in Chicago. So for all practical purposes the map shows the cattle of all this great western country passing through the needle's eye, the stockyards in Chicago, to the consumers of the country, labeled and priced by four

packers. In passing through this central market the producer surrenders title to his live stock—sells it to the packer at the packer's own price, because there are practically no other bidders for it. The packers dress the product and prepare it for the consumers and the lines radiating out from Chicago eastward show how perfectly they distribute it. Their control of the price on the great bulk of the meat fixes the price on all of it, practically speaking. The very fact that this enormous volume of business is controlled by this market composed of not to exceed four or five men is, in my judgment, a most dangerous menace to the American people, because it places in the hands of these men absolute control of prices, with the result that they are destroying the cattle industry of the country.

WHAT IS THE LIVE-STOCK MARKET?

Let us look at this great central market at Chicago and see what it is. The cattle market consists of stockyards, terminal railroads, packing houses, banks and cattle loan companies, rendering plants, market papers, and many other interests, practically all of which are owned or controlled by four packers, usually referred to as the "Big Four"—Swift, Armour, Cudahy, and Morris. Each week during the cattle season tens of thousands of cattle arrive at this market, to say nothing of other tens of thousands that arrive at the secondary markets, which are simply branches of the Chicago market, because the same packers own the stockyards and packing plants and buy the great bulk of the cattle at each one of these markets.

The bulk of these cattle that arrive during the week arrive on Monday and Wednesday in such large numbers that the yards are congested, the railroads are congested, the commission men are on the run, and everybody is so hurried that there is no opportunity for very much dickering between the seller and the buyer. The producer who has cattle on the market is so harassed in getting them unloaded and into the yards, feeding and watering them, that he feels a sense of relief when a buyer comes along and gives him a bid of any kind. Of course it would make no difference how long he stayed there and dickered with the buyer of the packers, for he would get no more for them, because there is no one else to buy them. But the very fact that these cattle are crowded on the market on two days of the week in such numbers affords the packer an excuse for lowering the price. They can always say that the market is glutted, and that it is perfectly natural for an oversupply to cause a slump in the market. But the scarcity of beef cattle shows that there is not, nor never has been during the last 15 years, an oversupply of cattle on the market.

THE GROWERS AND FEEDERS.

As opposed to these packers we have the unorganized efforts of the growers and feeders to secure a price for their cattle that will enable them to stay in the business. The growers are not so distressed as are the feeders. The growers sell in a market where they have thousands of competitive buyers, but the feeders are compelled to sell in a market where they practically have but one buyer, because no one who has any understanding of the method at all believes that the packers compete with each other. But even if they would compete, the fact that the feeder has only four channels through which he can sell his stock shows how limited is the competition. The growers are principally located in the range country; they keep the cattle on the range until they have had their growth, when the feeder in the corn belt must take them and finish them for market. There are few ranges that have grass sufficiently nutritive to produce good beef. Therefore the majority of these cattle are thin when they arrive at the market, and must be put in the feed yards of the corn belt and be fed corn and hay for several months before they are fit for choice beef.

In the fall of the year, when the grass fails on the range, the mature cattle in countless numbers are shipped to the various stock markets, where the feeders gather by the thousands in person or through their commission men to buy them and take them back to their feed lots on the farms. This competition among the feeders is sufficient to furnish the growers a very satisfactory market. Keep in mind the distinction between the grower and the feeder. The grower must sell his cattle when they have matured, because after maturity they begin to deteriorate in value, so when the grower unloads his cattle in the stockyards at the various markets the feeders are there to buy them, and they are immediately loaded on the train and shipped back into the corn belt, where they are fed for varying lengths of time, from two to six months, according to the condition of the cattle and the amount of feed available.

A feeder is a farmer as a rule, and he must have cattle to consume the rough feed on his farm and his corn crop and for the fertilizer required to keep up his farm. Even if a farmer could sell his grain always at a fair price, he would still need

to keep cattle to make farming profitable. So the feeder often buys these cattle at a price so high that it will be a bare chance if the operation will prove profitable. This is due to the competition among the feeders. They need the cattle. After his cattle are fat the feeder loads them on the train and sends them to his nearest market. When he gets there he finds that the market is off—it most always is—and he begins to figure out what he can do to protect himself.

He finds that the offer made by the packers is so low his losses are going to be heavy on his year's feeding. If he is an experienced feeder, however, he knows that he can not load these cattle on the train and pay a water-logged freight rate back to his feed yards and continue to feed them for a higher market, because he knows the expense of the operation would wipe out all of the possible increase that he might make should he strike a higher price level when he got them back to the market after paying another freight rate. If he happens to be on the Omaha market, for example, and was dissatisfied with the price offered, he might contemplate shipping them to Kansas City, Sioux City, St. Louis, or Chicago, but if he has a knowledge of the situation he will know that will not do him any good, because he will meet with the same buyers in all of these markets that he has met in Omaha.

But if he happens not to know these facts and still refuses to take the offer made to him in Omaha for his stock, and decides to load and ship them to the Chicago market, he will find when he gets there that the offer that is made to him is less than the offer he had at Omaha. If he were able to get into the facts surrounding the situation, he would also find that the Omaha buyer had wired the Chicago buyer that a disgruntled feeder with a string of cattle was coming and to look out for him, and to teach him a lesson that he would not soon forget by paying him a price that would deal him a staggering loss. The facts have been well proven that this is literally what happens to a feeder who attempts to escape from the market which he first reaches.

WHERE GROWERS AND FEEDERS ARE TO BLAME.

There are many other phases of the feeder situation that are exceedingly interesting and harassing. For example, in the good old days before the lure of the big markets was established the feeder bought his stock directly from the grower on the range as he should do now, but since the big markets have been established it is almost impossible to buy cattle on the range successfully, due to the disorganized condition of the feeders and growers and the misinformation that is being constantly distributed among them as to market conditions. The feeder now is compelled to go to the cattle market at Chicago, Sioux City, Omaha, Kansas City, or St. Joe, and other points for his thin cattle, which have been shipped directly to these markets by the growers. The feeder buys these cattle and in many instances ships them back to his feed yards over the same road over which they came.

I purposely traced some 3-year-old steers, fed in my home county, to see what had actually taken place in their transit from the range to the packer, and this is their life story: They were born on the range near North Platte, Nebr., some 300 miles west of Omaha. When they were 1 year old the grower found himself short of pasture, and he shipped them over the Union Pacific Railroad to the Omaha market. There a farmer bought them who lived near Kearney and shipped them back again some 250 miles over the same railroad to his pasture, where he kept them till they were 3 years old. He then shipped them over the same railroad again to Omaha, making the third trip over that road paying a high freight rate on a highly watered capitalization. At Omaha they were again sold, this time to a feeder at Central City, Nebr., on the same road, about 130 miles west of Omaha, who shipped them back the fourth time over the same road to the feed yards at Central City. After feeding them six months they were shipped over the same railroad again to the market at Omaha, where they were sold to the packers, dressed, and distributed to the people.

These cattle paid five freight bills to the Union Pacific Railroad before the packers got them. After the packers got them they paid another, as dressed meat, making six all told. They also paid five commission charges at the stock yards in Omaha. They paid yardage and feeding and handling five times on that market, and up to the time that they went to slaughter the feeder and the grower had to divide this expense between themselves. This life history of that particular bunch of cattle shows a greater expense perhaps than the average, but it is safe to say that the average 3-year-old fat steer passes over the railroad three times before he reaches the packer, which is conclusive proof that some sort of a system of marketing should be adopted that would cut out these unnecessary bills of expense. But the most discouraging thing is that after the

feeder has taken upon himself all the great expense burden that these cattle carry up to the time they leave his feed yards, and has added another big bill for feed and has shipped them to the packer for slaughter, he is confronted with a hopeless market where he receives practically only one bid for his stock. Of course, two or three packers may bid on his stuff, but anyone who is fit to go about without a guardian knows that these bids are not competitive.

It is beyond the bounds of reason to believe that these four packers, who buy the bulk of the cattle that arrive at any and all of these markets, are going to bid against one another and thereby run the price up when it is much simpler and easier for them to divide up the shipments among themselves according to their respective capacities for handling them and paying exactly what they please for them. If there is anyone so gullible in the face of the evidence that is available on this subject as to believe that there is competition in the fat stock markets, he had better go into the feeding business and prove it.

THE METHOD OF THE PACKERS.

Several years ago the packers formed a National Packers' Association, which contemplated taking over the whole industry in one gigantic trust, but the courts dissolved the association. It is easy enough for the court to do that sort of a thing, but it is quite another thing to prevent the members of that association, after they have been dissolved, from working in perfect harmony. That is exactly what the Big Four do now. They do just as they please. They work as one man. Each packer has his head buyer, and these head buyers find no difficulty in meeting often and understanding one another perfectly, because they all office in practically the same buildings.

The stockyards are owned by the packers. The banks and cattle loan companies that loan money to the feeders are owned by the packers. The market papers which quote the prices are owned by the packers. They also own the rendering plants, and, for all practical purposes, they own the commission men. The commission men are absolutely dependent upon the packers. They are supposed to represent the feeders and growers, but, in view of the fact that they only have four buyers to whom to sell the cattle of their customers, it is evident that these buyers could neglect to make them an offer for their stock should they not be responsive to their suggestions. And if they can't get offers for their stock their country customers will quit them. So it necessarily follows that the commission men are helpless in the hands of the packers. The packers own the yards and therefore collect all of the charges for handling the cattle as they come in; collect high prices for the feed they use; make the feeders dependent upon the banks they own if they want to borrow money; make the market papers quote whatever prices they desire quoted for the purpose of influencing the movement of stock; take the dead cattle for practically nothing to their rendering plants; and, in fact, collect their toll off of every movement made by the feeder in the sale of his cattle to them. Not only do the packers own the yards, the terminal railroads, and other things referred to above, but they own all of the sites suitable for the location of packing plants, thus discouraging, if not making impossible, any new competition in the form of new packing houses. They control the situation so perfectly, and the industry is so splendidly organized, that competition has not only ceased to exist but is well-nigh impossible until the whole system of marketing is revolutionized.

Mr. MADDEN. Mr. Chairman, will the gentleman yield there for a question?

Mr. STEPHENS of Nebraska. Yes.

Mr. MADDEN. Is there anything to prevent anybody else buying these cattle except the four packers?

Mr. STEPHENS of Nebraska. Yes; there is.

Mr. MADDEN. What is it?

Mr. STEPHENS of Nebraska. Independent buyers have been driven out of the market as a result of the conditions I have just described. In the old days there were independent buyers scattered all over the East. They would go to Chicago, Kansas City, Omaha, St. Louis, and other markets and buy whole trainloads of cattle and ship them to Buffalo and New York and other cities, and there slaughter them, independent of these Chicago packers. But now those buyers have practically all disappeared, and if there is any shipping of cattle East at all to amount to anything it is done by the packers themselves or through their allied agencies.

Mr. MADDEN. Mr. Chairman, will the gentleman yield to me for another question?

Mr. STEPHENS of Nebraska. Yes.

Mr. MADDEN. Does the gentleman believe that if he went into any of these cattle markets and offered a better price he would not get the cattle?

Mr. STEPHENS of Nebraska. Of course, I would get the cattle, but what would I do with them after I got them?

Mr. MADDEN. Anybody could do it.

Mr. STEPHENS of Nebraska. Yes; anybody could do it; but suppose you or anybody else would go to Chicago and buy a string of cattle. What would you do with them?

Mr. MADDEN. Sell them.

Mr. STEPHENS of Nebraska. Whom would you sell them to? There is only one outfit in this country competent and prepared to handle the cattle, and that outfit consists of the four big packers. All other effective competition has disappeared, bought out or driven out. These packers are competent to do the business efficiently, and if we could only get the producers organized as well we would make the packers pay a living price for the cattle they slaughter.

In my opinion, legal action under the antitrust laws will get us nowhere, but a competing organization on the producers' side will, with the result that the cattle supply will go up and the people will get cheaper meat. No law can ever prevent these four packers from having an understanding on prices. If Swift pays 7 cents for steers, no law can prevent Armour, Morris, and Cudahy from paying the same.

Mr. MADDEN. There is not anything in the law to prevent anybody else from buying them, is there?

Mr. STEPHENS of Nebraska. Well, I will explain to the gentleman that these stockyards are owned by the packers themselves. They own the buildings; they own the entire equipment of every kind and character. They own the terminal railroads. I am speaking approximately. There are, of course, slight, trivial exceptions; but I am speaking of the rule. These are the things that enable them to fix the price, the things that control the product. That is what I am talking about, and not the incidents that have no influence on the market. Of course there is no law against it, nor is there a law against throwing money away.

Mr. MADDEN. Will the gentleman allow me to make a short statement there?

Mr. STEPHENS of Nebraska. Well, I do not want the gentleman to take all of my allotted time.

Mr. MADDEN. I do not want to embarrass the gentleman.

Mr. STEPHENS of Nebraska. The gentleman does not embarrass me in the slightest degree.

Mr. MADDEN. I want to say, as to the Chicago Stock Yards, that they are not owned by the packers.

Mr. STEPHENS of Nebraska. Oh, the gentleman is mistaken. A gentleman who does not know anything more about the cattle markets than that had better never venture into the stockyards. He is certain to be skinned if he does, because they know exactly how to do it there. [Laughter.] I do not mean to be disrespectful to the gentleman. The Union Stock Yards are owned by the packers, and the records show the fact. They own also the Union Stock Yards in Omaha, in Kansas City, in all the centers where they pack beef. They own the stockyards, the buildings, the equipment, the banks, and everything. There is nothing around the market they do not own that is worth owning. That is the club they have used to throttle competition. Besides that advantage, they do handle business economically, which makes competition with them most difficult. The packing business is the most efficiently managed of all our industries; but they are ruining the live-stock growers, and something must be done to break their strangle hold.

Mr. FESS. Mr. Chairman, will the gentleman yield?

Mr. STEPHENS of Nebraska. Yes.

Mr. FESS. Throughout Ohio, and also in Pennsylvania, there are a great many cattle feeders who go to Chicago and elsewhere to buy cattle that are not fat and bring them by the carload into Ohio and Pennsylvania, and then feed them and ship them as corn-fed cattle. I have a good many people in my own immediate vicinity who do that. I would like to know how general that is.

Mr. STEPHENS of Nebraska. It is general, and they are the people who suffer more than the growers, and I will show you how they suffer more than the growers. Those growers are scattered all over the country, and, as I stated before, they are unorganized, and they ship their thin cattle to the secondary markets, into these stockyards owned by the packers, and they are sold there by the commission men. One of them is the distinguished gentleman from Iowa [Mr. STEELE], who operates at Sioux City. The commission men sell those thin cattle back to people in the corn belt, whom the gentleman from Ohio has referred to now. In selling those cattle to the corn-belt farmers there are thousands of feeders competing for those cattle grown on the range, and the result is that the cattle grown on the range sell at a better price and at a more living price to the grower, because of this larger field of competition that is met with at

the central markets. Now, contrast that with what happens to the feeder after he has carried corn to cattle all winter in both sunshine and rain, mud and snow, and fattened those cattle and sent them to the central markets. When he gets there he has but four men to sell them to, and they have previously agreed on the price they will pay. Those feeders are like lambs led to the slaughter. Their doom is fixed in advance.

Mr. SLOAN. Mr. Chairman, will the gentleman yield?

Mr. STEPHENS of Nebraska. Yes; I yield to my colleague.

Mr. SLOAN. My colleague, in answer to the question submitted by the gentleman from Illinois [Mr. MADDEN], stated, if I understood him correctly, that there were not any cattle imported in this country very recently.

Mr. STEPHENS of Nebraska. During the last year, very few.

Mr. SLOAN. During the last two or three or four years?

Mr. STEPHENS of Nebraska. Yes.

Mr. SLOAN. Now, I want to submit some figures. During the four years prior to October 3, 1915—

Mr. BORLAND. Why does the gentleman go back that far? Every cattleman knows very well that when the troubles first broke out in Mexico there was a large importation of cattle from that country during the early stages of the revolution, and the figures which the gentleman is going to read, for four years, cover that rather extraordinary importation from Mexico, which has now practically ceased.

Mr. SLOAN. During the last two years, then, if the gentleman has no objection to that.

Mr. STEPHENS of Nebraska. No; I am glad to have the gentleman state the facts.

Mr. SLOAN. During the last two years the importations of cattle into the United States were 1,321,293 head.

Mr. STEPHENS of Nebraska. And during the last year there was a decrease in importations of cattle of 193,687 head, and a decrease in fresh beef of 108,353,305 pounds.

Mr. SLOAN. The recent importations have been less.

Mr. STEPHENS of Nebraska. Notwithstanding the fact that importations of cattle fell off enormously, and our exports of meat increased, amounting to the equivalent of 560,000 head in this last year, these packers have paid 40 cents a hundred less for native steers than they did in 1914. If they had paid according to the decreased supply of cattle in the country, they should have paid, perhaps, a dollar a hundred more for the cattle that they bought this last year than for the cattle which they purchased in 1914.

The importation of cattle from Canada and Mexico was a great blessing to our producers, for they turned our grass that was going to waste into money. They consumed our corn and paid railroad freight, and furnished employment for thousands of our people. The gentlemen must appreciate that every head of live stock crossing the boundary into the United States left a trail of gold in every step of progress toward the consumers of meat. The pastures were comparatively empty and the cattle were needed, as I have shown, not by the hundred thousand, but by the millions to make up our live stock shortage. Our producers needed them and their passage through our pastures and feed lots, over railroads and through the packers was a profitable transaction.

Mr. LA FOLLETTE. Will the gentleman yield?

Mr. STEPHENS of Nebraska. I yield to the gentleman from Washington.

Mr. LA FOLLETTE. In fixing the prices of meat in this country, has the gentleman taken into consideration the fact that the packers whom he speaks of as being centered in Chicago are conducting the large packing establishments in South America—in Uruguay and Argentina—and, while they are not shipping cattle up here, they are shipping millions of tons of dressed beef?

Mr. STEPHENS of Nebraska. I will say to the gentleman that it is true that these very efficient packers to whom I have referred now control the South American cattle market. They are absolutely in control of it, just as they are in this country; and anybody, of course, knows that if they control the meat supply here, and the price of it, they are not going to ship any meat into this country that will in any way reduce the price of the product which they have to sell here. They are going to seek other markets as much as possible to get rid of the South American supply.

Mr. LA FOLLETTE. I was in South America this last summer, and I went down on a 12,000-ton ship that carried frozen beef continually between South American and North American ports; and I do know that I came back on the same vessel and that it was loaded to its full capacity with refrigerated beef for this country.

Mr. STEPHENS of Nebraska. I have no doubt of that. I agree with the gentleman entirely. There have been a few

pounds per capita shipped in; but the fact that a few cargoes of meat a year comes in does not mean that the price goes down as a result of these shipments into this country. What reason would these packers have for lowering the price of beef in this country simply because they imported some from South America? The proposition is absurd. The packers are not fools. They do not have to lower the price. Who can make them do it?

Mr. LA FOLLETTE. One more question.

Mr. STEPHENS of Nebraska. I yield to the gentleman.

Mr. LA FOLLETTE. If we still had a protective tariff on the meat imported into this country, would not that prohibit them from shipping it in here, or at least make these packers contribute to the support of the Government to that extent?

Mr. STEPHENS of Nebraska. It would not have a particle of effect, except to reduce our meat supply, unless the tariff kept out importations. In the first place they would not bring this beef here unless there was a local condition where they could use it to advantage. They do not bring it here for the purpose of lowering the price. That idea is repugnant to their plans. They control both meat supply and price. They are going to sell it at the price at which they see fit to sell it. Who can stop them? They have the meat and the means of getting more right along—all there is to get.

Mr. LA FOLLETTE again rose.

Mr. STEPHENS of Nebraska. I can not yield to the gentleman further. I shall not have time to finish my remarks if I do. I would like to yield, but I want to finish my remarks on this subject. Now, I want to show what the growers are up against in the matter of the absolute lack of competition at the live-stock markets of the country.

The CHAIRMAN (Mr. MONTAGUE). The time of the gentleman has expired.

Mr. LEVER. I yield five minutes more time to the gentleman from Nebraska.

PROOF OF THE LACK OF COMPETITION.

Mr. STEPHENS of Nebraska. Now, why should there be a decrease in the supply of beef cattle when we have the greatest cattle country in the world? We have the best grass, water, and environment for the growing of cattle to be found anywhere on the face of the earth. And yet in the face of all this the cattle supply has fallen off 14,000,000 head in the last eight years. That in itself is proof that the producers of beef cattle have become so discouraged in that industry that they have gradually gone out of the business.

For example, some 25 years ago Swift & Co., one of the Big Four packers, concluded to try their hand at beef feeding, and erected two feeding plants in my district in eastern Nebraska. This concern operated these plants for several years during the days when there was considerable competition among packers. During those years a feeder could make money more than half of the time, but after the packers began to organize and a better understanding was created among them they found that it was much easier to make money skinning the producers than it was feeding cattle, so they went out of the cattle-feeding business and specialized in the art of skinning cattle feeders. As absolute proof of the fact that there is no competition among the packers in the fat-cattle market I wish to cite the experience of Kent & Burke, one of the largest cattle-feeding firms in my district.

Mr. KENT is the distinguished Member in this House from California, and Mr. Burke, his business associate, is the practical man who operates the cattle-feeding plant in my district. They have operated this plant for many years and are among the most practical men engaged in the industry. They have abundant cheap capital, splendid facilities, and a perfect knowledge of the business. I would say, if there is anyone in the United States who is competent to buy and feed cattle for the market, Mr. Burke is the man. This concern feeds from three to four thousand beef steers and a similar number of hogs each year, and markets them throughout a period of six months each year. Mr. Burke testified, before the bureau of markets hearing in Chicago, that in marketing these three or four thousand head of cattle over the period of six months each year he had not only never sold a car, but never had received a bid outside of the four big packers during the last 10 years. Think of an experience like that. Shipping to the large markets 200 to 300 cars of fat steers every year for 10 years and having never received in those 10 years a single bid from a single buyer outside of this group of four packers. This in itself is proof of the fact that there is no such thing as competition in the fat-cattle market. As a proof that there is no profit in the cattle business Mr. Burke opens the books of his company to show exactly what the profit and loss has been for every year during the last 14 years. Some years they have made money, and

other years they have lost, and when the total was made up it showed for that period a net gain of \$31,616 or \$2,250 a year on an investment approximately of three-quarters of a million dollars, or less than one-third of one per cent.

Kent & Burke's experience is exceptional in that they have not been driven into bankruptcy. They have survived a long list of feeding corporations that have been put to sleep by the packers. Some 25 years ago there were scores of large cattle feeders scattered throughout my district, but practically all of these big corporations have been driven into bankruptcy or out of the business. The Standard Cattle Co. was a large cattle-feeding corporation in my home county, at Ames, Nebr., 25 years ago. I recall the time when it stall-fed 3,000 steers under one roof in the largest cattle barn in the United States. This company owned thousands of acres of range land in western Nebraska where it grew the cattle, and when brought to maturity they were brought down into the corn belt in my district and finished for market in the company's feeding plant at Ames. This company went out of business 10 or 12 years ago.

This is the common experience of all business corporations that were formed in an early day for the purpose of finishing cattle for the market. Practically the only people engaged in the industry of feeding cattle now are farmers, and it is only through dire necessity of marketing soft corn and using up the roughage on the farm that the average farmer will venture to buy feeding cattle at the cattle markets even for that purpose. I know of a half dozen men in one locality in my district who lost \$30,000 on a few cars that each one of them fed for the market two years ago. It often happens that a farmer who ventures into the feeding business on rather a large scale loses his farm on a single season's feeding. In fact, it is the most hazardous business known to our people. The feeder hasn't a chance in the long run to come out even, let alone coming out ahead. As Mr. Burke stated in his testimony before the Bureau of Markets hearings, it is just as safe to gamble on the board of trade as to go into the cattle-feeding business. There is no chance of ultimate success in either.

The Chicago market for live stock practically fixes the market for the whole United States, just exactly as the wheat market at Liverpool practically fixes the price of wheat in every country of the world. Every day as the market for wheat at Liverpool goes up or down the Liverpool price is reflected in the quotations in every wheat market in the world. Therefore, when you examine the facts back of the Chicago market and find that there are only four or five great buyers, who act in perfect accord in buying live stock for all practical purposes, it resolves itself into one company or one man fixing the price of all the live stock in the United States that is marketed at any central market. Of course, local conditions may influence prices slightly, but the general rule prevails that all of the cattle markets of the country take their cue from the Chicago market.

The whole picture of the live-stock industry of the United States is shown very clearly in this large map, which shows the lines of movement of cattle from the range and the farms ultimately merging into the big markets. I have shown how those markets are absolutely controlled by four or five packers. There is practically no one else to sell to when these cattle get to the markets. The packers have no competition whatever. The feeder can either take the price the packers offer him or ship his cattle home. To ship them home would bring him just as much ruin as to let the packer take them at a sacrifice. This is a lamentable condition, and it is resulting in driving out of business thousands of farmers and a constant decrease in the supply of cattle. What the end may be no one can foresee.

THE BUREAU OF MARKETS.

The Department of Agriculture has been empowered by Congress to establish a Bureau of Markets. It has done so, and it has now been in operation some two or three years. The results that it has obtained so far in the matter of securing information on this subject will be far-reaching and beneficial. We are hoping that its investigations will show us a way to improve the conditions now existing. The packers are not so much to blame for what they have done, because they have done no more than any other class of men would have done under similar circumstances. They have one of the most efficient business organizations know. Their economic efficiency is unsurpassed. Their methods of distribution are most excellent. In fact, taking it all in all the packing industry is marvelously efficient and deserves the appreciation of the whole country. But this does not mean that it ought to be permitted to destroy the cattle industry and thereby destroy itself by taking more out of the traffic than it will bear. How to remedy the situation is the question. The Bureau of Markets may show the way, but

pending their findings I have a suggestion of my own as to the remedy.

THE REMEDY.

First. I would compel the packing companies to withdraw absolutely from ownership in the stockyards, stockyard banks, cattle loan companies, market papers, and other kindred organizations outside and distinct from the packing business. I would compel the packers to stick strictly to the slaughtering business. The result of that policy would be to set the stockyards free. It would enable other companies and the people generally to set up little plants or big ones around the stockyards, where they would be able to compete with the packers in buying stock that is shipped to the markets. This would broaden the market greatly and would remove the influence of the packers over the commission men, banks, and market papers. It will help the situation, but may not furnish sufficient relief.

Second. I would organize the live-stock feeders and growers for the purpose of marketing their stuff through selling agents. This selling agent could be installed at the markets wherever there are packing industries located for the purpose of selling the finished product of the feeders to those who desire to contract for it.

Third. I would have the Government establish grades for cattle, just as it is now establishing grades for cotton and grain.

When these three things are done the following results will come to pass all to the interest of the grower, producer, and the consumer. It will enable beef producers to sell their cattle through the agent of their association at the central market to the packers or anyone else who wishes to buy them before the cattle are ever shipped out of the feed yards on the farm. The greatest disaster that can befall the producer is in shipping his cattle by the tens of thousands to central markets, where he must take the price that is offered him, and take it mighty quick, too, because every minute is piling up expense. The cattle are there and must be sold. But if these cattle were in the feed yards on the farm the agent representing the owner of them would have an opportunity to dicker with the packer or buyer as to the price, and if the packer or buyer would not pay a price that would enable the owner to make a profit on them he would continue to feed them for a few weeks more while the packer was coming to time. But as long as he fires his cattle pell-mell into the central market, without any regard to what he is going to get for them, just so long will he be on the verge of bankruptcy. These cattle can not be sold in the central market without first being sent there unless the Government can establish grades by which they can be sold, and the Government is the only medium through which such grades can be established. If these three things can be done by the enactment of required legislation, I believe that the tendency of the cattle supply will be turned the other way and made to keep pace with the growth of our population.

Some of the live-stock men who have suffered greatly from lower price levels each time an effort is made to correct the abuses of the packing industry through an investigation or prosecution feel that these suggested remedies are too drastic and revolutionary; that such steps would invite opposition from the whole stock-market crowd, including the commission men, who are their friends, and so forth. They are undoubtedly correct as to the suggestions being revolutionary, but the case requires drastic action if a cure is to be effected. If anyone thinks this job of taking the market out of the hands of the packers is going to be a sort of a pink-tea affair, he had better go to the rear with the women and children. It is going to be a real contest. Soft soap and molasses are not going to capture these markets. May get flies that way; but packers are not flies. I would be sorry to have the commission men get hurt in this fight; but while they are our friends, we must remember they are still nestling in the arms of the packers, who control the markets. We might include in our program a rescue party for the commission men before the big fight gets under way. Until the markets are free and live stock is sold by grade before it leaves the farm, there can be little hope for the live-stock industry or those who engage in it.

The American National Live Stock Association make some suggestions which these very practical men believe, if carried into effect, will go a long way toward relieving the present difficult situation, and suggest the following definite remedies:

(1) A more even distribution of receipts on five days of the week. This would prevent delays at terminals and enable the business to be transacted at less expense.

(2) A weekly publication by the Government of data as to the meat supply on hand.

(3) The establishment of public abattoirs in connection with public stockyards.

(4) Slaughterers to relinquish, so far as possible, their interest in and control of stockyards and other instrumentalities involved in the marketing of live stock.

(5) Commission houses not to serve as both seller and buyer of the same stock, and to sell direct to country purchasers.

(6) Federal and State supervision of the methods and practices at the central markets.

(7) A greater cooperation toward the end of securing unrestricted competition.

ANTITRUST PROSECUTIONS INEFFECTIVE.

Legal prosecution of the packers under the antitrust laws, in my judgment, would be of no avail save to waste a lot of money and harass both the packers and the producers. The solution appears to me to be along the lines of complete organization of the producers of live stock so the producers can control the sale of their own stuff. It will then be a case of diamond cutting diamond when two perfect organizations meet, where the packers will be entitled to all they get. But now the way the packers ravage the producers is like taking candy from babies. The courts have tried to help the producers, but each boost has been a kick. The courts are unwieldy and can not adjust business relations effectively. The prosecution and dissolution of the Standard Oil and Tobacco Trusts are examples of the incompetency of the courts to deal with the trouble. The Bureau of Markets should devise ways and means of leading the producers to cooperate so as to eliminate waste and control the sale of their products. The general welfare of the people as a whole demands that this problem be solved, and I have faith in the ability of the Bureau of Markets to bring about the desired results. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. STEPHENS of Nebraska. I ask unanimous consent to extend my remarks, and to include a statement made by the American National Live Stock Association in regard to this industry.

The CHAIRMAN (Mr. MONTAGUE). Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. HAUGEN. I yield 10 minutes to the gentleman from Nebraska [Mr. REAVIS].

Mr. REAVIS. Mr. Chairman, I had not intended to participate in the general debate on this bill, but had desired to offer certain observations regarding specific sections when they were reached. The splendid and luminous address regarding the live-stock industry just delivered by the gentleman from Nebraska [Mr. STEPHENS] has created a desire on my part to supplement his argument, and I therefore ask permission to speak a few minutes at this time.

I am not unmindful of the fact that the Underwood tariff law has opened our markets to the cattle of the world and that the American farmer is to-day competing with Canada, South America, Australia, and Mexico. That such competition has not been more ruinous than it has may be attributed to the European war and the consequent fact that most of Europe is consuming and not producing meat animals.

When the great nations of Europe shall cease writhing in blood and return to normal conditions we may expect under existing tariff laws South America, Canada, Australia, and eventually Mexico to again ship their products to the American market in free and open competition with American products. The disaster that will follow such a condition is too apparent to require comment.

I have no desire, however, to discuss the political aspect of the cattle industry at this time. I prefer to offer some purely domestic causes which contribute to the somewhat anomalous condition of the cattle feeder, suffering great losses in his business, while receiving high prices for his product. I have listened with great impatience to statements which pretend to disclose the great riches being accumulated by the farmer. I wish it were true. The great difficulty suffered by those who bewail the high cost of farm and food products, and because thereof assert that the farmers of the West are reaping more than their share of the financial harvest, is that they know nothing of which they speak.

We are prosperous, I am glad to tell you, but for every dollar we have received we have paid out 100 cents of labor. Every dollar you have paid us, somewhat grudgingly and resentfully it would seem if we believe what we hear, has been paid for those things which sustain and make life happier. There are no human tears on our money; nor is the stain of blood upon the wealth of the West.

We are prosperous, I am glad to say, but we could be more prosperous and sell our products for less money to the ultimate

consumer if some modern method of marketing our product were devised and if legislation could be enacted that would prevent the four great packing concerns from further exploiting both the producer and the ultimate consumer.

I have had some experience in the cattle business, and therefore know something regarding it. I know that the present method of marketing cattle is in the interest of the four great packing firms and the numerous middle men who handle the product between the farmer and the consumer. Let me give you an incident illustrating this fact.

Two years ago I purchased two loads of yearlings on the Kansas City market. They had been raised on a farm in southern Kansas. Their owner had shipped them from Kansas to Kansas City and paid the freight on them. He put them in the stockyards at Kansas City and paid the yardage charges; he employed a commission firm to sell them for him, and paid the commission charges; a commission firm purchased them for me, and I paid its charges; I shipped them to my feed lots in Nebraska, and paid the freight; I shipped them back to Kansas City as fat cattle several months later, and paid the freight; I put them in the stockyards, and paid the yardage charges; I placed them in the hands of a commission company for sale, and paid the commission charges; the buyer for Armour, who was, of course, paid a salary for such service, purchased them for his employer; Armour butchered and dressed the cattle and sold them at a profit; they were shipped as dressed beef back to my home city, and the freight back to Nebraska was paid; the market at my home sold some of the steak to me at a profit. Thirteen middlemen made a profit out of my beefsteak between the producer and the ultimate consumer.

One can not imagine a more antiquated method of marketing a product than is disclosed by the foregoing illustration.

Mr. FESS. Mr. Chairman, will the gentleman yield?

Mr. REAVIS. Yes.

Mr. FESS. And the gentleman omitted the item that when he had the cattle he fed them corn that was raised on a farm that would sell for \$150 an acre.

Mr. REAVIS. Yes; I did omit that item, but I did it because no profit accrued to the owner of the farm; the profit went to the packers, railroads, and middlemen.

Permit me to offer another incident that came under my immediate observation. A farmer in Richardson County, Nebr., had a carload of good-quality shorthorn calves. He drove them 11 miles to a railroad town and shipped them to South Omaha to sell. He paid the freight to South Omaha; he put them in the stockyards and paid the yardage charges; he employed a commission firm to sell them, and paid the commission charges; another commission firm purchased them for a customer, and earned and received its charges; the purchaser shipped the calves to his home and paid the freight; and when the transaction was entirely complete it was found that the two farmers lived within a quarter of a mile of one another, and that the exchange could have been effected by driving the calves across a country road, and the profits of five middlemen could have been saved.

The live-stock market of North and South America is controlled by four firms. Never a bid upon cattle can be obtained in South Omaha, St. Joseph, Kansas City, St. Louis, Sioux City, or Fort Worth until the representatives of these four packers in Chicago wire instructions. There is practically no local market any more. The farmers of the West are compelled to sell to these packers, because there is no other purchaser for their product.

Shameful manipulation of prices has been the inevitable result. I have known fat cattle to drop a dollar a hundred-weight overnight.

The result has been severe loss to the cattle feeder, discouragement, fear, and sometimes utter ruin. I have known farmers who have toiled from the first flush of dawn until dark all through the blistering heat of the summer raising their crop. I have known them to wade in the snow and mud of their feed lots all through the winter feeding their crop to cattle and hogs and then sell them at the price arbitrarily fixed by the Packers' Trust, only to find the result of their year's labor absorbed by packers and middlemen and themselves still in debt to their local banker who had been carrying them through the year.

It is easy to anticipate the result of all this. Empty cattle sheds, grassland plowed up and planted to grain, soil fertility reduced, the production of cattle falling off 12 per cent from 1900 to 1916, while the population was increasing 25 per cent, the ultimate consumer paying vastly more for his food, the farmer making either a loss or a greatly reduced profit, the four packers declaring dividends and resisting investigation.

This bill provides for a bureau of markets. Let the first duty of that bureau be to investigate the packers and report the facts

to Congress, and then let Congress be courageous enough and patriotic enough to act at once on such facts. I think I know the facts now and am ready to act, but I want the information that vitally and intimately concerns every farmer in the West and every poor man of the East who has hungry mouths to feed made general to the Members of this body that we may act intelligently and justly.

Among other remedies, which I must state briefly, would be cooperation and closer relations among the farmers. Let those who have stock and feeder cattle to sell dispose of them at home through public or private sale. By so doing the many middlemen are eliminated and the producer can sell for less money and receive a larger net profit, and the cattle feeder may put his feeders in the lot at less cost. Another means that would aid is the construction and operation of independent packing concerns. There is one in Cedar Rapids, Iowa, and I have two in my district, one at Nebraska City and another at Lincoln. They are splendidly managed and, I am informed, profitable. I wish that every county in my district had such a plant, and I believe that capital would seek such investment if ample legal protection was insured against the assault and manipulation of the Packers' Trust.

In conclusion permit me to express my firm conviction that if we would change our present method of marketing, if we could bring about closer cooperation among the farmers, if we could have numerous independent packing companies, and if we could have rigid laws, conscientiously enforced against the packers, the producer would make a fair profit out of his toil and investment, and the ultimate consumer would purchase his food products for less than he pays to-day. [Applause.]

Mr. HAUGEN. Mr. Chairman, I yield 30 minutes to the gentleman from Illinois [Mr. KING].

Mr. KING. Mr. Chairman, it is said that the germ of the foot-and-mouth disease is so minute as to be invisible even with the highest powers of the microscope and to be able to pass through the finest porcelain filter without even a suggestion of the difficulty attendant upon the efforts of a rich man to pass through the eye of a needle. It has never been isolated. Its identity has never been established. It dwells in the ultra-microscopic world in the incognito of its minuteness. And yet this unknown organism—this "causative agent," as named by Dr. Mohler—in its destructive journeyings in the years 1914 and 1915 nearly caused a riot and the shedding of blood in the State of Illinois.

Never before has a large law-abiding community been brought under the control and domination of that style of government known in foreign lands as a bureaucracy. True, it may have been frequently under the benign influence of bulletins, but never had they witnessed before the suspension of all local laws of self-government, the right to appeal to their courts abridged, and the invasion of their homes by the armed stranger of a government far removed and inaccessible.

This is one of the first illustrations of how the people are gradually losing their self-government, so dearly contended for by the forefathers, by transferring their rights and liberties to commissions and bureaus, to whom, in their wisdom, the Constitution and laws of the United States are but scraps of paper when they are sought to be invoked against their rules, regulations, and interpretations.

Secretary Houston says that the foot-and-mouth disease was introduced from a foreign country. Whether it was brought to this country in a hypodermic syringe for the purpose of interfering with the meat supply; or by Belgian refugees working in the peppermint marshes of Michigan; or carried in the pack of a Russian emigrant from Vilna; or imported from Japan in japonica, or in buffalo hides from Hankow, China, or cowhides from South America into a tannery and tracked from thence to a pigpen by suspected employees of a near-by tannery in a nocturnal quest for chicken; or whether it may have arrived in a shipment of Argentine corn; or whether the act of a farmer in ordering a pair of German-made gloves of the mail-order house of Montgomery, Ward & Co., and carelessly throwing the wrapper of the same into the hog lot—either of which causes might be sufficient to cause some biased person to intimate that its introduction was the direct result of the Underwood tariff law—nevertheless it is a fact that the "causative agent" of the disease and the disease itself appeared the first week of August, 1914, on the farm of Willard E. Hoadley, living about 2 miles west of Niles, Mich., and it is with this that we have to do.

HOW IT SPREAD.

It spread from Hoadley's pigs to his cows; from his place to Mr. Unruh's, a mile distant, carried, perhaps, by pigeons; and in order to make it certain Mr. Unruh took occasion to go over

to Mr. Hoadley's, and carted it back on his boots. Dr. Graham treated Hoadley's cows on August 23, 1914, and pronounced it stomatitis, and Dr. Clemo treated Unruh's cows, but did not know what was the matter with them. Mr. Unruh drove his cattle up and down the road to pasture for about two weeks, thereby giving the germ a first-class opportunity to escape and scatter which it, no doubt, took advantage of, and did not hesitate to attach itself to every foot and every vehicle passing that way, and from whence it might reach more distant parts of the vicinity. On the third visit Dr. Clemo found a big red cow stiff and sore and hardly able to move, with a moist condition between her digits, and he, seemingly to add to the preliminary scattering process, backed her out of the barn and walked her all around the yard, because, as he said, the more she walked the better she got, on all her steps meanwhile giving off a million or so of the destructive agents. In order to render further preliminary assistance to the "causative agent" to escape, citizen Hoadley killed one of his cows and found the meat infected. And then came Dr. Dunphy, the Michigan State veterinarian, and Dr. Fess, of the United States Bureau of Animal Industry, who bears the honor of having been made a martyred goat for the bureau by reason of his failure to promptly diagnose the disease—and who, by the way, is no connection of the distinguished Member of this House of that name—and all together they visit the various farms in the community, none of them knowing what they were about or what the disease was, although told by an old German, who had seen it in Germany, that it was the foot-and-mouth disease, while Dr. Fess persisted in calling it lip-and-leg ulceration, and thus further scattering and disseminating the disease. And all this occurred in the latter part of August, 1914, the disease up to that time having been prevalent near Niles for nearly three weeks, with no attempt to place a quarantine. Mr. Doster's cattle, across the road from Mr. Unruh, then took the disease. And thereupon the four creameries in that locality began their efforts in the dissemination of the disease by buying milk from infected herds and after separating it returning the skimmed milk back to the farmer to be fed to the pigs, and in this way aided in spreading the disease to the farm of Mr. Tichnor and others.

If Dr. Fess had known the disease, or had Dr. Dunphy not had an automobile accident at about this time which laid him up for several weeks, the history of the outbreak in 1914 might have been considerably shorter. And then Mr. Ballard, another farmer, added his mite in spreading the disease by delivering milk from infected herds to the dining cars on the Michigan Central Railroad; and so this festering place continued from the first week in August to the 15th day of October—more than two months—to waft to the four winds of heaven its vicious bacilli before a quarantine was established.

But before this day, to wit, on October 5, 1914, the foot-and-mouth excursion for Chicago started on its journey. Big Four car 84185, loaded down with "causative agents," and carrying 60 hogs, 6 cattle, and 3 calves, 14 of which were suspected of foot-and-mouth infection, made its trip over the Michigan Central Railway from Niles to the Union Stock Yards at Chicago, followed on October 8, 1914, by a St. Louis & San Francisco car, No. 46900, and carrying 54 sheep, 28 hogs, and 3 cattle, among which were 6 suspected hogs from near the Buchanan Creamery, near Niles, and 5 suspected hogs from an adjoining farm.

It would seem that the disease in its flight moved by instinct; that once in the Chicago Stock Yards and past the eye of the inspector its subtle ramifications from there could not be easily arrested.

At about the time of the arrival of these hogs in the stockyards there was a purchase made of some hogs by the Chicago Serum Co., a concern engaged in making hog-cholera serum, and whose plant adjoined that of the Western Packing Co., which were afterwards killed and their blood used in making hog-cholera serum. Dr. Brown, an employee of this concern, discovered while these hogs were on the shackling hooks being bled that one of them had very sore feet. Nothing was said by the Government inspectors. It was the causative agent of the foot-and-mouth disease. Suffice it to say that it was included in the hog-cholera serum manufactured by this concern and carefully preserved for a new and destructive excursion to be made in 1915, as it evidently seemed desirous to make sure of the destruction of any ruminant or swine which might escape its ravages in 1914, and all of which furnishes a basis for another chapter.

This germ safely lodged in the Union Stock Yards of Chicago after its trip from Niles persistently escaped the work of the inspectors, inasmuch as it is a known fact that these inspectors never go into the pens to examine the feet of animals. In fact, these inspectors have been known to swear that there was no foot-and-mouth disease in these stockyards during the month of

October, 1914, and this in the face of these shipments of animals from Niles.

They simply were being paid for something they pretended to but did not know. Dr. Tiedebohl, then a State inspector, and interested in the Chicago Serum Co., did not see any foot-and-mouth disease in the stockyards in that month of October, although, as a matter of fact, he had been to Niles, Mich., on October 19 and had seen it there, and furthermore had had an intimation in the words sent out by Dr. Houck from Niles notifying all stock owners. He detected none from Niles, and he did not see the sore pig feet that went into his serum factory, but he says he found a case in the dairy-show herd then exhibiting in Chicago within the stockyards' inclosure.

These stockyards then became the center for the general distribution of the foot-and-mouth disease in the United States from the time when Big Four car No. 84185 arrived in the stockyards from Niles, Mich., laden with the foot-and-mouth disease some time before the 15th of October, 1914, until the quarantine was there established. The causative agent held high carnival there while sending out his various excursions.

As late as the 2d or 3d of November, while the cattle were "smacking" in their pens, the stockyards were open to the public, who were coming and going, and furnishing numerous methods of exit for the disease.

From October 15, 1914, to November 1, 1914, 450 carloads of cattle were shipped out of the Chicago Stock Yards. These cattle were feeders purchased by cattlemen in the stockyards and shipped to their homes, most of them developing the disease on arriving at their destinations. Shipments of foot-and-mouth laden cattle during this period, and even after the prize dairy cattle exhibiting then within the stockyards, had been held up "for observation," being suspected of having the disease, on October 27 went out to Ohio, Pennsylvania, Illinois, and Montana.

Mr. Clarence Tanner came into Chicago from his farm at Sugar Grove, Ill., and bought 20 head of feeders on October 28 at the stockyards. These yards, knowing that they had the foot-and-mouth disease at this time, disinfected a car and shipped them to him on the 30th over the Chicago, Burlington & Quincy Railroad. He received his cattle on his farm on the 31st of October, and in 10 days his cattle were alive with the disease. He was not warned, and knew nothing of it. To assist in disseminating the disease, a crowd of inspectors drove an automobile into his cattle yard among the herd. They carefully disinfected themselves, but rode away with a million germs on their auto tires, scattering them broadcast at the rate of 40 miles an hour.

Mr. CHIPERFIELD. Mr. Chairman, will the gentleman yield?

Mr. KING. Yes.

Mr. CHIPERFIELD. Is it not a fact that in the section of the country where the gentleman and I both reside inspectors not only left farms infected with this disease without fumigating or disinfecting themselves, but traveled to farms, infected as they were, went into barnyards and infected them, and in every way in their power, as the gentleman has stated, sought to further disseminate the disease? Does the gentleman treat of that?

Mr. KING. I do; and what the gentleman has stated is the absolute fact.

Mr. CHIPERFIELD. May I ask a further question?

Mr. KING. Yes.

Mr. CHIPERFIELD. Is it not true that when the farmers protested that they were spreading the disease, and that if they did not discontinue it it would be impossible and useless to continue the quarantine; that these same inspectors brutally and vigorously told these farmers who were protesting against the germs being brought on their farms that they would take them to prison, that they would arrest them and prosecute them even for making a protest even against the august individuals who came to their farms?

Mr. KING. That is the absolute fact, and if I have the time I intend to touch upon that.

Mr. SLOAN. Mr. Chairman, will the gentleman yield?

Mr. KING. Yes.

Mr. SLOAN. Who were these offending inspectors? Were they inspectors from the Federal Government or from the imperial State of Illinois?

Mr. KING. Some of each; and there were also some that did not belong to either class.

Mr. CHIPERFIELD. I would like to suggest that while ours are bad, the Federal inspectors are infinitely worse.

Mr. KING. That is also the truth.

Mr. SMITH of Michigan. Mr. Chairman, will the gentleman yield?

Mr. KING. I prefer not to yield at this time.

Mr. SLOAN. Oh, I think Michigan ought to be defended.

Mr. KING. I will ask the gentleman to withhold until I have concluded.

Mr. FESS. Mr. Chairman, will the gentleman yield?

Mr. KING. Oh, I ought to say that this man is no relation of the distinguished gentleman from Ohio.

Mr. FESS. I was just wanting to know who he is.

Mr. COX. Mr. Chairman, will the gentleman yield for a question?

Mr. KING. Yes.

Mr. COX. Have any of these inefficient inspectors been dismissed, or are they still in the employ of the Government?

Mr. KING. I think that Dr. Fess, as I said, was made the goat and was dismissed, and I think the man who inspected the hog-cholera serum in the stockyards and failed to find the presence of the foot-and-mouth disease was also dismissed.

Mr. COX. Only two of them?

Mr. KING. That is all I know of.

Mr. Dauberman, of Kanesville, near Aurora, on October 27, was permitted to purchase a carload of cattle in these same stockyards all decorated with the same germ. The disease appeared in a short space of time, and many persons were allowed to pass through and visit the herds, thus permitting a further sowing of the ominous bug.

And then, on October 27, Mr. Ray Bastian, at Big Rock, was permitted, after infection of the car, to ship a carload of diseased cattle to his farm, and, apparently having a special grudge at Big Rock, Mr. William Myers was also given a carload of disease to disseminate through that part of Illinois in conjunction with those of Mr. Bastian.

Another carload of cattle with the disease reached Rock County, Wis., on November 4, 1914.

It has been charged, and is denied, that 9,000 head of cattle, more or less, infected with the foot-and-mouth disease were shipped in open cars from Peoria, Ill., to Chicago on or about November 9, 1914, and sold to the Nelson Morris Packing Co., who killed them, or at least a large part of them, and in the shape of dressed beef sold some to the consumer in the regular course of business, and this was done when the good Dr. Melvin says:

That the infection exists in the blood of diseased animals, and if the same are killed and shipped it would become a serious danger, as the foot-and-mouth disease frequently attacks the human being.

And so through the instrumentality of the pigeons, the birds, the shortsightedness of the people, the auto tires, the inspectors, the creameries, and the stockyards, aided by the ignorance or perhaps inexperience on the part of those whose duty it was to know better, the disease passed from animal to animal, from yard to yard, from farm to farm, from county to county, from State to State, like a conflagration before a breeze, it enveloped in hopeless despair the live-stock industry in nearly all the great States of the Middle West.

IN ITS WAKE.

This illusive germ in its ravages attacks most easily cattle, sheep, and goats. Horses, dogs, cats, and even poultry may occasionally become infected with the disease. It strikes the animal with a chill, followed by fever. Temperature rises as high as 106° F. Blisters appear upon the mucous membranes of the mouth. Lesions appear upon the feet, at the coronet, and between the digits. The udder blisters. Appetite disappears. Cohesive ropy saliva hangs from the mouth, while the animal opens and shuts it with a smacking sound. The feet being sore, the animal lies down a good deal and develops bedsores. In case the disease attacks the internal organs before it appears externally paralysis may quickly ensue or paralysis of the throat may cause the creature to choke to death. Ten to twenty days in mild cases to three months in malignant cases is required for the disappearance of the disease. While the mortality is low, ranging from 3 per cent in mild cases to 30 or 40 per cent in malignant cases, the other sources of loss are great. There is a great loss of flesh and a lessening or cessation of milk secretions. Abscesses form in the udder, rendering the cow valueless for milk production. The inflammation of the feet may cause the horn to drop from the toes, producing great lameness and lasting injury. I am, of course, taking my information from various publications of the United States Bureau of Animal Industry.

With the appearance of the disease the quiet farm becomes the center of excitement. Strangers appear with rubber caps and boots and with their pans and their formalin. The trenches, only a few degrees less horrible than those in Europe, 7 feet wide, 7 feet deep, allowing space 2 feet wide for adult cattle, and leaving room between for the hogs and sheep, are dug, and into the same go the "dumb, driven cattle," accompanied by their

smaller friends. The Texas ranger and his rifle puts a rapid end to each—millions of dollars of animal life goes out and, with the slashing of the skins covered with unslaked lime, disappears.

In its wake not only follows havoc to the live-stock industry, but the derangement of the economic life of the community caused by its appearance is most demoralizing. No one who has not seen the effect of a quarantine against this disease on the business life of the locality in which it is established can for a moment realize the enormous upturning of its business and the stagnation of its industry. It presents a striking example of the importance of the farmer and stock raiser to the Nation. He is a real producer of wealth. Stop the raising and shipping of live stock for 30 days and you have started such a change in the economic condition of the people which is only resembled in the physical world by a landscape below and under which has just rolled the destructive tremors of the earthquake.

You might just as well take from the stock-raising community its money as to deprive it of the use of its cattle and its swine, which are among the largest producers of money in the country. The establishment of a quarantine in a county not only affects the owner of the diseased stock but also the owner of all healthy stock in such county. I have seen healthy hogs and cattle held at a railroad station for 30 days which were ready for shipment, during which time they had to be fed and while the price on the market went steadily down, to the great loss of the owner. The merchant in the locality is unable to get his due until the shipper has disposed of his stock, and, therefore, is unable to meet his own obligations. The county banker who has advanced the money for the shipper to enable him to feed his cattle, and to farmers who have hogs for sale but are unable to move them, finds himself, when shipments are not allowed, with thousands of dollars due him from the men who expected to dispose of their stock; and hence the money is not returned to the banker to be again used by the fellow who wants to husk and move his corn. It raises a serious condition in the banks of the country, and necessarily affects the entire community. Not only does such a quarantine interfere with the movement of live stock, but also with such commodities as hay, straw, hides, and farm products. The whole business of marketing, transporting, feeding, and slaughtering is interrupted and deranged, and losses of this character reach enormous proportions.

THE COST.

The total number of herds slaughtered in the United States since the outbreak began to the date of the committee's report accompanying the Agricultural bill (H. R. 12717), dated March 4, 1916, is 3,479, containing 172,593 animals, of which 76,497 were cattle, 86,443 swine, 9,511 sheep, 133 goats, and 9 deer. The department's share of the appraisal of these animals, on a 50 per cent basis, was \$2,897,442.06, while the 50 per cent of the appraised value of the property destroyed was \$75,497.98, and 50 per cent of the cost of burial and disinfection was \$348,770.62, making a total of \$4,444,241. Now, add an equal amount which the States are paying as their 50 per cent of the loss, and we have a grand total of \$8,888,482; and adding to this an equal amount, as estimated by Dr. O. E. Dyson, State veterinarian of Illinois, for losses sustained by live-stock owners occasioned by quarantine regulations, and we have the grand, staggering total of \$17,776,984.

And, Mr. Chairman, the first outbreak of the foot-and-mouth disease in 1914 cost the State of Illinois alone the sum of \$1,404,287.62. The second outbreak caused by the foot-and-mouth germ being present in hog-cholera serum introduced at the Chicago stock yards by the failure of the Government inspectors to notice the pink sore feet of the pigs shipped from Niles, Mich., cost the State of Illinois the sum of \$298,436.84, making a total to date to the State of Illinois of \$1,569,296.15, the details of which loss is shown by a statement prepared by the Hon. Clayton C. Pevier, a very able State senator of Illinois, which statement I am now reading from and concerning which I will ask the unanimous consent of the House to extend the same in the *RECORD* as a part of my remarks.

The total cost of the foot-and-mouth disease in the fifteenth congressional district which I have the honor to represent was \$170,781.01, a more detailed statement of which I will ask the unanimous consent of the House to extend in the *RECORD* as a part of my remarks.

Mr. Chairman, it is conceded by all authorities that the broadcast dissemination of the foot-and-mouth disease in the year 1914, and particularly in the State of Illinois, was due to the Union Stock Yards of Chicago. The governor of the State of Illinois in a letter addressed to all the Illinois Representatives in Congress, dated March 31, 1915, so states. Dr. O. E. Dyson, State veterinarian of Illinois, in his sworn statement before Senator KENYON'S subcommittee investigating the epidemic in Chicago, in December, 1915, says that if these yards had been

quarantined at the time they began to disinfect the cars in October, 1914, and no shipments had been permitted, Illinois would have been saved the outbreak of that disease within her borders in that year. Dr. A. D. Melvin, Chief of the United States Bureau of Animal Industry, and his able assistant, Dr. John R. Mohler, issued a joint bulletin, which was presented before the eighteenth annual meeting of the United States Live Stock Sanitary Association at Chicago on February 16, 1915, in which they say:

From this point (Union Stock Yards, Chicago) infection was carried by various shipments of live stock, especially the class of cattle known as stockers and feeders from the Chicago stock yards to various parts of the country—North, East, South, and West.

The foot-and-mouth disease was in the Union Stock Yards at Chicago as early as October 15, 1914. No quarantine was established there until November 1, 1914. During this period, from October 15 to November 1, 1914, 450 cars of cattle were shipped out from this distributing center, out of which developed 69 cases of the disease and was the means of scattering the disease in the States, which I have before mentioned, and into 37 counties in Illinois and on 765 farms, representing about 784 owners in that State.

The Government is engaged through various bureaus in preaching "efficiency" to the people. It wants "efficiency" in poultry raising, "efficiency" in the care of the baby, "efficiency" in the keeping of books by the country merchant, and for years it has dinged into the ears of the stockmen and farmers "efficiency" in the care of stock, so that very naturally they are earnestly inquiring to-day where was the boasted "efficiency" on the part of the Government inspectors in the stockyards in Chicago for the long period of two weeks in the latter half of October, 1915, when they failed to discover the foot-and-mouth disease, under their very noses—hogs dressed and in the shackling hooks with sore, pink feet; hogs limping about the yards; cattle so infected that 500 of them were "smacking" in the pens before the quarantine was established, with no effort made to go into the pens to examine the feet of the animals, and the disease, according to the statement of one witness, so apparent at that time that a "regular duffer" could have discovered it. Is it any wonder that the farmers and stock raisers are astounded at the course of their paid teachers of "efficiency"? Has this insistency in preaching efficiency simply turned out to be just another case of the doctor refusing his own medicine, the tailor wearing "hand-me-down" clothes, the barber refusing his own whisky, the barber neglecting the benefits of his own hair restorer? No wonder the spell is breaking and their eyes are opening to the fact that instead of perfection teaching the deficient it may possibly be a case of the inefficient leading the efficient.

The Government as early as September 2, 1914, sent one of its efficient assistant inspectors from Detroit, a Dr. Fess, to the vicinity of Niles, Mich., where the foot-and-mouth disease had prevailed in a most pronounced form from the early part of August, who after a most efficient examination pronounced the malady not foot-and-mouth disease but stomatitis and lip and leg ulceration, and which diagnosis was during all the months of August and September in that year considered correct, for which efficiency the people of this country have paid, as I have before said, nearly \$18,000,000, and thereby proven again the worth of Pope's advice when he said:

A little learning is a dangerous thing;
Drink deep, or taste not the Pierian spring;
Their shallow draughts intoxicate the brain,
And drinking largely sobers us again.

[Applause.]

Eliminating for the moment the fact that Dr. Fess did not quaff the invigorating waters of Pieria on the subject of this particular ailment of ruminants and swine, and admitting the Government's right to excuse this fearful neglect from early August to the middle of October, by the simple means of turning Dr. Fess himself into that popular ruminant known as "the goat," what shall we say in expiation of the greater crime against the live-stock interests of the country permitted by the Department of Agriculture when it failed to act at once and efficiently in checking the spread of the plague when it was finally and positively identified as the foot-and-mouth disease at Niles on or about October 15, 1914?

Instead of saying "Whither goest thou?" it said "Whither come ye?" Its origin became important but its future was neglected. The question whether it was brought from Japan or Argentina or rode here on the boots of a Russian peasant became the predominant factor for examination and its possible excursion from Niles to the Chicago Stock Yards seemed to be of minor consideration.

On the 15th of October Mr. Neal, the chief inspector of the United States Bureau of Animal Industry at Chicago, was in-

formed that the foot-and-mouth disease had broken out at Niles, Mich., and Dr. Bennett, of the same bureau, was about this time on his way to Niles and stated that from the information he had on hand the foot-and-mouth disease existed at Niles.

As one witness puts it, they began "treating the disease at the spigot rather than at the bung-hole"—by refusing to take note of the point of infection and dissemination—the Chicago Stock Yards. As I have pointed out before, the disease proceeded directly from Niles to these stockyards. Even then it could have been checked by quarantining these yards. Numerous loads of swine with this disease came from the Niles locality to these stockyards, and yet no effort was made to quarantine these yards from October 15 to November 1, 1914.

That the inspectors in the Chicago yards well knew that the disease was in those yards is firmly proven by the fact that in shipping out stockers and feeders during that period from October 15 to November 1, 1914, they were disinfecting the cars in which shipments were made, and Dr. Bennett had ordered shavings with liquid disinfectants put on them placed in the passageways of the dairy show prior to the date of its opening about October 21, 1914, and prior to the date this herd became infected from the yards. If there was no disease in the herds, why this precaution? The truth is the department must have known by its trace of shipments, which should have been made, if they were not, from Niles, that the disease was in these yards, yet there was no effort made to close the yards until November 1, and in the meantime inspectors and veterinarians were roaming the farms over in an attempt to check the disease on the farms while it was radiating in all its fury from the stockyards. This is the question the farmers are asking: Why was there no effort made to quarantine the Chicago Stock Yards until November 1, 1914?

THE PACKERS RULE THE LIVE-STOCK WORLD.

And now, Mr. Chairman, let it be understood that my remarks to-day are based upon the sworn testimony of witnesses, of whose veracity no question has been raised, in the hearings before the Committee on Agriculture and Forestry of the United States Senate of the Sixty-third Congress, third session, on Senate bill No. 6689, and before the subcommittee of this committee of the Sixty-fourth Congress pursuant to Senate resolution No. 39. These are no idle statements, but backed by the sworn evidence plainly stated in the printed copies of these hearings which are beside me upon the table so that he who runs may easily read.

Never before has there been a better illustration of helpless people firmly held within the clutch of a great controlling interest than the manner in which the farmer and the stock raiser were gagged, bound, and shackled by the packing interests during the great foot-and-mouth plague of the year 1914. Never before, until this disease serving as a means of illuminating the dark avenues of its devious ways and throwing the spot light upon its questionable methods, has the sinister and powerful control of the farmer's hogs, the farmer's cattle, and the farmer's pocketbook by the baronial packers of Chicago been better illustrated.

And, Mr. Chairman, this power did not accrue in one night. It did not suddenly start like the Johnstown flood but has flowed on and broadened through a generation like a mighty and placid river. An innocent-looking organization, known as the United States Live Stock Sanitary Association, pursues the "even tenor of its way" with an office furnished without cost to it by one of the largest packing firms in Chicago.

One, Ferguson, acts in a sort of a dual capacity. As Dr. Jekyll, he is the "helpful" secretary and treasurer of the association, and as Mr. Hyde, he is the "scientific expert" of the packing concern which so generously furnishes the offices for the association. According to Ferguson, it is a most harmless concern, not exactly religious, of course, but nevertheless benign in putting up "pointers" to "our farmer friends," as he says.

Ferguson says it is a voluntary organization of Federal and State officials and any other persons interested in "live-stock, sanitary-control" work in the United States and Canada. It now includes about 400 of these men—bureau officials, State officials, and private citizens, the Bureau of Animal Industry, such men as Dr. Melvin and Dr. Mohler. Dr. O. E. Dyson, State veterinarian of Illinois, is president. Dr. J. I. Gibson, State veterinarian of Iowa, was the president in 1915, and Dr. S. H. Ward, State veterinarian of Wisconsin, was the president in 1914. The majority of all State veterinarians are members of this helpful association; some transportation and traffic managers of railroads are members. A nominal sum of \$1 annual dues is charged each member. All the leading members of the Bureau of Animal Industry are members. The membership has an annual meeting at which "scientific questions" are discussed. Its executive and advisory committees act "when there

are any questions of emergency or general interest," but Ferguson does not state the subjects discussed at the meetings of these controlling committees. He did not disclose their names. Mr. Ferguson describes the functions of these committees by saying that—

when recommendations are under consideration for presentation to the governors of States or to the Secretary of Agriculture at Washington and those matters are considered of such grave interest that the executive committee alone does not care to handle them, then this advisory committee comes in in joint session, and together they thrash out memorials or general resolutions to go before the properly constituted authorities of the country, State and Federal.

In other words, this association lobbies the bureaus and the bureaus lobby Congress.

This association discusses matters with officials, such as the foot-and-mouth disease. Mr. Ferguson promised the subcommittee that he would produce copies of the memorials presented to various officials on the foot-and-mouth disease, but did not do so—at least, they are not in the printed report of the hearings.

Ferguson discussed these matters with the Bureau of Animal Industry personally. What he discussed as Dr. Jekyll is not disclosed in the evidence, but he was a very busy man as Mr. Hyde, "the scientific expert" for the packers. As such he "lined up" different live-stock interests—did live-stock work in connection with his packing house; devoted his time to emergency quarantine; looked after the management of live stock during the foot-and-mouth epidemic. He took up the question of the foot-and-mouth disease directly with the bureau. He also discussed the same with the State veterinarians. He made recommendations to the Bureau of Animal Industry as to their regulations. He succeeded in convincing the bureau that \$300 a day which was being paid by the packers for disinfecting cars for free area was a needless expense to the packers and they discontinued it.

The work of Ferguson, as he says, is dual. Now you see it used for his packer and now for his association. He is in close touch with all veterinarians. The position of "scientific expert" was especially created for him. The true situation seems to be that Ferguson is the association and the association is Ferguson and Ferguson is the ego of the packing corpus.

This very weak and bankrupt association, according to Mr. Ferguson, with an income of only \$1 per year, reluctantly contributed by 400 members, nevertheless has been the means of placing laws upon the statute books of 23 States of this Union, and all this has been done when it is a notorious fact that \$400 would not furnish pocket change for one ordinary lobbyist for a week.

Not only, according to Ferguson, is he in close contact with the Bureau of Animal Industry, but he is also in close contact with the State veterinarians, who, in turn, are in close contact with every veterinarian in his own State. The packers are, of course, in close contact with the packer who employs Mr. Ferguson, and Mr. Ferguson is in close contact with his packer; the high officials of the United States Bureau of Animal Industry, according to Ferguson, are in close contact with Ferguson, as are the State veterinarians, and the Bureau of Animal Industry officers are in close contact with the inspectors in the Union Stockyards and in the field, and the State veterinarian is in close contact with their assistant veterinarians and other veterinarians, and therefore they seem to be all gathered together in the arms of the tender and motherly influence of the United States Live Stock Sanitary Association, which is guarded at all times in its existence by its advisory boards in times of great distress.

The pleasant associations among the membership at its annual banquets, vaudeville entertainments, and cabaret performances are no doubt productive of the highest order of brotherly love amongst the members of the association.

No veterinarian, it is said, comes away from its scientific meeting and cabaret entertainment, called by Ferguson as "a sort of get-together affair," without a greater love for his association as his alma mater and a fading remembrance of the farmer and the stockman and a more exalted view of the down-trodden, submerged, and unfortunate packer. The effect produced by a Gary dinner is but a tantalization compared with the effect produced by one of Ferguson's great cabaret shows.

For some reason, Mr. Chairman, it will be observed that our State veterinarians never reach their exalted positions from the ranks of the faithful and underpaid veterinarians in active practice among the farmers and stockmen of the country and who see from their viewpoint and who have been schooled to believe the raising and not the slaughtering of animals is the noblest work of man; but rather from the Stock Yard University of training, where the historical grandeur of the ancient and honorable packing business is taught as a superior study and the baronial

right of purchasing packer is instilled in the minds of the student as one more important and necessary to be sustained at all times than that of any alleged claim to justice on the part of that great vassalage of producers and sellers known as the farmer and stockman.

The physical prowess of a Sandow is demonstrated by the weights he is able to lift. The power of the Union Stock Yards' interests, whether operating directly or through the gentle medium of the United States Live Stock Sanitary Association, is measured by what it has done and is able to do.

It is apparent from the evidence at hand that whenever the discussions of scientific subjects and the giving of entertainments were not only to awake in the breast of the veterinarian a sufficient love for the packing interests a species of chastisement is administered in the threat to deprive him of his license. There is sufficient evidence in the hearings to at least raise the presumption in the minds of an ordinary man that this method of punishment is actually used in unruly cases. You can imagine, Mr. Chairman, the commotion which might be created among the lawyers or the doctors if some one was able to say to them, "If you do not do so and so, I will have your license revoked." If through moral suasion or otherwise, hard working and underpaid veterinarians can be lashed into worshipping the packers' point of view of the live-stock business, how then can he be expected to give to the producers and the shippers a fair and impartial trial?

Should any veterinarian become contrary and render a decision in a given case opposite to that held by the associated powers joined in friendly union by a membership in the United States Live Stock Sanitary Association, woe unto him! Let him dare say, "It is not," when he should have said as instructed, "It is," and he may begin to look for his immediate execution. This plan has a tendency to promote a quiet harmony of the Carranza type, when he said, "If they do not agree with us we will execute them."

This method of control is well illustrated in the case of Dr. A. M. Henderson, a veterinarian of good standing in Aurora, Ill. He, like Thomas, doubted. He questioned the diagnosis of the Federal authorities in the case of a herd at the Girls' Home at Geneva, Ill., which they had pronounced foot-and-mouth disease. His disagreement was in the nature of "lese majesty," and so interpreted in the light of what happened afterwards. After the quarantine was lifted, he examined a carload of hogs shipped from Hinckley, Ill., to Chicago. He gave a certificate that they were all right, but when they reached Chicago, he received a wire stating that they would not be received. The hogs were shipped back to Hinckley and examined by another veterinarian and reshipped to Chicago and accepted. Dr. Henderson learned, so he states, that Dr. Bennett, in charge of the United States Bureau of Animal Industry at Chicago, had given orders that no shipments which Dr. Henderson certified to were to be accepted. He had sinned. Later Dr. Henderson was the defendant in numerous and vexatious lawsuits brought by farmers who had shipped stock under his certificate, but had the same refused, and who had been damaged by shrinkage and a fall in the market prices.

After the quarantine was established it was rigid, but not so rigid as to exclude Nelson Morris & Co., one of the associated interests, from shipping in open cars from Peoria a vast herd of cattle estimated at from 2,000 to 9,000, 900 of which were suffering from foot-and-mouth disease, and from killing them and selling them for meat, thus endangering not only the territory through which they passed but man as well. No farmer or stock raiser outside of the stockyard interests could have accomplished such a feat.

Again, enters the element known as "hog-cholera serum factories," which are located, most of them at least, near the stockyards, and which buy their hogs from those yards which are shipped in from all over the country instead of being carefully raised for such a delicate purpose under sanitary conditions.

Whether or not these manufacturers of serum hold any interests in the community enterprise, I could not ascertain, but it is clearly established by the sworn testimony of reliable witnesses that Dr. Bennett, who was the United States Bureau of Animal Industry representative at the time that the quarantine was established in the stockyards against the foot-and-mouth disease in 1914, was financially interested in a serum factory known as the United States Serum Co., at Woodruff, Wis., and with him was interested Mr. A. G. Leonard, president of the Union Stock Yards & Transfer Co., and ten to one a member of the United States Live Stock Sanitary Association, and perchance a member of its executive board. Dr. T. C. Tiedebohl, who is sometimes in the employ of the stockyards and sometimes in the employ of the State, was, with Mr. Leonard, interested in the Chicago Serum Co. And while all this was so existing Mr.

Peters, the manager of the Chicago Serum Co., had a pamphlet printed which he was going to send out to the farmers saying that his company would not use any more serum from the Chicago Stock Yards, but would draw all of it from its Kansas City or Sioux City plants. The Federal inspector, Dr. H. D. Shearin, at this point interposed and held up the distribution of the pamphlet, and would not let it be sent out—why? Because it would in any way injure the farmer or stock raiser? Oh, no; but because the pamphlet would attract undue attention to the fact that the foot-and-mouth germ could be found in hog-cholera serum. He thought it would harm the serum industry, which he seemed to think it was his duty to protect rather than the producers of live stock. He was perfectly willing to let the foot-and-mouth germ go forth on its damaging way in hog-cholera serum just so his friends, Dr. Bennett, his superior, Mr. Leonard, president as aforesaid, and Dr. Tiedebohl, his associate, were not financially hurt, and altogether good friends and jolly good fellow members of the United States National Live Stock Sanitary Association.

Although a quarantine may be established at once and without notice upon any farmer or stockman, yet a special privilege has been exacted by the stockyards' interests and granted by the Bureau of Animal Industry that no quarantine can be placed upon the stockyards except by giving a certain written notice. This was the reason given by the bureau why a quarantine was placed upon the National Dairy Show exhibiting within the stockyards many days before it was placed against the stockyards, which, as a matter of fact, were then and at that time shipping feeders and stockers out into the country and scattering the plague broadcast over the land. The farmers are asking, "Who is it that has such power that they are able to initiate such a special rule pertaining in favor of one class of citizens and not in favor of another?" This is merely a species of favoritism which a bureau can show to its friends, but against which the producers, when it becomes generally known, will rise against in great numbers. Such kinds of favoritism is one of the characteristic fates of the bureaucracies growing up in this country, and concerning which the people, when once aroused, will not tolerate.

If we excuse the Government for not, through its agents, discovering the foot-and-mouth disease in Michigan during its ravages in August, September, and the first half of October, 1914, if we magnanimously forgive it for, through its paid agents at Chicago, permitting it to ravage unbound in the stockyards from October 15 to October 27 and until the hogs were painfully limping in the drives and the cattle were "smacking" in the pens and the railroads delivering the disease north, south, east, and west, how, then, after such indulgence, can it ask that it be shrived of all culpability in its act while locking up the dairy herd on October 27 which had been infected in the yards, of permitting the stockyards for three days beyond October 27 to disseminate the destructive germ? What influence was brought to bear? What arguments were made? What pleas were offered? The producers who lost the stock and the people who paid the bill are demanding to know what powerful influences could induce the Government to so forget its duty. Was Dr. Bennett, in charge, so seared with indifference and so interested in his serum business that promptness was no longer in his curriculum? Was Ferguson there with his everlasting "representations" and "close contact"? Did he call his advisory and executive committee together in this emergency? Was a "scientific discussion" had by his benign association? Were the losses that might accrue to the stockyards by being placed in quarantine vividly rehearsed in his "memorials"? And were the awful losses to the producers and to the people who pay the bill, amounting to nearly \$18,000,000, forgotten? The Secretary of Agriculture entirely ignores and passes over these three days in his last report.

Chief Melvin, nor anyone for him, has never explained it. But the Nation still demands to know. Farmers and stockmen are organizing to know. Congress wants to know and will know. Banquo's ghost never arose more frequently nor more persistently than this question as to what sinister or benign influence was used on this occasion.

But, Mr. Chairman, these evidences of the fearful power exercised by this community of interests which are concerned in the killing end, rather than the producing end, of the live-stock industry are merely incidental compared with maintenance during the plague and some time afterwards of what is known as a quarantine area or quarantine alley.

Of all schemes devised for separating a man from his money in a scientific manner without his knowledge, "quarantine alley" takes the highest rank. Robin Hood and Capt. Kidd were good in their line, but their victims usually knew that the job was done and that they had been robbed. The South Sea

Bubble and the Credit Mobilier were thought to be good separators by our ancestors in their day. Poor souls, in inventive life they had never seen the airship and the wireless, and so, in higher business relations, while they may have contemplated and imagined the common trust, they never dreamed of "quarantine alley."

During the epidemic the Union Stock Yards maintained two separate sections in their yards for receiving stock. One was known as the "free section," or alley, and the other as "quarantine section," or alley.

This did not mean that shipments of stock free from the disease upon arriving were placed in "free alley" nor that affected or suspected stock was placed in "quarantine alley." Not at all. It was so arranged that all stock coming from any area of the country not under quarantine went into "free alley" and any stock arriving from any restricted area from which shipments were permitted for immediate slaughter only went into "quarantine alley."

To illustrate, Henry and Knox Counties, in Illinois, adjoin each other on the north and south. A suspected case of foot-and-mouth disease in the extreme southeast corner of Henry County, near the Knox County line, resulted in the whole of Henry County being placed in restricted area, while Knox County remained free. If two animals exactly alike, one from Henry County and one from Knox County, arrive at Chicago at the yards, the one from Henry County went into "quarantine alley" and the one from Knox County into "free alley," but the animal from Henry County, through no fault of his own, is sold for less than the one from Knox County by from 10 to 20 per cent. It will be readily seen, therefore, that the person who fixes the limits of the quarantine has power to reduce the price to the producer of live stock from 10 to 20 per cent within such restricted area. The Henry County animal and the Knox County all reach the same destination—the refrigerator of the packer. One is as good as the other, and, as usual, no reduction is made to the consumer. And now, Mr. Chairman, the larger the restricted area the greater the number of cattle reaching quarantine alley, and the greater the profit to the packer, because the cattle from this section sell, when dressed, for as much as those from "free alley."

In the hearing at Chicago in December, 1915, Mr. Leonard, the president of the Union Stock Yards & Transfer Co., was asked by Senator KENYON:

If 100 head of cattle were shipped, we will say, from a county of Iowa that was free and not quarantined, and a hundred from a county that was quarantined and that had been inspected and were all right and they came to Chicago and those from the free county went into one place and those from a quarantine county into another place, and those from the quarantine county sold from a dollar to a dollar and a half less than those from a free area, who got the profit?

And Mr. Leonard answered, "I don't know; I did not." But Mr. Leonard knew that the shipper did not get it and he knew that the consumer did not get it, and he was too much of a gentleman to even intimate that any member of the United States Sanitary Association got it. And, Mr. Chairman, as \$22,000,000 worth of cattle went into quarantine alley at a reduced price of from 10 to 20 per cent, if we can not guess who got it you can easily figure what the amount was.

It is a very peculiar thing that nearly every person connected with the establishment or the enforcement of quarantines during the foot-and-mouth disease outbreaks of 1914 and 1915 thoroughly believed in the largest possible restrictive areas. None of them believed in less than a county restriction. I would not accuse those charged with the responsibility of fixing and enforcing quarantines of willfully increasing their size unnecessarily merely for the purpose of enlarging the number of animals which crowded quarantine alley to the enormous amount of \$22,000,000 worth at a reduction of from 10 to 20 per cent to the packer, but this is exactly what they did, perhaps unconsciously. Perhaps again, unconsciously, of course, the desire instilled by alma mater, the United States Live Stock Sanitary Association, that the packer should outshine in their memories the producer did not smoulder at this time. I hope that Ferguson held no scientific discussions on this subject, nor came in close contact with the administrative officials with his resolutions and his memorials.

ERADICATION.

In a special bulletin issued by the United States Bureau of Animal Industry dated October 25, 1915, three methods of eradication of the foot-and-mouth disease are referred to, to wit:

First. Vaccination.

Second. Quarantine without slaughter.

Third. Quarantine with slaughter of all infected or exposed animals.

As to the first method, the bureau states that no vaccine has been found which is of value or will produce a permanent im-

munity in foot-and-mouth disease. As a layman, I must, of course, accept the word of this bureau on this subject, and while some claim has been put forth in a serum made by Dr. Leoffler, the discoverer of diphtheria serum, I must take the word of Dr. John R. Mohler, of the United States Bureau of Animal Industry, and one of the greatest authorities on the subject, who stated to me that no serum of value had been effected in foot-and-mouth disease.

As to the second method of eradication, to wit, quarantine without slaughter, the bureau seems to be absolutely opposed, more upon the ground of expense than that of efficacy. They are rather tender upon the subject of the wonderful cure of the magnificent dairy herd exhibited at Chicago in October, 1914, at the time of the belated discovery of the foot-and-mouth disease there by the Government inspectors. This herd, without question, became infected through the introduction of the disease from Michigan, as I have before pointed out. The pens in which we confined the lame and "smacking" cattle in the Union Stock Yards were within about two blocks from the dairy herd which we housed in the stockyards. The disease appeared in the dairy herd October 21, 1914. The first animal of that herd affected was removed at once to the hospital, and on November 2 as many as 30 from the exhibition place were removed to the hospital. Dr. Hughes was placed in charge of the dairy herd. He proceeded to make a general clean-up in the building and stalls. The disease progressed so that on November 8 there were 41 cases; on the 9th, 37 cases; on the 10th, 63 cases; on the 11th, 44 cases; on the 12th, 65 cases; on the 13th, 82 cases; on the 14th, 68 cases; on the 15th, 101 new cases in a single day; on the 16th, 48 cases; on the 17th, 21; on the 18th, 8; on the 19th, 18; on the 20th, 8; on the 21st, 4; on the 22d, no new cases; and on the 24th, 1 new case. That made about 603 animals that had been taken down by that time. The others came down in twos and threes, and dragged along until December. And, Mr. Chairman, think of it, not one of this great herd died! All the cattle were saved! Dr. Hughes stopped the usual practice of Government veterinarians of spreading the disease by "mouthing," which means going from animal to animal, examining the mouths, getting their hands in and seizing the tongue and dragging it out from the mouth, thus scattering the disease by artificial means. The closest possible quarantine was maintained really by the exhibitors themselves. This was maintained at the stockyards for a little over two months, and then the herd was removed to Hawthorne Race Track.

Exhibitors as well as the authorities were determined that no disease should get away, and it did not. There were 40 herds in the big show. The space in which the cattle were confined was not an ideal place. The number of cubic feet of area was insufficient and the ventilation abominable. In the words of Dr. Hughes, "You could not coop up animals under more favorable circumstances in order to spread the disease," and this in spite of disinfectants. In reply to the claim that a successful quarantine could not be maintained on an ordinary farm, as claimed by the bureau, the following question and answer at the Chicago hearing is significant:

Dr. DYSON. How would that compare [condition of the inclosure in which the dairy herd was confined] with the ordinary barn throughout the country as regards sanitary conditions?

Dr. HUGHES. I would take my chances with the ordinary barn by long odds, as compared with that place.

Without going into further details of this successful termination of quarantine without slaughter, Mr. Chairman, suffice it to say that this great herd has been returned to the various parts of the Nation from whence it assembled absolutely cured, in most excellent condition, and ready with a couple of weeks of preparation to again enter the show ring.

Mrs. Scott Durand, of Waukegan, had a magnificent herd of Guernseys. They became infected with the foot-and-mouth disease. After battling through the courts many months and keeping them in strict quarantine, her 63 beautiful imported cattle were killed by the authorities, and, according to Mrs. Durand's undisputed sworn evidence, when they had entirely recovered from the disease; and there seems to be considerable proof in her statement that they were cured at the time they were killed, in view of the fact that the killers dragged them, after being shot, for a quarter of a mile across the pasture, leaving a streak of blood, which up to this day has not been disinfected, and piled them up in a pile, where they remained for 24 hours before burial, for the birds and the rabbits and the squirrels to track over. Had they been infected with the foot-and-mouth germ they would have put them underground without delay.

But the most remarkable cure, and the one which seems to refute all technical opinions that immediate slaughter is the only remedy, is the fact that the cattle of Mr. Unruh, the second

man whose herd was affected in 1914, testified on May 18, 1915, at Niles, Mich., that his 23 head of cattle, which had the foot-and-mouth disease in August, 1914, had entirely recovered so that one could not tell they had ever had the disease.

The third method of eradication, to wit, quarantine with slaughter of all infected or exposed animals, is the one which has been adopted by the bureau, and they have clung to it so persistently that anything looking toward any other method of eradication has been entirely eliminated from its policy. In its bulletin issued October 5, 1915, this department says:

There remains, then, but one effective method—that of slaughter—which is the method now in common use in all countries which have so far successfully coped with this disease.

Yet in the face of this statement Prof. Loeffler not long before his death took the position that killing and slaughtering of animals will not dispose of the disease. That the mere burying of the animals may not kill the germ is, in a way, sustained by the bureau's contention in the case of blackleg—that the carcasses should be buried and not burned is the only way of killing the blackleg germ—a fact which may some time be demonstrated should the foot-and-mouth disease again break out in the Union Stock Yards in Chicago, where 900 hogs and 450 cattle in 1914 were killed and buried in the stockyards.

And, in contradiction of the bureau's contention of the efficacy of the third method, there stares us in the face the fact that both Dr. Melvin and Dr. Mohler admit that quarantine and slaughter has been resorted to in England for 50 years, and that the disease still exists there, an outbreak occurring at the very time when Dr. Mohler was addressing the United States Live Stock Sanitary Association at Chicago on February 16, 1915, as then stated by him.

So obsessed has this department become with the idea of slaughter—State departments and veterinarians following—that it is the firm belief of thousands of level-headed farmers and stockmen in Illinois, as developed in the hearings, that a species of terrorism has been inaugurated and resorted to in its favor, before which all must bow who sanction any effort to combat or eradicate this disease in any other way.

Against the efforts of the exhibitors at the dairy show to save their herds the greatest antagonism on the part of the State and Federal Governments seemed to exist. From this testimony it appears that some of the witnesses are of the opinion that the department did not want it demonstrated to the world that cattle could survive the foot-and-mouth disease, after the department had proceeded so far upon its policy of slaughter and had progressed in its propagation to such a terrifying extent. It would not do, so these witnesses seemed to think, for the Government to admit any possible error, any possible excuse, for anyone to say that over \$17,000,000 had been spent for slaughter when some of it might have been spent successfully for cure. Mr. Marsh, of Waterloo, Iowa, goes so far as to say that the Federal veterinarians would have "rejoiced" if a single instance could have been found by "their sharpshooters, on every hand scrutinizing everything," where the disease had been communicated by the dairy herd, so that they would have had an excuse for killing them. The department was of the opinion that they should be killed and wanted to do it. One witness was bold enough to say that the motive for killing her cattle was because "they wanted to bury the evidence underground that cattle could go through the foot-and-mouth disease successfully." Another witness, Col. George Fabyan, a merchant and farmer of Geneva, Ill., referring, evidently, to the above case, said:

There was a woman up at Libertyville that did everything she was asked to do in the way of quarantine, and her cattle were well; that is, they had been brought under the same management and in the same way as the cattle at Hawthorne. The State was crazy to kill them. The influence was right here in Chicago that was pressing. I read in the Chicago papers something about this pressure brought to bear to kill them. Finally the injunction was dissolved, and in the meantime the cattle had recovered. There was a second injunction secured pending the time for the Government, the State, and the owner to appoint a committee of three veterinarians to go and see whether they had recovered or not in the same condition as the cattle which had been at Hawthorne. The cattle had apparently recovered. I do know the sheriff then went down there with a posse, took that woman, manhandled her, put her in the house, afraid some one would come and catch them at it, and went down and shot those cattle as they stood in the barn.

This species of terrorism inaugurated and carried on by the bureau is well stated in the testimony of Mrs. Durand, which in brief tells the story how inspectors Jennison, Caspar, and Holt for the Government came to her place and told her dreadful stories—that the hoofs would all fall off, that they would rot off, and that it was a good thing that the little hogs were going to be killed, for in a week they would all be on their backs screaming with pain—the hogs which Mrs. Durand says never had the foot-and-mouth disease. They told her, which was not the facts, that cattle at the dairy show had died and that an Arizona man took his cattle home and they died from the dis-

ease. She states that 26 men came to her place with revolvers and took her foreman and herself and locked them up and kept them prisoners. At this time the cattle were never so beautiful and never so well. They were having beautiful calves and were in their full milk. She states that she was getting as much butter fat as she was in August. The whole situation surrounding this species of terrorism and the determination of the bureau to carry out the third method of eradication, irrespective of the consequences, is well illustrated in the words of Inspector Caspar to Mrs. Durand, when he viciously said to her, "We'll get your cattle yet, Mrs. Durand, and don't you forget it." So has the great spirit "quarantine with slaughter," the slogan of the third method, so permeated the Government and State veterinarians, even unto the menial who handles the rifle.

THE RETURN OF THE PLAGUE IN 1915.

On August 8, 1915, the foot-and-mouth disease again broke out among 119 hogs and 4 cattle at Wheeling, Cook County, Ill., and on the 12th of that month, on Mr. Pryden's farm near Galva, Henry County, Ill., and at various other points in that State. Secretary Houston, in his annual report for 1915, at page 20, concerning this outbreak says:

It seems certain that this infection was produced by contaminated hog-cholera serum prepared in Chicago in October, 1914, at an establishment where the disease had not been known to exist at any time.

The first half of the above sentence is straightforward truth, but the latter half, while technically correct, is evasive and not the whole truth. True, the disease was not known to have existed at the "establishment" itself, but it was well known that the stock yards within which this plant, known as the Chicago Serum Co., was located was reeking with the disease, and that the hogs from which the blood was drawn had been exposed to that disease, even though the inspectors had in October failed to notice the lesions on the feet of the hogs which hung on the shackling hooks in this establishment. Even though the disease was not known by the department to be in these yards until its quarantine thereof on November 1, 1914, nevertheless its own quarantine on that date should have been sufficient notice to it that possibly hog-cholera serum made from hogs exposed to the foot-and-mouth disease in October, 1914, within these yards might become contaminated.

The department disinfected freight cars leaving the yards, and disinfected and quarantined the yards themselves, and quarantined the plant and the employees of the plant—which quarantine remained as late as February 16, 1915, according to a representative of the department speaking before the National Live Stock Sanitary Association on that date. Yet in the face of the foregoing facts the serum company was allowed to preserve its contaminated serum until the following summer as a nucleus of a new outbreak. True it is that certain tests were made upon some animals before releasing the serum, but in view of the fact that it was well known to the department as a matter of history that the outbreaks of 1902, 1903, and 1908 of this disease were closely associated with vaccinated cattle, and that the vaccine contained a Japanese strain imported for the purpose of improving its standard and which contained foot-and-mouth infection, and that, while one-half of 1 per cent of carbolic acid was mixed with the serum as a preservative, and which Dr. Dorset, an employee of the department, claimed would kill the germ of foot-and-mouth disease and which acid may have partially but not wholly destroyed the germ and the further fact that the department knew as a scientific fact that the virus possibly, instead of being disseminated throughout the entire mass of the serum, might have become "agglutinated," a fact which they knew had happened with the germs of other diseases, it would seem to the ordinarily prudent man that the department, in the light of all of this information which it had at hand, should have taken no chances in releasing the few dollars' worth of contaminated hog-cholera serum infected with the foot-and-mouth germ, which act resulted in a loss in Illinois alone in the year 1915 of nearly \$300,000.

AREA OF QUARANTINE.

Much testimony has been given in the recent investigations and hearings relative to just what unit of area should be adopted in establishing a quarantine in the foot-and-mouth disease epidemics. The department through many of its assistants seemed to be thoroughly imbued with the idea that the county should be the unit. Dr. Benke and Dr. Houck agree with each other in the contention that the county should always be the unit of quarantine, on the theory that the people can be better "governed" in this manner. Dr. Bailey, a well-posted veterinarian of Orion, Ill., and Mr. R. G. Nevill, a successful stockman of Orion, Ill., and others testifying in these hearings claim that what is known as the "close-farm quarantine" is best and the only practical method. Many favor a 5-mile radius. Mr. Gregory, editor of the *Prairie Farmer*, thinks that on ac-

count of the economic conditions and losses surrounding an epidemic of the foot-and-mouth disease, that the quarantine should be cut down to a radius of from 5 to 10 miles. He states the case well from the view of the farmer and the stockman, and indeed for the true interest of the live-stock interests of the country, when in substance he says:

It is my opinion from the investigations that I have made, and it is the very general opinion among farmers who have been in any of these quarantine sections, that the quarantines include very much more territory than was necessary and that they were left in much longer than was necessary; that if the idea of cutting the economic losses down as much as possible had been considered the quarantines would have been handled very much differently. For instance, an outbreak in one of our counties—most of the time the county system has been generally followed, and that has been the system recommended and insisted upon by the Bureau of Animal Industry—some of our counties are 30 miles across; one case would occur in the corner of a county and the entire county would be quarantined. In some of our live-stock counties that would imply the holding up of a million dollars' worth of stock, a great deal of which would be ready for market, and a good deal of that stock being 25 or 30 miles from the disease.

Those quarantines, I believe, were of an entirely unnecessary extent. I do not believe there is any logical defense for the county system of quarantines. There is no logical defense for a quarantine that quarantines a man 30 miles from an infected herd simply because he is within the county boundaries, while a man across the line 7 miles away is free. There is no logic to that. In publishing our paper I have endeavored to explain these things to our readers as far as possible, but I could not explain a thing like that; in talking personally to the farmers I could not explain it—there is no explanation. Those unfair quarantine regulations, in my judgment, have done more to create antagonism to the entire work of eradicating the disease than any other one thing. If the quarantine had been on a logical basis, the radius basis, so that a farmer could understand why that quarantine was established, they would have cooperated much more readily with the bureau and with the State officials than they did. The thing has caused a tremendous loss, and I have never been able to get an adequate explanation of the reason for it.

Mr. Chairman, I have already endeavored to point out the fact that the greater the quarantine area the greater the benefit to the packer and the corresponding injury and loss to the stock raiser; but independently of that feature the great loss to those whose animals are not infected but are within a quarantine area so that it is impossible to ship without loss, and to whom remains nothing but to await the approach of the plague, demand our attention and the immediate reduction of the quarantine area and the smallest territory consistent with safety. The recently modified policy of the bureau in handling the matter by townships seems to me not far from a fair compromise and contains the feature of the easy government of the people during such epidemics, for the reason that the township line is known by everyone in the community.

THE BASIS OF SETTLEMENT.

The whole system of settlement for animals which have been infected or exposed to the foot-and-mouth disease should be overhauled from start to finish. Heretofore the policy has been to pay nothing above the meat value of the animal. Suggestions of paying the paltry sum of \$100 for priceless breeding cattle have been made. The Chief of the Bureau of Animal Industry says that the values for breeding purposes are never taken into consideration in these settlements. On this subject the National Association of Record Associations, the membership of which is made up of 150,000 members, have recently passed a resolution, one paragraph of which clearly expresses the views of the stock raisers and farmers on this phase of the matter of settlements, which is as follows:

Resolved, That the National Society of Record Associations demands Federal and State legislation which will allow appraisers to value purebred stock at its reasonable breeding value, without arbitrary limitation when slaughtered on account of the foot-and-mouth disease. We commend as a model for such legislation the New York statute, which provides that in the event that either party to the appraisement is dissatisfied appeal may be taken to the proper court without delaying slaughter where the value of the property to the citizen taken for the public use is finally fixed in accordance with the rule of law and court practice.

And, Mr. Chairman, I respectfully direct attention to the evidence of Mr. Wilbur W. Marsh, a farmer of Waterloo, Iowa, on this subject, taken in the last investigation at Chicago, of which I make a free quotation. He says, in substance:

Take the Gill herd of cattle that was killed in New Jersey. They were owned by a gentleman kind and courteous in every way. He consented to have that herd of cattle killed and received pay for them at about \$250 apiece. While the loss was great to Mr. Gill, I think the loss to the people of America could not possibly be estimated. It was a loss to humanity. The herd was absolutely priceless, viewing them from an economic standpoint—their ability to raise the blood of the ordinary cow on the farm when they are crossed with the strain. Mr. Gill was the originator of the so-called Glenwood strain of Jersey cattle. At one time I bought two head of cattle of that strain. One of them turned out to be the greatest 3-year-old cow in the history of the world, a Glenwood cow. She made 910 pounds of butter fat as a 4-year-old and she made 862 pounds of fat as a 3-year-old. I bought another cow, that same strain of blood, at the same time, that made 778 pounds of fat. I bought one cow of Mr. Gill personally, and she made 846 pounds of fat on test under the supervision of the Iowa Agricultural College.

Mr. Marsh, after deprecating the slaughter of such cattle, goes on to state, referring to the dairy-show cattle which were exhibited at Chicago in October, 1914, substantially as follows:

I would like to put into the record if I may something that is clear evidence of the hostility of the Veterinary Board of the Bureau of Animal Industry, and that is the appraisement of the cattle. In those herds of cattle there were many animals that had, under the supervision of the agricultural colleges of the State from which they came, made official records. The veterinarians in the Bureau of Animal Industry absolutely refused to look at the official records furnished by the agricultural colleges which are a part of the records of every registry association in arriving at the value of this stuff. To my mind it was perfectly clear that there was a determination to punish us for having the temerity to go up against this bureaucracy, by attempting to save our cattle. None of these cattle were killed. They placed a value on this priceless stuff of less than \$100 apiece. I personally saw Dr. Mohler. We stood at his desk and said to him "It is very important, when the appraisement of these cattle is made, that there should not be any question about it, and we want to ask you, in picking out these people, to choose men of national reputation, men about whose judgment there can be no possible quibble or question." We made that specific request to him. When the committee was appointed, while I have been in the animal husbandry business for five years, I did not know any of them and had never heard of them.

It therefore seems to me, Mr. Chairman, that the dairyman and the breeder who can not replace his herd should be compensated for the true value of the same, and in case an agreement can not be reached between the owner of the stock and the Government, that he should not be forced into the position of having to take an arbitrary amount or nothing, but he should have the right, the same as any other citizen in free America, to appeal to the courts for redress. This is the New York plan, and at the proper time, when this bill is considered section by section, I shall offer an amendment to that effect. [Applause.]

WHAT THE STATE OF ILLINOIS PAYS FOR THE FOOT-AND-MOUTH DISEASE.

Special session No. 2 of the forty-ninth general assembly completed its work Wednesday evening, January 26, 1916, with the exception of final adjournment. The only business of importance pending was the concurrence of the senate in the house amendments to the Senate bills relating to the foot-and-mouth disease.

The senate was in session three or four days the previous week, but unable to consider the amendments for lack of necessary two-thirds vote required to pass emergency measures. Efforts were made to bring in enough absent senators to make a quorum, but without success. Most of the absentees were kept away by illness in their families and several of those present went home ill.

When the Senate met on the 26th the roll call showed 37 present—3 more than the required number. All of the house amendments were then adopted without opposition. Senate bill No. 7, as amended and passed, provides for the payment of all losses and expenses in connection with the suppression of the last outbreak of foot-and-mouth disease, which began about the 1st of August, 1915, and continued until January, 1916.

An analysis of the bill shows that during this period there were 8,459 animals slaughtered by the State authorities in an effort to eradicate the disease. There were in this number 2,310 cattle, 5,478 swine, 642 sheep, 20 goats, and 9 deer. The total appraised value of these animals was \$245,706.34, of which the State paid one-half, or \$122,854.17. There were 136 claimants paid for losses sustained, in sums ranging from \$13.75 for 2 pigs up to \$12,247.25 for 108 cattle and 647 swine on one farm.

The counties where the disease prevailed and the number of herds slaughtered are as follows: Bureau, 2; Cook, 2; Dupage, 2; Fulton, 4; Lake, 12; La Salle, 13; Livingston, 1; McDonough, 93; Stark, 9.

The amount paid for property destroyed and damaged in the process of disinfecting the farms was \$4,356.48, of which the State paid \$2,178.24. This amount is distributed by the bill to 213 persons, in sums ranging from 57 cents to \$108.50.

The cost of cleaning up the yards and disinfecting premises was \$4,494.12, of which the State paid \$2,247.06. The cost of digging trenches and burying the slaughtered animals was \$5,249.86, of which the State paid \$2,624.93. The cost of lime and disinfectants was \$7,269.82, of which the State paid \$3,634.91.

The assistant State veterinarians are allowed by law for their services \$8 per day and expenses for each day actually engaged in State work. There were 113 veterinarians employed in the suppression of this disease, and their total compensation amounted to \$31,460.22, all of which is paid by the State. The items in the bill show that 2 of them received more than \$2,000 each, 7 received more than \$1,000 each, and 104 received sums ranging from 56 cents to \$900.

The following recapitulation shows the cost of this outbreak (No. 2) to the State and to the United States Government and the total cost:

| | |
|-------------------------------|--------------|
| Live stock slaughtered | \$122,853.17 |
| Property destroyed | 2,178.24 |
| Labor, disinfecting | 2,247.06 |
| Burying | 2,624.93 |
| Lime and disinfectants | 3,634.91 |
| Assistant State veterinarians | 31,460.22 |
| Paid by State | 164,998.53 |
| Paid by United States | 133,538.31 |
| Cost of outbreak | 298,436.84 |

Reference to the appropriations made last spring at the regular session shows that the first outbreak of foot-and-mouth disease cost this State \$1,404,287.62, which, added to the amount just appropriated for the second outbreak, makes a total cost of \$1,569,296.15 expended in fighting this disease practically within one year from the first outbreak. The United States Government has expended in the same time, in pay-

ment of 50 per cent of the claims, \$1,315,709.75. This amount added to what the State has paid makes the total cost of combating the foot-and-mouth disease within the State of Illinois amount to \$2,885,055.90 since the first outbreak a little over a year ago.

Senate bill No. 6, appropriating \$200,000 for an emergency fund to be used only in case of another outbreak, was cut down by a house amendment to \$100,000, and the amendment was approved by the senate. This will leave but half as much as was appropriated last spring for the same purpose.

C. C. PÉRIER.

Cost of foot-and-mouth disease in the fifteenth congressional district of Illinois, 1914-15.

ADAMS COUNTY.

| Name. | Address. | Cattle. | Hogs. | Sheep. | One-half appraisement paid by State. |
|---------------------------------------------|----------|---------|-------|--------|--------------------------------------|
| W. H. Oller | Mendon | 5 | 1 | | \$98.88 |
| C. W. Wright | do. | 10 | 19 | 5 | 370.00 |
| Total | | 15 | 20 | 5 | 468.88 |
| One-half appraisement paid by United States | | | | | 468.88 |
| Paid for burying and disinfecting | | | | | 50.64 |
| Paid for property destroyed | | | | | 97.50 |
| Total cost, Adams County | | | | | 1,085.90 |

FULTON COUNTY.

| Name. | Address. | Cattle. | Hogs. | Sheep. | One-half appraisement paid by State. |
|---------------------------------------------|---------------|---------|-------|--------|--------------------------------------|
| E. B. Atchison | Avon | 7 | 9 | | \$242.37 |
| James A. Hearn | do. | 24 | 12 | | 670.62 |
| K. R. Babbitt | do. | 11 | 42 | | 456.00 |
| James S. Babbitt | do. | 2 | 18 | | 225.00 |
| S. & J. I. Babbitt | do. | 29 | 87 | | 1,505.30 |
| Miss Viola Babbitt | do. | 1 | | | 47.50 |
| Fred Barnfield & M. P. Rice | do. | 2 | 107 | | 634.50 |
| Mrs. Fannie Butler | do. | 1 | | | 32.50 |
| W. H. Chenoweth | Table Grove | 61 | 7 | | 1,274.00 |
| A. Dikeman | Farmington | 3 | 216 | | 1,075.62 |
| Norman Foster, R. R. L. | do. | 34 | 82 | | 1,164.00 |
| W. R. Herrod | Avon | 4 | 17 | 6 | 267.50 |
| August Johnson | Table Grove | 9 | 30 | | 323.50 |
| Ida and Frank Johnson | Avon | 25 | 295 | 3 | 2,695.50 |
| Chas. L. Mings | do. | 43 | 139 | | 3,112.45 |
| J. C. Pierce | do. | 10 | 54 | | 351.50 |
| Poiset & Jennings | do. | 35 | 14 | | 1,244.54 |
| T. J. Sailer | St. Augustine | | 5 | | 68.25 |
| G. E. Schwartz | Hermon | 4 | | | 135.00 |
| Total | | 305 | 1,134 | 9 | 15,525.65 |
| One-half appraisement paid by United States | | | | | 15,525.65 |
| Paid for burying and disinfecting | | | | | 486.60 |
| Paid for property destroyed | | | | | 1,958.13 |
| Total cost, Fulton County, 1914 | | | | | 33,496.03 |

[Second outbreak, 1915.]

| Name. | Address. | Cattle. | Hogs. | Sheep. | One-half appraisement paid by State. |
|---------------------------------------------|--------------|---------|-------|--------|--------------------------------------|
| Black & Yocum | Marietta | 17 | 173 | 12 | \$3,055.75 |
| J. C. Mings | Prairie City | 13 | | | 2,815.62 |
| Frank Alden | Bushnell | 3 | 3 | | 108.12 |
| Mrs. L. Robins | do. | 3 | 12 | 11 | 173.75 |
| Total | | 136 | 188 | 3 | 6,153.24 |
| One-half appraisement paid by United States | | | | | 6,153.24 |
| Paid for property destroyed | | | | | 3.36 |
| Total, Fulton County, 1915 | | | | | 12,309.84 |
| Total, Fulton County, 1914 | | | | | 33,496.03 |
| Total cost, Fulton County | | | | | 45,805.87 |

1 Goats.

HENRY COUNTY.

| Name. | Address. | Cattle. | Hogs. | Sheep. | One-half appraisement paid by State. |
|-----------------------------------|-------------|---------|-------|--------|--------------------------------------|
| Jesse Anderson | Cambridge | 10 | 34 | | \$613.00 |
| Hugh Armstrong | Atkinson | 4 | 66 | | 526.68 |
| Charles A. Benson | Geneseo | 7 | | | 205.00 |
| Chas. A. Benson and P. G. Johnson | do. | 14 | 106 | | 1,574.50 |
| J. A. Blomberg | Lynn Center | 58 | 33 | | 1,377.58 |
| John and J. F. Bode | Geneseo | 21 | 22 | | 822.12 |
| Olof Bodeen | Lynn Center | 9 | 41 | | 443.64 |
| S. P. Brownlee | Woodhull | 44 | 36 | 1 | 1,451.87 |
| Guy M. Cadv | Geneseo | 42 | 46 | 41 | 1,964.20 |
| Isadore De Witt | Coal Valley | 9 | 45 | | 2,450.31 |
| Henry Erdman | Geneseo | 9 | 8 | | 291.50 |
| John E. Ernst | do. | 16 | 78 | | 3,986.75 |
| John C. Glow | Geneseo | 9 | 13 | | 294.37 |
| James Goodrich | do. | 1 | | | 2.00 |
| C. G. Gustafson | Cambridge | | 1 | | 10.00 |
| John Hamilton | Geneseo | 71 | 71 | | 4,065.60 |
| Johnson Bros. | Lynn Center | 65 | 101 | | 2,086.25 |
| E. C. Johnson | Geneseo | 12 | 7 | | 518.49 |
| Alfred Krantz | do. | 34 | 7 | | 1,019.00 |
| Henry Lewis | do. | 10 | 57 | | 416.25 |
| Fred McAvoy | do. | 29 | 16 | | 1,592.05 |
| Park McHenry | do. | 4 | 5 | 31 | 247.37 |

Cost of foot-and-mouth disease in the fifteenth congressional district of Illinois, 1914-15—Continued.

HENRY COUNTY—continued.

| Name. | Address. | Cattle. | Hogs. | Sheep. | One-half appraisement paid by State. |
|---------------------------------------------|-------------|---------|-------|--------|--------------------------------------|
| Ray Mandle | Geneseo | 2 | 24 | | \$160.25 |
| Magnuson Bros. | Lynn Center | 15 | 216 | | 5,247.62 |
| A. E. Miller | Geneseo | 43 | 33 | | 1,775.25 |
| Roy Morse | Thomas | 12 | 38 | | 913.00 |
| A. J. Nelson | Cambridge | 4 | 29 | | 284.37 |
| C. W. Nelson | do. | 4 | 20 | | 207.50 |
| J. E. Ogden | Geneseo | 2 | 1 | | 82.50 |
| C. A. Olson | do. | 9 | 12 | | 413.12 |
| Grant D. Olson | do. | 21 | 60 | | 971.50 |
| W. L. Painter | do. | 36 | 23 | | 1,001.37 |
| Peter Peterson | Lynn Center | 10 | 45 | | 413.00 |
| Spencer Polson | Geneseo | 15 | 30 | | 666.86 |
| S. S. Rapp | do. | 1 | 7 | | 89.37 |
| M. T. Robertson | Cambridge | 14 | 46 | | 555.37 |
| Charles Rugh | Coal Valley | 3 | 2 | | 70.34 |
| Wm. Ruxton | Geneseo | 46 | 78 | 53 | 1,487.11 |
| Louis Schmol | Cambridge | | 11 | | 37.00 |
| L. A. Schroeder | Geneseo | 39 | 70 | | 2,078.56 |
| Sherman L. Sedgley | do. | 5 | 15 | | 272.50 |
| Thomas Torrence | do. | 5 | 73 | 25 | 521.31 |
| M. Van Hyfte | Annawan | 18 | 33 | | 692.25 |
| August Van Vooran | Aitkinson | 13 | 74 | | 611.25 |
| W. H. Wilson | Geneseo | 22 | 94 | 41 | 1,031.87 |
| Geo. W. Wolf | do. | 9 | 24 | | 437.00 |
| Total | | 1,033 | 2,061 | 192 | 46,875.80 |
| One-half appraisement paid by United States | | | | | 46,875.80 |
| Paid for burying and disinfecting | | | | | 1,150.48 |
| Paid for property destroyed | | | | | 6,427.74 |
| Total cost, Henry County | | | | | 101,329.82 |

KNOX COUNTY.

| Name. | Address. | Cattle. | Hogs. | Sheep. | One-half appraisement paid by State. |
|---------------------------------------------|------------|---------|-------|--------|--------------------------------------|
| Corey & Broadfield | Yates City | 10 | 12 | | \$585.00 |
| D. Corey & Son | do. | 8 | 91 | | 811.25 |
| J. L. Curvey | do. | 10 | 37 | | 578.06 |
| Arthur Goddard | Galesburg | | 150 | | 562.50 |
| John S. Matthews | Yates City | 37 | | | 1,352.50 |
| H. H. Palmer | do. | 49 | 43 | | 1,275.25 |
| R. V. Ragsdale | do. | 19 | 158 | | 1,024.06 |
| J. A. Sherman | do. | 9 | 16 | | 280.50 |
| J. A. Thurman | do. | 3 | 8 | | 143.00 |
| Edith A. Ware | do. | 63 | 65 | | 401.00 |
| Total | | 208 | 580 | | 7,013.12 |
| One-half appraisement paid by United States | | | | | 7,013.12 |
| Paid for burying and disinfecting | | | | | 151.82 |
| Paid for property destroyed | | | | | 2,327.60 |
| Total cost, Knox County | | | | | 16,505.66 |

RECAPITULATION.

| | |
|---------------------------------------------------|------------|
| Adams County | \$1,085.90 |
| Fulton County | 45,805.87 |
| Henry County | 101,329.82 |
| Knox County | 16,505.66 |
| Disinfectants (estimated) paid by State | 1,405.57 |
| Veterinarians (estimated) paid by State | 1,985.06 |
| Assistant veterinarians (estimated) paid by State | 142.59 |
| Miscellaneous expense (estimated) paid by State | 491.29 |
| Veterinarians (estimated), 1915, paid by State | 2,029.25 |

Grand total, fifteenth congressional district, Illinois 170,781.01

Mr. HAUGEN. Mr. Chairman, I yield five minutes to the gentleman from Michigan [Mr. SMITH.]

Mr. SMITH of Michigan. Mr. Chairman and gentlemen of the committee, I have been very much interested in the discussion of the live-stock industry as I listened to the speakers this afternoon, and I want to thank the chairman, who has yielded me a few minutes, and to apologize to the Members whose time I am now occupying for the purpose of asking one particular question. The gentleman says he practiced law in order to pay for the feed consumed by the cattle on his place. I have been wondering whether or not all the fault was with the packers in reference to the losses suffered by the farmers. Now, the packers have got a lot to answer for, in my mind, and for anything that has been said against them I am not here to uphold if it is improper, but the question I have in mind and which has often occurred to me is, how you gentlemen from the West, you cattle feeders, can fatten cattle and put them upon the market and sell them at the prices they bring when we can not do it in the East? Now, the gentleman from Illinois, who has just preceded me, said something about the foot-and-mouth disease and spoke about how it originated at Niles, Mich. I thought he put particular emphasis upon the word "Michigan." Now, I have not been altogether satisfied but what that disease came from Illinois. Nobody says it had not or did not. Now, Niles is not in my district, but it is in Michigan and very close to the stock-

yards in Illinois. The foot-and-mouth disease is very contagious. It is hard to control. It is the experience of all countries that to eradicate it the herd must be destroyed. I want to compliment the Chief of the Bureau of Animal Industry of this Government for the strenuous efforts he has put forth in stamping it out and upon his success. The value of the live-stock industry to the farmers of this country is incalculable. But that is not the question I wanted to propound.

I want to ask these gentlemen here from the West who feed cattle and have made it their business whether or not you can put more than 5 pounds of meat upon a graded steer with one bushel of shelled corn? If that is true, how are you to get the pay for your corn by feeding it to cattle? That is what I want to ask any man here who has fed cattle, when you are paying for that bushel of corn at 75 cents and only get 5 pounds of meat out of it worth 7 cents a pound. How can we expect cheap meat from the farmer? The farmer when he goes to town to make purchases, must pay just what they ask him, and when he sells his product he must sell for just what they will give him. This rule is not confined to the stockyards. Now, if anybody knows how you are going to make anything out of this feeding of cattle for the price that is paid for them and you buy your corn, then you will solve the question that has been uppermost in my mind. The gentleman from Nebraska says in his State 53 out of 56 cattle feeders lost money last year feeding cattle, and the other 3 did not make anything to speak of, and I give the solution.

Please do not misunderstand me. I think a farmer should raise enough cattle to graze off his pasture land and to eat up his roughage. But, as stated, I am unable to see how a farmer, feeder, or anyone else can pay 75 cents a bushel for corn to produce 5 pounds of beef and sell it at 6, 7, or 8 cents a pound without losing money. Many feeders, understanding this, now fatten their cattle on grass.

Now, we are talking about distribution; we are talking about the farmer's market, and we are talking also about transportation. I tell you that farming is the most scientific business that this Congress has to deal with. You are dealing with the elements; you are dealing with all kinds of destructive insects, with the markets, with labor, and the home. You have got to be engineers; you have got to be scientific experts all along the line. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. SMITH of Michigan. Gentlemen, I thank you.

Mr. LEVER. Mr. Chairman, I yield 20 minutes to the gentleman from Ohio [Mr. OVERMYER], a member of the committee.

Mr. OVERMYER. Mr. Chairman, on the wall of the landing in the grand marble stairway in the Congressional Library yonder, the most beautiful building of its kind in the world, there is inserted a 15-foot mosaic panel in which is outlined, in blocks of gold, a colossal figure of Minerva, the Goddess of Wisdom. In her right hand she holds a spear, and in her left an unfolded scroll upon which is inscribed a list of the sciences, arts, and letters, and the first name that appears thereon is the word "Agriculture." [Applause.]

Gibbon said, "Agriculture is the foundation of commerce." It is that and more. It is the foundation, too, of everything else, and is the most honorable business in the world. The farmers of this country are the real producers of wealth, and the industry of agriculture is the structure upon which rests the whole fabric of commerce, of business, of society, and even of life itself. Show me a country where agriculture is fostered and encouraged, and I will show you a country that is rich and powerful.

A few years ago it was thought that the industry of agriculture was of minor importance in the United States, but last year it contributed in commercial value to the products of this country more than \$10,000,000,000. This is more than was contributed by any other industry in raw material and finished product. Of course, manufacturers are ahead in the value of their finished product, but they convert raw material into finished products while the farmer produces a finished product. No one works it over for him. There are in this country nearly six and one-half million farms, averaging 138 acres to the farm, and each of these farms has an average of 75 acres of improved land. The value of our agricultural exports last year was nearly one and one-half billions of dollars, an increase of 32 per cent over those of the preceding year.

This valuable and stupendous industry, upon which depends the wealth of our Nation, is beginning to be appreciated by State and National legislators, resulting in increased appropriations for agricultural purposes. The leading agricultural States of the Union now have bureaus sustained by State appropriations covering pruning and other demonstrative work that has resulted in the saving of thousands of vineyards and

orchards throughout the country; bee culture and inspection; better facilities for handling the infectious and contagious diseases of live stock; State farms for the production of hog-cholera serum; farmers' institutes in all the counties of the State; the issuing of farmers' bulletins bringing to the farmer practical education affecting his business; and the teaching of agriculture in the public schools. The Federal Government, too, has come to realize the value of agriculture as an industry, and this has resulted in more liberal appropriations to foster and encourage the work.

One of the best laws ever enacted was the bill passed by the last Congress known as the Lever Agricultural Extension Act, which provides for additional appropriations each year for dissemination of knowledge among the agricultural people that can not be gained in any other way. Under its provisions, men are sent out to do demonstrative work, to give information that can not be secured through our farm papers and magazines or farmers' institutes. This work consists largely in the giving of practical demonstrations of the information given in such publications and institutes.

My observation has been that these demonstrations are watched with much greater interest by the young folks on the farm than by their parents. A farmer who has been conducting his farm according to custom for many years is reluctant to adopt the policies advocated by the college-graduate farmer. For this reason I feel satisfied that the money being expended in the dissemination of general knowledge concerning agriculture in our public schools and otherwise will bring its largest returns in the years that are to come; and I am quite well satisfied that in the absence of such teaching and training the problem of how to feed our people will be the greatest problem confronting the descendants of your children and mine.

Where is the man who will contend that farming and orcharding can be done now as it was 50 years ago? Then they planted their crops regardless, and harvested them. Then peach and apple trees grew by the wayside, and fruit could be had on every hand. What happens to the orchard of to-day if spraying is not done scientifically? The same thing that will happen to our farms before many years if they are not farmed scientifically. To-day almost every wind that blows brings some new pest or insect, which, if not checked promptly, will eat its way through our gardens and orchards and vineyards and leave a path of ruin and destruction in its wake. Each year pests heretofore unknown in this country are imported from some foreign land and rapidly gain a foothold here. Soil from which crops are continually taken without the proper use of fertilizers will eventually lose its fertility. These two causes—the destruction of fruit trees and plants by pests and insects and the wearing out of the soil where the proper methods of restoration are not employed—make the problem of the farmer of to-day and to-morrow a serious one.

It is a remarkable fact that many of the older States of the Union are to-day producing less of many of the necessities of life than they did 20 and even 50 years ago. One of the causes contributing to this condition is the stupendous increase of our city population over our country population and the consequent increase in consumption over production. In my own State of Ohio in 1850 there were five times as many people living in the country as there were living in towns. To-day considerably more than one-half of the total population of the State lives in towns. What does this mean? It means that while the total population of the State of Ohio in the last 50 years has increased about 100 per cent, the population of our towns and villages has increased about 700 per cent. It means that the number of consumers has increased in the State of Ohio at a stupendous rate and the number of producers has decreased at a corresponding rate.

Mr. FESS. Mr. Chairman, will the gentleman yield?

Mr. OVERMYER. I will.

Mr. FESS. I think four or five counties in my district show a decrease in the total population, which would indicate that only counties having the largest cities are increasing. That is the case with Clark, Springfield, and the others are decreasing. What is the meaning of this?

Mr. OVERMYER. The general total is taken from the census figures, which show the percentages which I have quoted.

Mr. FESS. Going to the cities from the rural sections?

Mr. OVERMYER. Yes. The causes operating to this end are varied. Social conditions, the prospect of better wages, and other causes have contributed to this condition; but many worthy movements to-day have as their object the making of farm life more attractive and remunerative, and I hope this migratory movement may be checked.

Continuing my former statement, I will say that instead of 80 men living on the farm and producing and 20 living in town

and consuming there are now 60 living in town and consuming and only 40 in the country producing. In 1820, 83 per cent of the total population of the United States was engaged in agricultural pursuits; in 1910 only 32.4 per cent were so engaged, although these figures do not necessarily mean the total decline of our agricultural population. There are still 30,000,000 people in our country engaged in agricultural pursuits, and with the aid of modern farm machinery they are producing products far in excess of our needs for national consumption, yielding a surplus amounting to billions.

But the point I desire to make is that the causes now operating against agriculture—the destruction of crops by blight and insect pests and the steady migration from the farm to town—will eventually result in a serious situation unless we are alert to the needs of the times. There is a way to destroy insect pests and blight, a way to restore fertility to worn-out soil, a way to produce twice as much of the necessities of life as we are now producing, and it is our duty and it is the constant aim of the United States Department of Agriculture to find that way and to prevent the depletion of our agricultural population and agricultural products below the point of our national requirements.

At this critical juncture in the world's affairs, when wealth and resource as well as human life are being wasted as never before, it is well that we should look about us and take an inventory of our stock and our resources, and when we do this we find ourselves the most favored nation of all the world. This country is estimated to be worth about two hundred and twenty billions in money. This is as much as the total wealth of the British and German Empires together, and in the eight years from 1904 to 1912 the increase in our national wealth equaled the total accumulated wealth of the German Empire. Last year our domestic trade amounted to five hundred and seven billions, or a little over half a trillion. About 1885 this country's wealth was just about one-fourth of what it is to-day, and we are justified in assuming, therefore, that the day is not far distant when the national wealth of the United States will be a trillion, and a new word will become a common parlance when reference is made to our country's riches.

Mr. FESS. Will the gentleman yield?

Mr. OVERMYER. Yes.

Mr. FESS. I am not sure whether we get the gentleman's figures. Does the gentleman mean that the transfer of domestic trade amounted to five hundred and seven billion?

Mr. OVERMYER. Yes. However, the same articles may have been valued several times in making this estimate. I might say in that connection to the gentleman from Ohio that the report of the bureau discloses that they have no way of securing accurate statistics on what the domestic trade in itself amounted to. But, of course, in making this estimate it must be remembered that in domestic trade the same article may be valued over and over as it moves through the channels of domestic commerce.

Mr. FESS. I was afraid some one would take it from your statement that our wealth was \$507,000,000,000.

Mr. OVERMYER. Our wealth is estimated at \$220,000,000,000, and the domestic trade, which might mean the same article was valued several times in several transactions, was estimated at \$507,000,000,000.

Mr. QUIN. I thought our national wealth was \$187,000,000,000 in 1913, according to the reports.

Mr. OVERMYER. Yes; but we are in 1916 now. That is an estimate based upon the report of the Department of Commerce.

A trillion dollars is a million million of dollars, and if the same ratio of increase enjoyed in the last few years continues for a few years more our Nation will reach this stupendous sum; and no single industry has contributed so much, and is still continuing to contribute so much, to these figures as the industry of agriculture. In soil this country is supreme; the farm is first and fundamental. Other industries are of less importance, for if anywhere life is being sustained by mining, manufacture, or commerce, somebody elsewhere must be producing food and raw materials for clothing.

Mr. FESS. Will my colleague yield?

Mr. OVERMYER. Yes.

Mr. FESS. The soil is supreme, as your statement said. Why do we not produce as much per acre as the German people?

Mr. OVERMYER. I will reach that later, but it is because we do not apply the intensive methods of farming that they have been employing for a great number of years.

Mr. LEVER. My colleague, who is on the committee, and who is such a valuable member of it, will agree, I think, that the system of marketing also is not so well developed?

Mr. OVERMYER. And the system of distribution, as was so well explained to-day by the gentleman from Nebraska [Mr. STEPHENS].

We raise more wheat than any nation on earth and one-sixth more than our nearest rival, Russia; we produce three-fourths of all the corn raised in the world; we raise two-thirds of the world's cotton; we turn out as much steel in a year as Great Britain and France combined; we supply 60 per cent of the world's supply of copper; we produce 32 per cent of the world's lead and zinc. And in the foregoing estimate of the Nation's wealth at \$220,000,000,000 that treasure land, Alaska, was not included; neither was Porto Rico, Hawaii, or the Philippines. Alaska, which is as large as France and Germany combined, has hardly begun to yield up its riches.

Mr. QUIN. What per cent does the producer of the raw material get out of what we produce?

Mr. OVERMYER. I am not taking that up at this time, but I think statistics show about 35 per cent. I would rather not be interrupted now until I complete my statements, because I have not much time remaining.

Away back in the eighteenth century an English parson by the name of Malthus figured out that a majority of mankind must always be poor; that population, in spite of poverty, disease, and death, would increase so fast that the earth could not produce food for it. For a long time his theory was accepted as true, for he had the figures to prove it—population increasing in geometrical ratio, food increasing in arithmetical ratio; the result, billions of people with nothing to eat but themselves. But a recent bulletin of the Department of Agriculture discloses that there are in this country more than a billion acres of tillable land, of which only one-fourth is now in crops. On that one-fourth we are producing only one-half of what it could be made to produce. The United States alone could produce food for one-half the population of the globe. There is no limit to the productiveness of this country; the only limit is in human intelligence. We have the land and we have the brains, and the only thing we need to do is to direct the energies of our people into the proper channels of activity.

We have here an area twice as large as the area of continental Europe. We have more acres of tillable land than all of Europe, Russia included. We have forests and mines, rivers and harbors; in fact, we have here every resource necessary for our maintenance as individuals and as a Nation. But we are only beginning to learn one of the secrets of power long ago discovered by a certain European country, which at this moment makes her apparently invincible to a multitude of foes. I refer to Germany. Has Germany been farming in a haphazard manner? Has Germany been wasting her resources? Is she forever taking off without putting back into her soil its life-producing properties? If she had, she would not now be able to fight a world war cut off from nearly every source of outside help, and yet reported to be able to continue fighting almost indefinitely upon her own resources and self-support. In Germany every foot of ground is made to produce something. Intensive farming has been applied for years. She plants fruit trees for use rather than shade trees for ornamental purposes. These are the secrets of much of Germany's success, and when I say this I am not violating that strict neutrality which it is my duty to assume. I state it as a fact about which there can be no dispute. In this time of preparedness let us learn our lesson from these facts.

I believe that the safety of our Government will continue to repose in the breasts of a contented and prosperous citizenship rather than in the number of battleships we own or the number of men in our standing army. [Applause.] The great wars of history that were at all just were fought and won by volunteers. A soldier with patriotism and the love of country controlling his actions is worth a regiment of hired men who fight because they are ordered. The wars of this country have always been just, either in the defense of our flag or in the furtherance of the cause of liberty which that flag represents, and they were fought by volunteers, by men who fought out of patriotism and love of country; and the thing that we must seek to do is to maintain here the highest form of free Government, granting to all citizens the greatest possible liberty consistent with safety, engage in every form of industry and manufacture, extend our commerce to every point of the world, open up to our citizens large areas of land not now being farmed, and provide homes where our people may bring up countless generations of loyal American citizens amid proper surroundings. Preparedness for national defense does not consist alone in the purchase of battleships and munitions of war. It consists also in the proper training of future generations in the conservation of our natural resources, and in leaving for our future citizens a country that will be worth fighting for.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LEVER. How much further time does the gentleman wish?

Mr. OVERMYER. Oh, just a few minutes.

Mr. LEVER. I yield five minutes more to the gentleman.

Mr. PLATT. Does the gentleman yield?

Mr. OVERMYER. I yield.

Mr. PLATT. The gentleman said, if I understood him correctly, that one volunteer soldier was equal to a regiment of hired soldiers?

Mr. OVERMYER. I said that one soldier, with his actions controlled by patriotism and love of country, is equal to a regiment of hired soldiers—an exaggeration, perhaps, but illustrating the point I wished to make.

Mr. PLATT. Does he not know that in the War of 1812 we had 250,000 men at the greatest, and that there were never more than 16,000 British here?

Mr. OVERMYER. No; and no such number of Americans was ever engaged in that war; but I wish to say that I do know that one of the most important battles of the War of 1812 was fought where I now live—at Fort Stephenson, which is now Fremont, Ohio—by 160 American soldiers, who were commanded by a boy, Maj. George Croghan, only 21 years of age, and defeated the entire British Army, together with Tecumseh and his Indian allies. I know that to be true. [Applause.] And they had one lone cannon, "Old Betsy," a 6-pounder, and she is standing there to-day guarding the park of which we are so proud. And at the base of the monument that was erected there to-day repose the remains of that young defender of Fort Stephenson, who, with 160 men and that one cannon, defeated the entire British force. [Applause.]

Mr. PLATT. The whole 16,000 men of the British Army or a hundred or so of the British?

Mr. OVERMYER. The British Army under Proctor of more than 2,000 and an equal number of Indian allies.

Mr. CAREW. How many German and French and English armies do you think those young men could lick to-day if they were alive?

Mr. OVERMYER. Under the same circumstances, they would render just as good an account of themselves as they did then. [Applause.]

Some criticisms have already been made, and more will no doubt be made, of some of the items in this bill. Great fears seem to be entertained by some gentlemen that the appropriations for agriculture might be excessive. It is, of course, entirely proper for Members to scrutinize every appropriation bill carefully, and this bill should be no exception. The committee itself held the most extensive hearings on this bill ever had and examined into every item with great care. But in view of what I have heretofore said and the figures submitted showing that the farm, after all, is one real source of wealth and strength, I submit that there is no bill that should be treated with greater liberality by Congress than the Agricultural appropriation bill. I do not favor the wasting of a dollar of this Government's money, but I do insist that there is no industry that yields to our country a greater economic return for every dollar expended in its encouragement than does agriculture.

This bill carries a total of \$24,501,003. Compare this with the disbursements for our Military Establishment last year, totaling \$267,974,831.47, exclusive of pensions and rivers and harbors; or compare it with the disbursements for pensions of \$164,387,941.61; or for rivers and harbors of \$46,833,914.24. All of these appropriations are no doubt proper and necessary, but the point I wish to make is that a nation as rich and prosperous as ours that can afford and does spend these vast sums of money for other purposes can well afford to appropriate \$24,000,000 for the encouragement and promotion, yea, even for the preservation of an industry that is doing more than any other toward making the United States the first "trillion-dollar" country of the world.

It is as true to-day as in the days of Oliver Goldsmith that—
 Ill fares the land to hastening ills a prey,
 Where wealth accumulates and men decay;
 Princes and lords may flourish or may fade;
 A breath can make them, as a breath has made:
 But a bold peasantry, their country's pride,
 When once destroyed can never be supplied.

[Applause.]

Mr. LEVER. Mr. Chairman, I yield one minute to the gentleman from Massachusetts [Mr. OLNEY].

Mr. OLNEY. Mr. Chairman, I desire to direct the attention of the committee to a question which I consider as germane to the subject concerning the deterioration of one of the important industries of the United States—the sheep industry—and I desire to ask unanimous consent to extend in the Record a letter from William M. Wood, president of the American Woolen Co., to me, showing the deterioration of the sheep industry

in the United States in the past 20 years. Also I desire to insert an extract from an interview with Hon. D. F. Houston, Secretary of Agriculture, in the New York Herald, showing wherein New England may be encouraged and developed for the future husbanding of this great industry.

And in connection with this I will say that a United States Senator told me a few days ago he had sold his flock of sheep at \$8 per head, showing you gentlemen that the law of supply and demand is as preeminent to-day as it always has been. On account of the tremendous consumption of mutton and lamb by the warring nations and considerable cessation in agriculture among European nations at the present time, sheep are growing more scarce each day. The monthly crop reports of 1910 show us that there were 52,000,000 sheep in the United States at that time, while to-day there are but 49,000,000 sheep. The depletion in sheep growing in our country for a score of years under all phases of tariff legislation is evident.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent to extend his remarks in the Record by inserting certain communications. Is there objection?

There was no objection.

The following are the communications referred to:

AMERICAN WOOLEN CO.,
 Boston, Mass., April 12, 1916.

HON. RICHARD OLNEY, 2D,

House of Representatives, Washington, D. C.

DEAR SIR: I would most earnestly commend to your attention the campaign of the Philadelphia Wool and Textile Association for "more sheep and more wool." Though the population of the United States is rapidly increasing, the number of sheep and the amount of wool produced here are falling off. In 1909, 328,000,000 pounds of wool were grown in this country; in 1915, only 288,000,000 pounds, a loss of 12 per cent in seven years. In the last fiscal year, out of a total of 591,015,495 pounds of wool available for consumption in the United States, foreign wools represented 300,000,000 pounds, or more than one-half.

Nor can we depend upon wool supplies from abroad—for the wool production of the whole world is decreasing. This world supply in 1915 was estimated at 2,836,000,000 pounds. In 1914 the estimate was 2,872,000,000 pounds; in 1913, 2,880,000,000; in 1912, 2,971,000,000. The great war has wholly cut off certain sources of supply and made reliance on others most uncertain. Large numbers of sheep have undoubtedly been destroyed in the course of warfare.

So critical is the situation that Great Britain, which controls nearly two-thirds of the world's wool, is contemplating the imposition of an export duty on this indispensable raw material when bought by any but British purchasers.

National prudence demands an immediate increase in the flocks of the United States. The American people need more sheep for food and clothing. In spite of the rapidly with which the cheap lands of the West have been taken up, there are still great areas in this country where sheep can be grown with a profit by the exercise of intelligence and perseverance. Sheep can be grown again in large numbers on the abandoned pastures of the New England and other Eastern States.

Australasia produces nearly three times as much wool as our own country—chiefly because in Australasia wool growing is a modern, systematized business, and because all laws are made to favor it and worthless dogs are not allowed to harry and murder valuable flocks. National and State Governments with us have done much to encourage agriculture and stock raising, but sheep and wool have not received their proper due. There is urgent need of a searching investigation of the whole question by national and State authorities. May I not ask you to take up this subject and do your share to the end that there may be more food and more wool for the American people?

All this is an essential part of any patriotic national movement for preparedness, for the position in which this country would find itself in war—dependent on foreign sources for more than half its wool—is appalling to contemplate.

Very truly, yours,

WM. M. WOOD, President.

[Extract from article by D. F. Houston, Secretary of Agriculture, published in the magazine section of the New York Herald, Sunday, Mar. 5, 1916.]

There seems to be general agreement that by the employment of proper methods a still greater advance can be made in live-stock directions.

The experts believe that there might be a revival of the sheep industry if the farmers would emphasize the mutton feature.

When this industry was established only one purpose was considered, namely, the production of wool, and the New England sheep were apparently developed solely with this end in view. When the western competition became acute the New England farmer who was in the wool business was forced out, and the breeders of fine wool sheep were compelled to disperse their flocks. The farmers either have gone out of business or have clung to the wrinkly, fine wool merino type. The raising of sheep from the mutton viewpoint, broadly speaking, never has been attempted, and it seems desirable that it should be.

The New England environment is congenial to sheep. There are great markets at hand and the land is there in abundance. The public has been increasingly educated to the use of lamb and mutton as food; they have ceased to be cheap and now have become a luxury. The problem of winter feed can be met as the farmers have met the problem of the winter maintenance of dairy cows, by the use of silage and hay, and that of the summer feed can be met by forage crops and pasture rotation.

Mr. HAUGEN. Mr. Chairman, I yield 30 minutes to the gentleman from Oklahoma [Mr. MORGAN].

Mr. MORGAN of Oklahoma. Mr. Chairman, we have under consideration the great Agricultural appropriation bill. We have just heard a most eloquent, able, and inspiring address by the gentleman from Ohio [Mr. OVERMYER] on the subject of agricul-

ture. If I observed correctly, however, he did not speak of one thing which I think will be a mighty factor in the future growth and development of this great industry.

In this morning's Washington Post there was an article with this headline: "United States Rolling in Wealth." The tone of the article carried the impression that this wealth came to us as naturally as the ocean billows beat upon our shores. Such is not the case. All this wealth is the product of toil and labor, and effort and energy. To the great industry of agriculture we are indebted for something like one-half of all the wealth produced annually in this country.

The article asserted that within a year the resources of our national banks had increased 20 per cent, that their deposits had increased 25 per cent, and that their loans, within the year, had increased over \$900,000,000. I wondered what proportion of those loans had been made in the interest of agriculture. I was interested in knowing how our national banks had used their enlarged resources to promote the prosperity of our farmers and provide them with better credit facilities.

Some people have the idea that farm-credit legislation simply means the passage of an act for the special benefit of the farmers, and that the Nation, at large, is not interested therein. That is a very erroneous and a very narrow conception of the value of better farm-credit facilities. And when the gentleman from Ohio [Mr. OVERMYER] spoke about agriculture in Germany and the strength the industry added to the German Empire he did not mention the fact that adequate credit facilities had been a most potent factor in the expansion of the agricultural interests of Germany. In the credit facilities she has furnished her farmers Germany has led all other nations.

H. R. 10310 (APPENDIX A).

Mr. Chairman, I have introduced a land-credit bill, House bill 10310. In the preparation of this bill I have tried to present a plan of land credit that will meet the demands of agriculture and that will provide a satisfactory land-credit system for the farmers of the United States.

In attempting constructive legislation we should have clearly in our minds what will be required of the governmental instrumentalities we are about to create. I have tried to do this in the preparation of House bill 10310. Our land-credit institutions should be so constructed that they will meet the following five requirements: First, they should furnish an adequate amount of credit for agriculture; second, they should furnish this credit on favorable and satisfactory terms; third, they should furnish this credit at a low rate of interest; fourth, they should provide equal credit facilities throughout the various sections of the country; and fifth, they should furnish this credit at a uniform rate of interest in all the States of the Union.

These are the essential things which should be supplied by any national system of land credit. Any proposed system of land credit which will not meet these five requirements should be condemned. The farmers of the United States will not be satisfied with any system of land credit that does not meet these five requirements.

I wish now to describe briefly the main provisions of House bill 10310 which I have introduced.

SUPERVISORY POWER.

The power of supervision and control is lodged in the Federal farm-loan board, consisting of three persons, to be appointed by the President. Extensive power is given to this board, not only to supervise and regulate but to control the land banks created to operate the system of land credit to be established.

CORPORATIONS CREATED TO OPERATE SYSTEM.

The system of land credit established by this bill will be operated by the following corporations:

1. One central bank, called the united Federal land bank.
2. Twelve Federal land banks, one in each of 12 districts into which the United States shall be divided.
3. One farm-loan association in each county, where any Federal land bank shall make loans, as many district associations in each State as there are congressional districts in each State, and one State farm-loan association in each State.

Mr. SMITH of Minnesota. Mr. Chairman, will the gentleman yield there?

Mr. MORGAN of Oklahoma. I yield for a question.

Mr. SMITH of Minnesota. In just what respect does the gentleman's bill differ from the Moss bill, which the committee is about to report?

Mr. MORGAN of Oklahoma. Well, the Moss bill provides for 12 district banks. It provides for local farm-loan associations. My bill, in addition to providing those institutions, provides and creates a united Federal land bank. That is a central institution controlled by 12 directors, and each one of the Federal land

banks elects one of those 12 directors, so that I create a central bank uniting the 12 district banks.

Now, the Moss bill provides, as the gentleman knows, that each one of these 12 district banks shall be liable for the bonds and contracts and liabilities of every other Federal land bank. In reality that bill does not create 12 banks, but 1 bank with 12 divisions. When you make each one of those banks responsible for the debts, liabilities, and contracts of the others, then you really create but one institution. I think it would add very much to the system to create a central institution, without capital stock, as a corporation through which those 12 banks could act in the interest of all.

Mr. SMITH of Minnesota. Just a moment. The gentleman provides for a central institution, and the Moss bill provides for a Federal land board?

Mr. MORGAN of Oklahoma. My bill provides for the central institution and also for the Federal farm loan board as the supervisory power.

Mr. SMITH of Minnesota. Just in what way would the gentleman's central institution idea work out?

Mr. MORGAN of Oklahoma. The united Federal land bank, as its name implies, unites the 12 district Federal land banks. The united Federal land bank will have no capital stock or income. It will be supported by contributions from the 12 district banks. It will make no loans; but all farm loan bonds will be issued in its name for and in behalf of the various Federal land banks. The united Federal land bank will be controlled by 12 directors. Each Federal land bank will appoint one of these directors. Through the united Federal land bank there may be unity of action along many lines for the mutual benefit and profit of the district banks, which means, of course, for the profit and advantage of the farmers who are borrowers. Through this central corporation the district banks may standardize their business methods of all kinds, their system of appraisements, and adopt various methods to eliminate waste and secure the highest efficiency and economy in their operation and administration. The united Federal land bank is given authority, subject to the approval of the Federal farm-loan board, to do three important things:

First. To fix a uniform rate of interest which all the Federal land banks shall charge until otherwise ordered.

Second. To fix a uniform rate of interest all farm-loan bonds shall bear until otherwise ordered.

Third. To fix uniform rates of commission Federal land banks shall pay agents for securing loans or for selling farm-loan bonds.

Fourth. To do other acts which will aid Federal land banks to cooperate in all business matters, which will promote efficiency, economy, safety, and permanency in the institutions themselves, security to investors, better credit facilities to borrowers, or which will make our land-credit institutions more effective instruments in service to the general public.

Mr. COOPER of Wisconsin. Mr. Chairman, will the gentleman yield there?

Mr. MORGAN of Oklahoma. Yes.

Mr. COOPER of Wisconsin. That matter of uniformity of interest rates is a matter that many people have written to me and said to me is of prime importance. Does the gentleman think that his plan, if enacted into law, would insure to the farmers of the country uniformity in the rates of interest?

Mr. MORGAN of Oklahoma. I think so.

Mr. COOPER of Wisconsin. What does the gentleman think of the Moss plan, with respect to uniformity in the rates of interest?

Mr. MORGAN of Oklahoma. So far as the 12 district banks are concerned, they could loan at a uniform rate of interest.

Mr. COOPER of Wisconsin. Then the gentleman thinks that so far as uniformity of interest is concerned, if either plan were enacted, undoubtedly it would secure that?

Mr. MORGAN of Oklahoma. In answering that question it must be remembered that the so-called Moss bill, which is also what is known as the joint committee bill, provides for two kinds of land banks. It creates 12 district banks and authorizes the organization of any number of joint-stock banks. These joint-stock banks are entirely separate and independent institutions. There can not be uniform interest rates throughout the country if the farm loans are made by land credit institutions which are entirely independent of each other. The 12 district banks created by the Moss bill, in my judgment, would provide uniform rates of interest for the loans made by these banks. Under the provisions of this bill these 12 banks are responsible for each other's debts and obligations. Each one of these 12 banks, under the law, is made responsible for the bonds issued by all the other banks. This, I think, would give them prac-

tically equal credit with investors. For instance, if the States of Texas, Oklahoma, Kansas, Nebraska, and North and South Dakota should constitute one Federal land district, the bonds of the Federal land bank of this district would be guaranteed by the other 11 Federal land banks. If the bonds of the Federal land bank of this district are thus guaranteed by all other Federal land banks, I can see no reason why they would not sell as quickly and at as low a rate of interest as would the bonds of any other Federal land bank. Standing alone, these 12 Federal land banks under the Moss bill meet the idea or principle of unity and centralization of the bond-issuing power. But going back to give a direct answer to the question propounded by the gentleman from Wisconsin [Mr. COOPER], the so-called Moss bill would not furnish credit at uniform rates of interest. The joint-stock banks would be entirely independent of the 12 district banks. They would be a law unto themselves. Indeed, going further than this, each joint-stock bank would be a law unto itself. There might be as many different rates of interest at any time as there were joint-stock banks in existence.

So far as the law is concerned there might be as many different rates of interest charged as there were individual borrowers. No two joint-stock banks organized under the provisions of the Moss bill would have precisely the same credit among investors. One of these banks might have the minimum capital of \$250,000, another one might have capital of \$10,000,000. Evidently the bank with a large capital will have better credit than the bank with a small capital. Having better credit its bonds will sell at a lower rate of interest and consequently it can make loans to farmers at lower rates of interest. This is not all. The location of a joint-stock bank might have much to do with its credit among investors. The bonds issued by joint-stock banks located in a new and undeveloped State would be at a disadvantage in selling in competition with bonds issued by joint-stock banks located near the money centers or near those sections of our country where the bulk of the accumulated capital is to be found. There is another matter of the highest importance. If the Moss bill should be enacted into law it will be a matter entirely of conjecture as to the amount of land-credit business that will be done by the joint-stock bank or the 12 district banks. In my judgment, unless material changes shall be made in this bill, the joint-stock banks will do a very large part of the business. This will be due to the fact that under the Moss bill loans made by the 12 district banks are subject to many restrictions and limitations. In other words, there is a vast amount of "red tape" provided for farmers who borrow through the district banks. Unless these restrictions and limitations are removed, a large number of American farmers will refuse to do business with them. In other words, with all of the restrictions and limitations placed upon borrowers by the district banks they will not provide proper land-credit facilities for the majority of the American farmers. As a result, the farmers in one State who can not on account of these limitations and restrictions borrow money from the district banks will not be able to borrow money from the joint-stock banks of their State at as low a rate of interest as the farmers of other States can borrow from their joint-stock banks.

Mr. MADDEN. Will the gentleman yield?

Mr. MORGAN of Oklahoma. Certainly.

Mr. MADDEN. Does the gentleman think it is any more likely to be able to secure a uniform rate of interest on loans made to farmers than it is to secure a uniform rate of interest on loans made to merchants, manufacturers, and other industrial institutions of the United States? Is there any more reason why it should be so?

Mr. MORGAN of Oklahoma. In the first place I think it is easier to secure uniformity for the farmers in land credit than it would be to secure it for merchants, manufacturers, and other business interests.

Mr. MADDEN. Why?

Mr. HASTINGS. Is not one reason because there is less fluctuation in the value of farm lands?

Mr. MORGAN of Oklahoma. Commercial interest is based on individual credit, on collateral security, and on very many different things, while land credit is based on a security which is uniform and absolutely safe. The bonds of one institution can be made just as secure as those of another, while the note of one man is not as good as that of another and can not be made so. With Government bonds as security one man should be able at the same bank to borrow as cheap as another man borrows with the same security. One bond of the Government is as good as another. So we propose to make one farm-mortgage bond as good as any other such bond.

Mr. MADDEN. I think the gentleman's argument is fallacious in that the security offered by the merchant for a loan is usually a liquid asset which can readily be turned into cash, while the security offered by the farmer is something that is not liquid and can not be turned into cash readily and is a slower credit, and consequently ought to bring a higher rate of interest.

Mr. MORGAN of Oklahoma. I know the gentleman has been a student of this land-credit question, but he overlooks the fact that it is proposed by these bills to make farm mortgages, through the issue of farm-mortgage bonds, as liquid as Government bonds.

Mr. MADDEN. It is proposed to do that, but can you do it?

Mr. MORGAN of Oklahoma. It has been done in a large number of other countries, and what has been done in Germany, in France, and in a great majority of the European nations certainly can be done by this great Nation, for our farmers are the most intelligent and enterprising of any in the world, and we as legislators would hardly admit we can not do what legislators of European countries have done.

Mr. MADDEN. The gentleman would not assume to say that a man who has money to loan should be compelled to loan it at a given rate of interest to a person whose credit is not as good as that of somebody else who may be able to borrow at a lower rate of interest?

Mr. MORGAN of Oklahoma. Certainly not. But we insist that money lenders will not generally discriminate as between borrowers when they present like security.

FEDERAL LAND BANKS.

The bill provides that the United States shall be divided into 12 districts. A Federal land bank is created in each district. Federal land banks have three kinds of capital, namely, operating capital, reserve capital, and guaranty capital.

The operating capital of each Federal land bank shall be \$1,000,000, one half of which, known as founders' shares, may be subscribed by private individuals, and the other half, designated as public shares, shall be subscribed by the United States. The United States will receive no dividends upon its stock.

The reserve capital of each Federal land bank shall be equal to at least 5 per cent of its outstanding loans. This is secured by requiring each applicant for a loan to authorize the bank to retain out of the proceeds of his loan an amount equal to 5 per cent of the loan. Whenever a loan is paid in full this stock must be canceled by the bank and the borrower paid in cash the full face value thereof, less, of course, any reductions that may have been made thereon through defaults of other borrowers. Borrowers will, of course, pay interest on the face value of their loans, which will mean that they are paying interest on an amount equal to 5 per cent of their loan, which they have never received. However, to compensate them for this loss they will receive dividends on this stock which may more than compensate them for the loss. The reserve capital stock is not used for an operating fund. It is made a trust fund, placed upon deposit in some bank, safely secured, at interest, which will in itself be available in payment of dividends upon reserve stock.

Finally, every Federal land bank will have guaranty capital. The amount of guaranty capital will depend upon the amount of the loans. It is obtained in this way: Every Federal land bank is required to set aside from such interest payment an amount equal to one-fourth of 1 per cent of the face of the loan. This is continued until the reserve capital, the operating capital, and the guaranty capital of the bank shall equal 10 per cent of the amount of the outstanding loans. The guaranty capital is made a trust fund, to guarantee the payment of the bonds of the bank, and can be used for no other purpose. It is placed on deposit, at interest, in some bank, with adequate security, and is the first and primary fund upon which a bank shall draw to meet a loss through the default of a borrower. The bill requires that the United States shall subscribe \$500,000 to the guaranty fund of each Federal land bank. Under the provisions of the bill the United States would subscribe a total of \$12,000,000 to the 12 Federal land banks. Six millions would be invested in the operating capital and \$6,000,000 in the guaranty capital. In addition to this, should the entire amount of the founders' shares in each bank be not subscribed the United States would subscribe for remainder thereof. However, under the provisions of the bill there is little doubt that private individuals would subscribe for the entire number of founders' shares; as the owners of such stock would have a voice in the management of the bank, the investment would be a safe one, and at least reasonable dividends would be secured. The propriety of using the cash of the Federal Government to

provide capital for the Federal land banks will be discussed fully at some other time.

DEPOSITORIES.

Federal land banks are required to select one or more banks, to be approved by the farm loan board, as depositories in which their funds shall be deposited. Such depositories shall furnish adequate security for the safety of such funds.

AGENCIES.

National and State banks, trust companies, and savings banks are authorized to act as agents of Federal land banks in receiving and transmitting applications for loans, in closing loans, in payment of proceeds to borrowers, and in selling farm-mortgage bonds. All compensation for such service must be paid by the Federal land bank.

Mr. STEAGALL. Is it not true that commercial paper is given by all classes and interests, and money loaned upon all sorts of securities; whereas the loan provided in this bill is limited to one class of securities, and to one class of citizens, and is absolutely uniform, and therefore should there not be uniformity of interest rate?

Mr. MORGAN of Oklahoma. I think so.

Mr. LINDBERGH. I should like to ask whether the uniformity of interest rate applies to time or to territory?

Mr. MORGAN of Oklahoma. To territory.

AMPLE RESERVE TO MEET LOSSES.

In preparing H. R. 10310 every care has been taken to provide ample reserve funds to meet every possible loss through default of annual payments due on interest or principal of loan. This is done through the reserve and guaranty capital of each district bank. The reserve capital of each bank will be 5 per cent of the amount of the loans. This will be contributed by the borrowers. This reserve capital will not be used in making loans. It will be invested in Government bonds or deposited in a bank at interest, with ample security. The fund will be separately managed. It will be a trust fund and under the control of the Federal fiduciary agent, a Government officer. It is a fund created to secure bondholders, and solely for their use and benefit. It is strictly a trust fund, and is safeguarded in every way possible. It is a fund that will increase automatically with the growth in loans, for each borrower contributes 5 per cent of the amount of his loan to the reserve capital. But each bank has another reserve fund. This is the guaranty capital. From the annual interest payment of each borrower one-fourth of 1 per cent on the face of the loan is set apart and placed in the guaranty capital. This is controlled and managed in the same manner as the reserve capital. While one of these funds is denominated the reserve capital and the other the guaranty capital, they are in reality one fund, serve the same purpose, and together constitute a fund which insures the safety, the permanency, and the success of the system of land credit proposed in the bill. It can not be foretold in advance the amount of loans any district bank will make in one year or in any period of years; but automatically the reserve capital will always be equal to 5 per cent of the amount of the loans and the guaranty capital will be the \$500,000 contributed by the Government and the annual contributions of borrowers, equal to one-fourth of 1 per cent of the loans. Leaving out altogether the \$500,000 contributed by the Government to the guaranty capital of each district bank, which in itself, at 3 per cent interest, would bring each bank annually \$15,000 to be used to meet losses, let me illustrate how the provisions of the bill would work. Assuming that a district bank had \$100,000,000 in loans, the annual interest charge, at 5 per cent per annum, would be \$5,000,000. There is no way to determine what per cent of the annual interest payments would be in default. Suppose, however, 5 per cent of the interest each year would be in default; 5 per cent of \$5,000,000, the total interest due on loans of \$100,000,000, at 5 per cent, would be \$250,000. A district bank with \$100,000,000 in loans would have \$5,000,000 in reserve capital. Under the terms of the bill this would be invested in Government bonds or deposited in banks, with ample security, at interest. It may be assumed that this fund would bring the bank an income of at least 3 per cent per annum. From its reserve capital of \$5,000,000 the bank would have a net income of \$150,000 annually. This amount would be equal to 3 per cent of the total interest due—\$5,000,000. Thus from the income on its reserve capital alone the district bank could meet an annual loss of 3 per cent of the interest due it. But, under the terms of the bill, from the annual interest payments, one-fourth of 1 per cent annually on the face of each loan is set aside in the guaranty capital. A bank with \$100,000,000 in loans would set aside in the guaranty capital \$250,000 annually. With loans at 5 per cent the annual interest payments due it would be \$5,000,000. Five per cent of this would be \$250,000. The annual

contributions to the guaranty capital therefore would meet a loss of 5 per cent of the annual interest due the bank on \$100,000,000 in loans at 5 per cent interest. Thus a district bank, with \$100,000,000 in loans, at 5 per cent interest, without using any of its reserve capital could annually meet defaults of 8 per cent of the interest due it. Three per cent of this would come from the income from interest on its reserve capital and 5 per cent from the annual contributions of one-fourth of 1 per cent on the face of their loans by borrowers. Under the provisions of this bill a district land bank could each year have a total and final loss of 8 per cent of the interest due it and still run indefinitely without in the least impairing its full reserve capital equal to 5 per cent of its loans. We can not assume that all borrowers who make default in the payment of their annual interest, when due, will remain permanently in such default. In the main, defaults in interest payments will be only temporary. If after reasonable time any borrower fails to pay his interest, the bank will institute foreclosure proceedings and enforce payment through the sale of the land. As the land, according to its appraisal value, will be worth double the amount of the loan, it will be rare indeed when there will be any permanent loss to a bank from any loan it has made. In due course the money which may be temporarily taken from the income of reserve capital and from the annual contributions to the guaranty capital to meet defaults in annual interest payments will be restored to these funds.

In the foregoing discussion I have not taken into consideration the \$500,000 which the bill provides shall be subscribed by the Federal Government to the guaranty capital of each of the Federal land banks. This amount contributed by the Government at 3 per cent interest would bring an annual income to each bank of \$15,000. At 3 per cent interest, compounded semi-annually, this \$500,000 in 20 years would amount to \$903,055; in 36 years it would amount to \$1,440,140; and in 50 years it would amount to \$2,191,955. This fund would, of course, add to the safety of the farm-mortgage bond and might be important in meeting emergencies. But this \$500,000 contributed by the National Government to the guaranty capital of each of these 12 banks would really be insignificant compared with the contributions thereto made annually by the farmers themselves. In other words, under the plan which I have proposed the great bulk of the capital which is to insure the success of our land-credit institutions will, after all, be furnished by the borrowers. The plan which I present is therefore conservative and sound. It is in harmony with a wise public policy and yet provides for sufficient Government aid to insure the success of the system and obtain for the farmers of the United States adequate land credit, at a low rate of interest, on terms and conditions which will be acceptable and satisfactory.

Mr. MADDEN. Does not the gentleman believe that the combination of accumulations he has suggested would force up the interest rate instead of forcing it down?

Mr. MORGAN of Oklahoma. Do you mean the reserve capital and guaranty capital?

Mr. MADDEN. Why, certainly. The more money you have idle the higher the interest rate must be.

Mr. MORGAN of Oklahoma. It would not be idle. It would go into designated depositories, to be used in all other kinds of business, to be placed in banks active in business, or those banks which would use it to help out the people who live in Chicago and other great cities.

Mr. MADDEN. Does anybody get anything for the use of the money from them?

Mr. MORGAN of Oklahoma. These banks would pay interest on the money at the current rate, whatever would be the rate.

Mr. CLINE. Will the gentleman yield?

Mr. MORGAN of Oklahoma. Yes.

Mr. CLINE. Do I understand that the reserve fund is to be a guaranty to secure the farm loan and give character to it?

Mr. MORGAN of Oklahoma. Yes. Now, you may not remember that the Government will not make loans direct to the farmer; we must rely on selling these securities; they must go out into the money markets of the world.

Mr. DAVIS of Texas. Will the gentleman yield?

Mr. MORGAN of Oklahoma. Certainly.

Mr. DAVIS of Texas. Will the gentleman explain why there is any tangible or economic reason that the Government should not do by the farmer as it does by anybody else?

Mr. MORGAN of Oklahoma. It ought to do more for the farmer than anybody else, because the farmer is more helpless in his organization. But the securing of the adequate credit depends upon the absolute security of the bond. It is well known to the students of the subject in this country that in many other countries the farm mortgage bonds sell practically at as low

rate of interest as do Government bonds; and there is absolutely no reason why we can not construct a system of land credits in this country, backed by all the farmers of the Nation, which will put out a bond which will be absolutely as safe as the bonds issued by the Government of the United States.

Mr. PLATT. Will the gentleman yield?

Mr. MORGAN of Oklahoma. I will.

Mr. PLATT. If I understand the gentleman, he would have a reserve fund equal to 10 per cent of the outstanding bonds?

Mr. MORGAN of Oklahoma. Yes.

Mr. PLATT. The gentleman's plan provides for issuing bonds to twenty times the capital of the bank, the same as the Moss bill.

Mr. MORGAN of Oklahoma. I have no limit, so far as any provision in the bill is concerned. I have three kinds of capital stock—operating capital, reserve capital, and guaranty capital. The operating capital of a million dollars in each bank is used in making mortgages as a working fund, the reserve capital is always 5 per cent of the amount of the mortgages made, and next, the 5 per cent bonds. So the security in the working capital and in the reserve capital would automatically always remain at 5 per cent at least of the amount of the mortgages, which would correspond to 20 per cent of the capital you have in your bank.

Mr. PLATT. You would allow the bank to issue bonds to a hundred times its capital?

Mr. MORGAN of Oklahoma. No; I have three kinds of capital, and it might be five hundred times the working capital, but it never could be over five or twenty times the actual capital, including the working capital and the guaranty capital and the reserve capital. The reserve capital is always in a certain ratio to the amount of the bonds issued. In the guaranty capital it gives one-quarter of 1 per cent interest by each borrower, and that is always in ratio to the amount loaned. So automatically you could go on indefinitely and always have the reserve and guaranty capital in proper ratio.

Mr. PLATT. The gentleman's plan is very ingenious, but it seems to me that if he had a reserve capital of \$1,000,000 for every ten million outstanding, and no limit on the number of bonds which could be sold, it would use up a good deal of money in reserve.

Mr. MORGAN of Oklahoma. The reserve capital would be on deposit in the various banks where it would be in use just the same as the \$5,000,000,000 in the savings bank—used for any purpose; and one thing is that it would always be at the command of these banks, contributed by the farmers of the United States from every section to their credit in the great reserve fund that will make the security they put out as sound and secure as the foundation of the Federal Republic.

Mr. PLATT. I admit that the gentleman's scheme is very ingenious indeed.

Mr. MORGAN of Oklahoma. I accept that as a compliment. It is something to propose even an "ingenious scheme" of land credits. For myself I have no pride of authorship in the provisions of my bill. I have no personal interest in it, but I am glad, through any study and investigation I may make, to contribute something toward providing the farmers of the United States the very best system of land credits than can be devised. I believe, however, that the plan I have presented is more than ingenious. It is safe and sound. The farmers, above all others, are interested in this feature of our land-credit system. If there is any question about the payment of farm-mortgage bonds, the farmers will suffer the most. If there shall be any question about the payment of the farm-mortgage bonds issued, this will inevitably both reduce the amount of credit and increase the rate of interest. But the investors in farm-mortgage bonds will be equally interested. Millions of our citizens will invest in these bonds. The National Government can not afford to put into circulation farm-mortgage bonds to the amount of two or three billions of dollars about the payment of which there can be any question. Whatever other defect or defects there may be in our land-credit systems, if it be sound, if it be safe, it will be a success in the end. If it be unsound, it will be unsafe and can not secure and hold the confidence of the investing public. Farm-mortgage bonds will be held by banks and other financial institutions in large quantities; they will be purchased by persons of moderate means, by wage earners, and by custodians of trust funds. It is not, therefore, going too far to say that the public welfare demands that these farm-mortgage bonds shall not be issued by any bank or institution or under any conditions and circumstances which would permit their payment to be called in question.

Mr. MADDEN. Will the gentleman yield?

Mr. MORGAN of Oklahoma. I will.

Mr. MADDEN. Does the gentleman's bill propose for the Government of the United States to market these bonds?

Mr. MORGAN of Oklahoma. No.

Mr. MADDEN. What does the Banking and Currency Committee of the House think about the gentleman's bill?

Mr. MORGAN of Oklahoma. I do not know whether they have read it, because, I understand, they have up the so-called joint committee bill and have given all their time to that. They have treated my bill the same as all the others.

Mr. MADDEN. Has the gentleman asked for a hearing?

Mr. MORGAN of Oklahoma. I did.

Mr. MADDEN. What did they say?

Mr. MORGAN of Oklahoma. The chairman said he would take the matter up.

Mr. MADDEN. And the gentleman does not expect to get a hearing?

Mr. MORGAN of Oklahoma. I do not.

Mr. MADDEN. Then it is not very likely that the bill will become a law, is it?

Mr. MORGAN of Oklahoma. I shall do the best I can.

Mr. PLATT. Mr. Chairman, will the gentleman yield again?

Mr. MORGAN of Oklahoma. Yes.

Mr. PLATT. Having established a central bank to unite these 12 other banks, would it not be a good plan to cut out the 12 banks and leave the central bank in accordance with the plan of the gentleman from Georgia?

Mr. MORGAN of Oklahoma. I think that would be better, although, as I have studied the question, I think for the purpose of administration in transacting this business there will be some advantage in having the district banks, though I think the number ought to be reduced to five.

Mr. HOWARD. I would like to ask the gentleman a question.

Mr. MORGAN of Oklahoma. I yield.

Mr. HOWARD. I have noticed that the Banking and Currency Committee has been changing its base of operation so fast that it is like some other individuals and we can hardly keep up with them.

Mr. MORGAN of Oklahoma. I hope the gentleman will be brief.

Mr. HOWARD. Yes; and I want to ask this question: Does the gentleman know any more reason for dividing this country up into 12 regions, so far as land credit is concerned, than there is for dividing the solar system up into 12 regions for the study of astronomy?

Mr. MORGAN of Oklahoma. I do not believe that I could answer that question.

Mr. HOWARD. That is this plan.

Mr. MORGAN of Oklahoma. I may be soaring pretty high, but hardly as high as the solar system.

Mr. HOWARD. That is this plan of this joint committee.

Mr. MORGAN of Oklahoma. I think there is some advantage in the distribution of the administrative control of these banks, and when you tie them together by making them responsible for each other's debts and liabilities, you have thereby unified the system and centralized it, and to a large extent it meets with my views, and also with what I understand to be the view of the gentleman from Georgia as to the advantage of a centralized system.

FARM-LOAN ASSOCIATIONS.

Mr. HASTINGS. In what does the gentleman's bill differ from the so-called subcommittee bill, the one the Banking and Currency Committee has been considering, with reference to these local farm-loan associations?

Mr. MORGAN of Oklahoma. Under the subcommittee bill those local associations have capital stock, they make the loans, they have salaried employees, they may make assessments and fines upon members and no borrower can tell what his membership will cost him.

Mr. PLATT. The gentleman is talking about the subcommittee bill of last Congress?

Mr. MORGAN of Oklahoma. I am talking about the joint committee bill. That is what I mean.

It is altogether different under the provisions of my bill. Farm-loan associations are established in each county where loans are made by any Federal land bank. Every borrower by virtue of his loan becomes a member of the association in the county where his land is located. Farm-loan associations are corporations with limited powers. No assessment, fee, fine, or contribution of any kind upon members is permitted. Loan associations do not make loans. They have no funds. They have officers, directors, appraisement committees, but pay no salaries and have no expenses as associations. Of course the Federal land banks would have authority to pay any officer, committee,

or member for any special service rendered. The associations are designed:

First. To act as agencies for Federal land banks in making loans, to aid them in making appraisements, in securing information not only as to the value of lands but as to the character of applicants for loans, to assist in making collections, and to otherwise contribute to the success of the business of the banks.

Second. To constitute a legal and recognized corporation through which members may cooperate for mutual benefit and protection and through which they may act, speak, and be heard upon all matters involving their interests or welfare.

Third. To form a connecting link through which and by which every borrower is in touch with and forms a part of the great national system of land credit to be established by the bill.

Fourth. To form an organization through which a definite, fixed, though small, financial responsibility may be placed upon each borrower for the defaults of other members, first, of his own association, and, second, for members of all other associations in his Federal land-bank district, as a means to strengthen his own credit and secure for himself a loan on the best terms and at lowest rate of interest possible.

Fifth. To be the unit upon which our whole superstructure of land credit shall rest and which shall give it strength, stability, permanency, and success.

DISTRICT AND STATE ASSOCIATIONS.

The local associations are organized into as many district associations as there are congressional districts within the State. The chairmen of the board of directors of local associations constitute the district council of farm-loan associations. Above the district is the State council of farm-loan associations. This is composed of delegates—two in number—elected by each district council. Each State council elects three members of the advisory board of the Federal land bank of the district. This advisory board elects three of the directors of the Federal land bank of the district. The borrowers, through the local associations, the district associations, the State associations, and the advisory boards, are directly represented in the management and control of each Federal land bank, and through these banks they are represented in the control and management of the united Federal land bank. There is thus a complete organization of borrowers. The expense necessary for meetings of the district and State associations and for the advisory boards is provided by the Federal land banks out of the general-expense funds. This expense would be small. Each association would have but one delegate in the district association, and the district associations would have but two delegates each in the State association, and there would be but two members of the advisory board from each State. The district and State associations as well as advisory boards would hold meetings but once each year. In addition to providing a complete organization of borrowers, the district and State associations and the advisory board for each Federal land bank would afford opportunities for the borrowers to consider matters of general interest. These organizations would be valuable as educational forces. Through them borrowers could discuss matters of mutual interest and devise ways and means for the assistance of each other. Through them, too, each Federal land bank may come in personal contact with borrowers by sending officers to attend meetings of district and State associations. The importance of these associations is further seen when it is remembered that under other provisions of the bill the liability of one borrower for another up to the amount of his stock in the Federal land bank applies, first, as between members of the same local association; second, as between the borrowers of an association district; third, as between the borrowers of each State; and, fourth, as between all borrowers in the various States included in each Federal land-bank district. Through local associations borrowers may not only assist each other but protect themselves against the defaults of each other. So the district and State organizations will be instrumentalities for both aid and protection. These suggestions will indicate the wisdom of creating not only local associations but also district and State associations, although the local associations do not make loans, have no capital stock, and have no financial transactions.

INTEREST RATE.

Mr. Chairman, I believe the reduction of the rate of interest is the chief object of the proposed land-credit institutions. It would be folly for the National Government to expend large sums annually in supervising the new land-credit institutions which we propose to create if it could not thereby materially reduce the interest charge. I have, therefore, sought in every way possible to present a plan of land credit that would give the lowest rate of interest possible. With this in view I have pro-

vided for what some seem to regard as an excessive reserve and guaranty capital. It is well settled that the better the security the lower will be the interest. But there are other things which will affect the interest rate. Economy of administration will contribute to a low rate of interest. Excessive administration charges mean higher rates of interest. Statutory regulation is also a means of reducing interest charges. I have, therefore, placed in my bill a provision which limits the total annual charges to borrowers at 5 per cent. This is to include not only annual interest payment, but the annual amortization payment, payment to the guaranty capital, and contributions to the administration expenses. This annual payment is allotted as follows: One-half of 1 per cent on the principal, one-fourth of 1 per cent to the guaranty capital, and one-fourth of 1 per cent to the expense fund. This would leave 4 per cent to meet the interest charge on the farm-mortgage bond. I provide also that farm-mortgage bonds shall not be issued bearing an interest in excess of 4 per cent. I believe that farm-mortgage bonds issued under provision of my bill bearing 4 per cent interest would sell at a premium. I believe that a bond bearing 3½ per cent could be sold at par; but be that as it may, we will have accomplished practically nothing by our new land-credit system unless the farm-mortgage bonds bearing 4 per cent interest can be sold at least at par. I call attention to another important thing bearing upon administration charges. Everyone who has studied the subject will admit that at the beginning the percentage of administration charges based upon the amount of loans will be much larger than it will be in later years, when the institutions have been well established and when the total amount of loans will be much larger. To meet this condition was one object I had in providing that the Federal Government should subscribe \$500,000 to the operating capital stock of each of the 12 Federal land banks and upon which no dividends should be paid. This would be loaned on farm mortgages, and at 5 per cent annual interest would bring to each bank an annual income of \$25,000. This \$25,000 would go a long way toward paying the entire administration expenses of each of these Federal land banks. This would be a donation to the banks. But these banks are public institutions, organized to promote the development of agriculture, our greatest industry, upon which the very life of the Nation depends. Everyone concedes the wisdom, aye, the necessity, of the National Government appropriating annually a large amount of money in supervising and controlling our land-credit institutions. If the Government may wisely expend annually two or three hundred thousand dollars in supervising these institutions, it may also appropriate a small amount of money in a lump sum, in the nature of an endowment, in order that these institutions may not be compelled to charge borrowers excessive interest rates in order to meet at the beginning extraordinary administration charges. On some other occasion I hope to have the opportunity to discuss at some length the "Government-aid" features of H. R. 10310, which I have introduced. The "Government aid" which I propose I believe is modest in amount, and yet I believe it is sufficient to contribute most effectually to the success of the institutions created by the bill.

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

Mr. MORGAN of Oklahoma. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD, and in that connection to print my bill H. R. 10310.

The CHAIRMAN. Is there objection?

There was no objection.

APPENDIX A.

A bill (H. R. 10310) to create a Federal land credit system, provide credit facilities for farmers, reduce interest rates on farm mortgages, encourage agriculture, promote thrift, provide a market for United States bonds, and for other purposes.

Be it enacted, etc., That the short title of this act shall be "The Federal land credit act."

DEFINITIONS.

SEC. 2. That wherever the word "county" is used in this act it shall be held to include any civil division of a State corresponding to a county. The term "Federal land bank bonds" shall be held to include all bonds secured by farm mortgages or other collateral deposited with a Federal fiduciary agent under the provisions of this act. Wherever the term "first mortgage" is used in this act it shall be held to include any instrument in writing which gives a Federal land bank a first lien upon a farm to secure a loan thereon, together with the notes or other credit instruments secured thereby.

FEDERAL FARM LOAN BOARD.

SEC. 3. That there is hereby created in Washington, D. C., a Federal farm-loan board, which shall be charged with the administration and execution of this act and of all acts supplementary or amendatory thereof.

The Federal farm-loan board shall consist of three members, who shall be appointed by the President of the United States, by and with the advice and consent of the Senate. Before appointing said board the President shall divide continental United States, excluding Alaska,

into three districts, which he shall designate by number. He shall certify said districts to said board, which shall cause the same to be made of record. One member of said board shall be appointed for each of said districts, and the person so appointed shall have been an actual resident of said district at the time of his appointment for more than two years immediately prior thereto. Thereafter not more than one member of said board shall be a resident of any one of said districts. Not more than three of said members shall be appointed from one political party. They shall be citizens of the United States and shall devote their entire time to the business of the Federal farm-loan board and shall each receive an annual salary of \$7,500, payable monthly, together with actual necessary traveling expenses.

One member of said board shall be designated by the President to serve for 2 years, one for 4 years, and one for 6 years, and thereafter each member so appointed shall serve for a term of 10 years, unless sooner removed for cause by the President. One of the members shall be designated by the President as the farm-loan commissioner, who shall be the chairman and the active executive officer of said board. Each member of the Federal farm-loan board shall within 15 days after notice of his appointment take and subscribe to the oath of office.

The first meeting of the Federal farm-loan board shall be held in Washington as soon as may be after the passage of this act, at a date and place to be fixed by the chairman of said board.

No member of the Federal farm-loan board shall be an officer or director of any institution, association, or partnership engaged in banking. Before entering upon his duties as a member of the Federal farm-loan board, each member shall certify under oath to the President that he is eligible under this section.

The President shall have the power, by and with the advice and consent of the Senate, to fill any vacancy occurring in the membership of the Federal farm loan board; if such vacancy shall be filled during the recess of the Senate a commission shall be granted, which shall expire 30 days after the Senate convenes.

The Federal farm loan board shall appoint one Federal fiduciary agent, one or more Federal land-bank appraisers for each land-bank district, and as many special appraisers as it shall deem necessary. Federal fiduciary agents and Federal land-bank appraisers and special appraisers appointed under this section shall be public officials and shall have no connection with or interest in any institution, association, or partnership engaged in banking.

The salaries and expenses of the Federal farm loan board and of Federal fiduciary agents and special appraisers authorized under this section shall be paid out of any moneys in the Treasury of the United States not otherwise appropriated. Federal land-bank appraisers shall receive such compensation as the Federal farm loan board shall fix, and shall be paid by the Federal land banks which they serve in such proportion and in such manner as the Federal farm loan board shall order.

The Federal farm-loan board shall be authorized and empowered to employ such attorneys, experts, assistants, clerks, laborers, and other employees as it may deem necessary to conduct the business of said board. All salaries and fees authorized in this section and not otherwise provided for shall be fixed in advance by said board and shall be paid in the same manner as the salaries of the Federal farm-loan board. All such attorneys, experts, assistants, clerks, laborers, and other employees, and all appraisers shall be appointed without regard to the provisions of the act of January 16, 1883 (22 U. S. Stat. L., p. 403), and amendments thereto, or any rule or regulation made in pursuance thereof: *Provided*, That nothing herein shall prevent the President from placing said employees in the classified service.

Every Federal land bank shall semiannually submit to the Federal farm-loan board a schedule showing the salaries or rates of compensation paid to its officers and employees, and said board shall have power to disapprove such schedule, or any item in it, and to alter any or all salaries therein shown.

The Federal farm-loan board shall, from time to time, require examinations and reports of condition of all Federal land banks established under the provisions of this act, and shall publish consolidated statements of the results thereof. It shall cause to be made appraisals of farm lands as provided by this act, and shall prepare and publish amortization tables which shall be used by banks under its supervision.

The Federal farm-loan board shall prescribe a form for the statement of condition of banks under its supervision, which shall be filled out quarterly by each such bank and transmitted to said board.

POWERS OF FEDERAL FARM-LOAN BOARD.

SEC. 4. That the Federal farm-loan board shall have power—

(a) To organize and charter the united Federal land bank, Federal land banks, and national farm-loan associations, subject to the provisions of this act.

(b) To establish, in connection with the united Federal land bank, the rate of interest to be charged by Federal land banks for loans made by them under the provisions of this act and the rate of interest farm-loan bonds shall bear.

(c) To grant or refuse to Federal land banks authority to make any specific issue of farm-loan bonds.

(d) To make rules and regulations respecting the charges made to borrowers on loans under this act for expenses in appraisal, examining title, drawing legal papers, recording, and similar services.

(e) To require reports and statements of condition and to make examinations of all banks or associations doing business under the provisions of this act.

(f) To prescribe the form and terms of farm-loan bonds, and the form, terms, and penal sum of all surety bonds required under this act and of such other surety bonds as they shall deem necessary, such surety bonds to cover financial loss as well as faithful performance of duty.

(g) To exercise such incidental powers as shall be necessary or requisite to fulfill their duties and carry out the purposes of this act.

THE UNITED FEDERAL LAND BANK.

SEC. 5. That the united Federal land bank is hereby created. It shall be located in such State and at such city as shall be determined by the board of directors of such bank, subject to the approval of the Federal farm-loan board. Said bank shall have no capital stock or shareholders and no funds, except such as shall be contributed by Federal land banks. It shall not be conducted for profit. Its chief work shall be to issue Federal farm-loan bonds for and in behalf of Federal land banks, to aid Federal land banks in the sale of their bonds, and to act for such banks, subject to the approval of the Federal farm-loan board, in all matters which will contribute to the unity of such banks, to the standardization of their business methods, to their economical administration, to the strengthening of their credit, or to the success in general of the land-credit system hereby established. The united Federal land bank shall be controlled by a board of 12 directors. Each Federal land bank shall elect 1 of said directors. At the time

of his election such director must be a director of the bank by which he is elected. Should a director of the united Federal land bank cease to be a director of the bank by which he was elected, he shall thereby cease to be a director of the united Federal land bank. The terms of office of such directors and the officers of such bank shall be fixed by the Federal farm-loan board. The board of directors of the united Federal land bank shall elect a president, vice president, secretary, and treasurer. Such officers shall be directors of such bank at the time of their election.

The officers of such bank shall give their entire time to the business thereof, and shall receive such compensation as shall be fixed by the Federal farm loan board. The board of directors may employ all the necessary assistants for the proper transaction of the business of such bank and fix their compensation, subject to the approval of the Federal farm loan board. Within 90 days after its organization each Federal land bank, through its board of directors, shall elect one of its directors as a director of the United Federal land bank. Such directors, under a call or notice issued by the farm loan commissioner, shall under their hands forthwith make an organization certificate containing such statements as shall be prescribed by the Federal farm loan board, and file the same with said board, where it shall be preserved and made of record. The certificate shall be acknowledged before the judge of a court of record or a notary public.

Upon duly making and filing such organization certificate the bank shall become, as from the date of the execution of its organization certificate, a body corporate, and as such, and in the name designated in the organization certificate, it shall have power—

First. To adopt and use a corporate seal.

Second. To have succession until it is dissolved by act of Congress or under the provisions of this act.

Third. To make contracts.

Fourth. To sue and be sued, complain and defend, in any court of law or equity, as fully as natural persons.

Fifth. To elect a president and a vice president, appoint a secretary and a treasurer and other officers and employees, define their duties, require bonds of them and fix the penalty thereof; by action of its board of directors dismiss such officers and employees, or any of them, at pleasure and appoint others to fill their places.

Sixth. To prescribe, by its board of directors, subject to the supervision and regulation of the Federal farm loan board, by-laws not inconsistent with law, regulating the manner in which its officers shall be elected or appointed, its property transferred, its general business conducted, and the privileges granted to it by law exercised and enjoyed.

Seventh. To establish a uniform rate of interest which every Federal land bank shall charge upon farm loans for the ensuing year and until otherwise ordered by said bank; to fix a uniform rate of interest which Federal farm-loan bonds issued under the provisions of this act shall bear, and a uniform rate of discount at which such bonds may be sold by any Federal land bank until otherwise changed by said bank, and to fix uniform fees or commissions which Federal land banks shall pay agents for receiving applications for farm loans and services connected therewith and for the sale of farm-loan bonds, all of which shall be subject to the approval of the Federal farm loan board and within the limitation and restrictions of the law.

Eighth. It shall have power, subject to the approval of the Federal farm loan board, to act upon all propositions which will aid the Federal land banks to cooperate in conducting the business which they are authorized by this act to perform, with a view to standardizing business methods, appraisements, bookkeeping, forms, records, and any other things which will contribute to the economical administration of such banks, the welfare of borrowers, the security of investors, and to the prosperity of agriculture.

Ninth. To exercise, by its board of directors or duly authorized officers or agents, subject to law, all such incidental powers as shall be necessary to carry on the business herein described.

The funds necessary for the operation of the United Federal land bank shall be contributed by the Federal land banks in such proportions as shall be fixed by the Federal farm loan board, based upon the amount of loans made by such bank.

FEDERAL LAND BANKS.

SEC. 6. That within 30 days after the passage of this act the Federal farm loan board shall divide the continental United States, excluding Alaska, into 12 districts, which shall be known as Federal land bank districts, and shall be designated by number. Said districts shall be apportioned with due regard to the farm-loan needs of the country, the conveniences of borrowers, and the economical administration of Federal land banks. No such district shall contain a fractional part of any State. Said districts may be changed by an act of Congress.

The Federal farm loan board shall establish in each Federal land bank district a Federal land bank, with its principal office located in such city within the district as said board shall designate. Each land bank shall include in its title the number of the district in which it is located, as Federal land bank No. 1, Federal land bank No. 2, and so on, and there shall be no other distinguishing feature in the names of Federal land banks.

Each Federal land bank shall be managed by nine directors. Three of these shall be appointed by the Federal farm loan board and shall be known as public directors, three shall be directed by the shareholders of the founders' capital stock and shall be known as founders' directors, and three shall be elected by the advisory council of each Federal land bank and shall be known as borrowers' directors: *Provided*, That borrowers' directors shall be appointed in the first instance by the Federal farm loan board and shall continue in office until their successors shall be elected by the advisory council of each Federal land bank. Not more than one borrowers' director or one public director shall be a resident, when appointed, of any one State, except in case a Federal land-bank district shall contain less than three States.

No person shall be eligible to the office of borrowers' director unless he shall be experienced in practical farming and at the time of his appointment actually engaged in farming operations within the State of which he is a resident. No director of a Federal land bank shall act as an officer, director, or employee of any other bank.

Directors of Federal land banks shall receive, in addition to any compensation otherwise provided, a reasonable allowance for necessary expenses in attending meetings of their respective boards, to be paid by the respective Federal land banks. Any compensation that may be provided by boards of directors of Federal land banks for directors, officers, or employees shall be subject to the approval of the Federal farm-loan board.

When \$500,000 shall have been subscribed to the founders' shares of the operating capital stock of a Federal land bank, the Federal farm-loan board shall appoint three of such subscribers to constitute an organization committee, one of whom said board shall designate as

chairman and another as secretary of such committee. The chairman shall call a meeting of the persons whose subscriptions to such stock shall have been accepted by the Federal farm-loan board and give notice to each subscriber by registered letter, addressed to the post office given in making such subscription. Such letter shall be mailed at least 10 days before the time set for such meeting. The chairman and secretary of such organization committee shall act as chairman and secretary, respectively, of the meeting of subscribers to such capital stock. Every subscriber shall have votes in proportion to the number of shares of stock for which he has subscribed. At such meeting the subscribers shall elect three directors of such bank. Within 10 days after the election and appointment of said nine directors they shall meet at such time and place as shall be fixed by the Federal farm-loan board and elect, from their number, a president, vice president, secretary, and treasurer.

The organization committee shall receive such compensation as shall be fixed by the Federal farm-loan board, and the same shall be paid by the Federal land bank organized by it.

That at any time after its organization any person may make application to the Federal farm-loan board to become subscribers to the founders' shares of the operating capital stock of any Federal land bank at not less than the par value thereof in lieu of any portion of such stock held by the United States. Should such application be approved by the Federal farm-loan board the Secretary of the Treasury shall surrender to such bank such portion of its stock as the applicant applied to purchase, on the payment to such bank the price therefor, which shall be approved by the Federal farm-loan board. Thereupon the stock of the United States to the amount so surrendered shall be canceled, reissued, and delivered to such applicant. The said bank shall thereupon pay to the Secretary of the Treasury the par value of said stock. Any premium paid on said stock to said bank shall be placed in the guaranty capital thereof.

Said directors shall, under their hands, forthwith make an organization certificate, which shall specifically state:

First. The name assumed by such bank.
Second. The district within which its operations are to be carried on and the particular city in which its principal office is to be located.
Third. The amount of capital stock and the number of shares into which the same is to be divided.

Fourth. The fact that the certificate is made to enable such persons to avail themselves of the advantages of this act.

The organization certificate shall be acknowledged before a judge of some court of record or notary public, and shall be, together with the acknowledgment thereof, authenticated by the seal of such court or notary, transmitted to the farm-loan commissioner, who shall record and carefully preserve the same in his office, where it shall be at all times open to public inspection.

The Federal farm-loan board is authorized to direct such changes in or additions to any such organization certificate as it may deem necessary or expedient.

Upon duly making and filing such organization certificate the bank shall become, as from the date of the execution of its organization certificate, a body corporate, and as such, and in the name designated in the organization certificate, it shall have power—

First. To adopt and use a corporate seal.
Second. To have succession until it is dissolved by act of Congress or under the provisions of this act.
Third. To make contracts.
Fourth. To sue and be sued, complain and defend, in any court of law or equity, as fully as natural persons.
Fifth. To elect or appoint directors, and by its board of directors to elect a president and a vice president, appoint a secretary and a treasurer and other officers and employees, define their duties, require bonds of them and fix the penalty thereof; by action of its board of directors dismiss such officers and employees, or any of them, at pleasure, and appoint others to fill their places.

Sixth. To prescribe, by its board of directors, subject to the supervision and regulation of the Federal farm-loan board, by-laws not inconsistent with law, regulating the manner in which its stock shall be transferred, its directors elected, its officers elected or appointed, its property transferred, its general business conducted, and the privileges granted to it by law exercised and enjoyed.

Seventh. To do such other acts as shall be authorized by law and exercise, by its board of directors or duly authorized officers or agents, subject to law, all such incidental powers as shall be necessary to carry on the business herein described.

POWERS OF FEDERAL LAND BANKS.

SEC. 7. That every Federal land bank shall have power, subject to the limitations and requirements of this act—

First. To issue through the united Federal land bank, subject to the approval of the Federal farm-loan board, and to sell, farm-loan bonds of the kinds authorized in this act, to buy the same for its own account, and to retire the same at or before maturity.

Second. To invest such funds as may be in its possession in the purchase of qualified first mortgages on farm lands situated within the Federal land bank district within which it is organized or for which it is acting.

Third. To receive and to deposit in trust with the Federal fiduciary agent for the district, to be by him held as collateral security for farm loan bonds, first mortgages upon farm land qualified under section 12 of this act, and to collect the dues, interest, amortization installments, and other sums payable under the terms, conditions, and covenants of the mortgages and of the bonds secured thereby.

Fourth. To receive and to set apart for expenses and profits the excess of interest payments on mortgages above the interest payments on farm loan bonds for which said mortgages are held as collateral security.

Fifth. To acquire and dispose of—
(a) Such property, real or personal, as may be necessary or convenient for the transaction of its business, which, however, may be in part leased to others for revenue purposes.

(b) Parcels of land mortgaged to it as security.
(c) Parcels of land acquired in satisfaction of debts or purchased at sales under judgments, decrees, or mortgages held by it. But no such bank shall hold title and possession of any real estate purchased or acquired to secure any debt due to it for a longer period than five years except with the special approval of the Federal farm-loan board in writing.

Sixth. To deposit its securities and its current funds subject to check with its depository or depositories as prescribed by this act, and to receive interest on the same as may be agreed.

Seventh. To buy and sell United States bonds.

RESTRICTIONS ON FEDERAL LAND BANKS.

SEC. 14. That no Federal land bank shall have power—
First. To accept deposits or to transact any banking or other business not expressly authorized by the provisions of this act.

Second. To loan on first mortgage except as provided in this act.
Third. To accept any mortgages on real estate except first mortgages created subject to all limitations imposed by this act.

CAPITAL OF FEDERAL LAND BANKS.

SEC. 8. That every Federal land bank shall have three kinds of capital, namely: Operating capital, reserve capital, and guaranty capital.

First. Every Federal land bank shall have operating capital stock of \$1,000,000, which shall be divided into 100,000 shares of \$10 each. Fifty thousand shares shall be known and designated as founders' shares and 50,000 shares shall be known and designated as public shares. Founders' shares may be subscribed for by any individual or by the United States. Public shares may be subscribed for only by the United States. The Secretary of the Treasury is hereby authorized and directed for and in behalf of the United States to subscribe for 50,000 public shares in the operating capital stock of every Federal land bank, and pay for the same out of any funds in the Treasury not otherwise appropriated, and there is hereby appropriated \$6,000,000 for such purpose.

Within 30 days after organization of the Federal farm-loan board it shall open books of subscription for founders' shares of the operating capital stock of every Federal land bank. If within 90 days thereafter 50,000 shares of such stock shall not have been subscribed, the Secretary of the Treasury, for the United States, shall subscribe for the remainder thereof. He shall pay for the same out of any funds in the Treasury not otherwise appropriated.

No dividends shall be paid upon the public shares of stock owned by the Government of the United States. Dividends upon the founders' shares of stock shall be paid in the same amount as shall be paid upon shares of stock in the reserve capital of each Federal land bank.

The operating capital of any Federal land bank may be increased on petition of its directors and on the approval of the Federal farm loan board: *Provided*, That said board shall not authorize the increase of the operating capital stock of any such bank to an amount that shall be more than one-twentieth of the reserve capital stock of said bank: *Provided further*, That should said board at any time authorize the increase of the operating capital stock of any Federal land bank, the original subscribers to such stock shall have a preferred right to subscribe for any increase in such stock under such rules and regulations as shall be prescribed by said board.

The Federal farm-loan board is authorized to prescribe the times and conditions of the payment of subscriptions to capital stock, to reject any subscription in its discretion, and to require subscribers to furnish adequate security for the payment thereof.

Founders' shares of stock owned by the United States shall be voted by the farm-loan commissioner, as directed by the Federal farm-loan board.

Second. Every Federal land bank shall have a reserve capital equal to at least 5 per cent of its outstanding loans. Every person applying for a loan from any Federal land bank shall also apply for the purchase of stock in said bank in an amount equal to 5 per cent of the amount of his loan. He shall also authorize the bank to retain out of the proceeds of his loan, in full payment for such stock, a sum of money equal to 5 per cent of the amount of the loan granted under said application and shall authorize the bank to cancel such stock on the payment of his loan. The reserve capital stock of every Federal land bank shall be divided into shares of \$1 each, which shall not be assigned or hypothecated in any manner whatever. Said stock shall be held by said bank as collateral security for the payment of said loan and for the payment of the loans of others, as provided in this act. When any loan is paid in full, the reserve stock held by the borrower shall be canceled and retired, and the borrower shall be paid the face value thereof. Semiannual dividends shall be paid on reserve capital stock in an amount equal to the semiannual interest rate on the loan of the holder of the stock, which dividend shall be cumulative.

The reserve capital and the guaranty capital of every Federal land bank shall be managed separately and apart from other funds and shall constitute a trust fund for the use and benefit of the owners of Federal land-bank bonds and to secure the payment of such bonds, together with the interest thereon. Should any borrower fail to pay when due the interest on his loan, or the principal thereof, the Federal land bank in which said borrower holds reserve stock may enforce the lien on the reserve capital stock held by such borrower. Should such borrower at any time thereafter meet his obligations to said bank in full, so far as they may be due at any time the said bank shall restore to said borrower such portion of his reserve capital stock which had been used to make good his defaults as aforesaid.

The reserve capital stock held by any borrower in a Federal land bank shall not be utilized to meet the default or defaults of other borrowers until said bank shall have first used its entire guaranty capital stock in making good its obligation due on farm-mortgage bonds.

When any portion of the reserve capital or of the guaranty capital of any Federal land bank has been used to pay the interest or principal on any mortgage or mortgages upon which the borrower or borrowers are in default, and thereafter such borrower or borrowers shall meet such default or defaults, through voluntary payment or foreclosure proceedings, the sum or sums so paid or so recovered shall be credited to the guaranty capital or reserve capital of such bank in proper proportion, and each borrower whose reserve capital stock may have been used in part to meet the original default in such cases shall be given due credit on the reserve capital stock held by him in such bank.

Third. That every Federal land bank shall have guaranty capital as follows:

First. Every Federal land bank shall set aside as a part of its guaranty capital, from the annual interest payment of each borrower, a sum equal to one-fourth of 1 per cent of the amount of each loan until the operating capital, the reserve capital, and the guaranty capital of such bank combined shall be a sum equal to 10 per cent of the outstanding bonds of such bank, and thereafter only when necessary to maintain a like ratio between the outstanding bonds of such bank and the total amount of its operating capital, reserve capital, and guaranty capital.

Second. Six millions of dollars is hereby appropriated, out of any funds not otherwise appropriated, which shall become a part of the guaranty capital of the 12 Federal land banks created by this act, which sum shall be divided equally between said banks. The Secretary of the Treasury is hereby authorized and directed to pay to each Federal land bank \$500,000, which shall become a part of the guaranty capital of said bank.

The guaranty capital shall be a trust fund to insure the payment of the farm-mortgage bonds issued by each Federal land bank and for the

use and benefit of owners of such bonds who shall have a first and prior lien thereon over all other creditors of such bank. It shall be deposited in one or more of the depositories of the Federal land bank, secured by an equal amount of farm-loan bonds or United States bonds, and, as soon thereafter as possible, shall be invested in farm-loan bonds or United States bonds, which shall be deposited for safe-keeping in such way as shall be prescribed by the Federal farm-loan board. The funds constituting the reserve capital of any Federal land bank shall be under the joint control of such bank and the Federal fiduciary agent for such bank.

The guaranty capital of every Federal land bank shall constitute the first and primary fund upon which such bank shall draw to meet the payments of any bond or interest thereon issued for it when such payments can not be met through funds otherwise provided herein. After any Federal land bank has exhausted its guaranty capital in the payment of its bonds and interest thereon it may then use its reserve capital to meet any of its obligations due on farm mortgage bonds.

It shall be unlawful for any Federal land bank, or any officer, director, or employee thereof to use or appropriate any part or portion of the funds constituting the reserve capital or the guaranty capital of any Federal land bank for any other purpose than herein provided. It shall be the duty of the Federal land bank board to provide special rules and regulations for safeguarding the reserve capital and the guaranty capital: *Provided*, That when the reserve capital, the guaranty capital, and the operating capital of any Federal land bank combined shall be equal to 10 per cent of the outstanding bonds of any Federal land bank, and so long as the same shall remain equal to 10 per cent of the outstanding bonds of any Federal land bank the annual contributions of borrowers to the guaranty capital shall be placed in the general fund of such bank and be used in the payment of dividends on founders' shares and shares in the reserve capital, or for any other purpose for which such fund may be used under the terms of this act.

FEDERAL LAND BANK ADVISORY BOARDS.

SEC. 9. That an advisory board for each Federal land bank is hereby created. Each State council of Federal land bank associations shall elect three members of such advisory boards. The advisory board of each Federal land bank shall meet annually at the office of the Federal land bank of such district unless otherwise ordered by such bank and the chairman of the board of directors of such bank, or in his absence some other director of such bank shall act as chairman of the advisory council, and said council shall consider matters which have for their object the success of the land-credit system hereby established and the welfare of the borrowers of such banks. It shall be the special duty of members of said advisory council to present matters which are of special interest or importance to the borrowers in the States they represent. The advisory council may be in session three days, unless additional time be granted by the Federal farm loan board. The Federal land bank shall pay the reasonable expenses of the members of such council in coming from their homes to attend such meetings, and also in returning thereto, and in addition thereto shall pay to such members a reasonable per diem for the time occupied in attending such meetings.

Should the advisory council make any recommendation to such bank in the interest of the borrowers from said bank which shall not be followed by said bank, the council, through its vice chairman, may appeal the matter to the Federal farm loan board. If the matter appealed from be within the power of the Federal farm loan board, or something over which it has jurisdiction, it may by order require the Federal land bank to comply with the recommendation of the advisory council.

FEDERAL LAND BANK DEPOSITORIES.

SEC. 10. That prior to commencing business as herein provided every Federal land bank shall select one or more Federal reserve banks, or member banks thereof, or other banks or trust companies, to be approved by the Federal farm loan board, as a depository or depositories, in which the said Federal land bank shall deposit all its funds of every kind and character, and no part or portion of such fund shall be withdrawn from such depository or depositories except on check or order signed by the secretary of such bank and countersigned by the president of such bank: *Provided*, That any funds which are, by the terms of this act, designated as trust funds shall not be withdrawn from any such depository or depositories except on check or order signed by the secretary of such bank and countersigned by both the president of such bank and the Federal fiduciary agent for such Federal land bank district. From time to time additional depositories may be designated on the approval of the Federal farm loan board. Every bank or other institution acting as a depository for the funds of any Federal land bank shall pay interest upon such deposits, payable semiannually, based upon the average daily balances. Every such depository shall secure the deposits of Federal land banks by delivering to such banks United States Government bonds, Federal farm-loan bonds, or other collateral security approved by the Federal farm loan board. Such security in amount shall be such as shall be required by the Federal farm loan board.

BANKS AUTHORIZED AGENCIES OF FEDERAL LAND BANKS.

SEC. 11. That all national banks and all State banks, including trust companies and savings banks, are hereby authorized to act as agencies for Federal land banks in receiving and transmitting applications for loans, in furnishing information as to the value of lands covered by applications for loans or other information relative thereto; to receive from Federal land banks the proceeds of any loan and pay the same to mortgagors or to the order of mortgagors, to sell Federal farm-loan bonds, and to do such other acts as shall be authorized by any Federal land bank, subject to the approval of the Federal farm loan board: *Provided*, That every such bank authorized to act as aforesaid as the agent of any Federal land bank shall furnish such security to the Federal land bank for which it may act as shall be prescribed by the Federal farm loan board.

For services rendered by any bank under the foregoing provisions Federal land banks are authorized to pay to such bank such sum as shall be fixed by the general council of Federal land banks, subject to approval by the Federal farm-loan board.

It shall be unlawful for any director, officer, or employee of any bank to make any charge or to receive or accept any pay whatsoever from any person who is an applicant for a loan from a Federal land bank in securing such loan.

It shall be unlawful for any director, clerk, officer, or employee of any Federal land bank, either directly or indirectly, to secure loans from any Federal land bank, or to be interested financially therein, or to have any interest whatever in any bond or other security issued under the provisions of this act, or to be in any way personally interested in any of the business transactions of any Federal land bank. No bank shall be held responsible for any information he may give to any Federal land bank as to the value of any tract of land upon which an

application for loan is pending, unless it shall be shown that such bank did not furnish such information in good faith, but with the intention of defrauding the Federal land bank for which it was furnished.

FEDERAL FARM LOAN ASSOCIATIONS.

SEC. 12. That corporations to be known as Federal farm-loan associations shall be organized as hereinafter prescribed. When five or more persons in any county shall have secured loans from any Federal land bank, such bank shall appoint three of such persons as directors of the Federal farm loan association of such county. Such directors shall hold their offices until their successors shall be duly elected at any regular meeting of the members of such association. The Federal farm-loan board shall prepare a form of an organization certificate to be used in the incorporation of Federal farm-loan associations. At least two of such forms shall be transmitted to the persons so appointed as directors by the Federal land bank. Such directors shall sign such organization certificate and duly acknowledge the same before a notary public or some other officer duly authorized in such county to administer oaths. Such certificate shall be transmitted to the Federal farm-loan board, and a copy thereof shall be transmitted to the Federal land bank of such district.

If the Federal farm-loan board shall find that such organization certificate shall be duly executed and in proper form it shall approve the same and issue to said association a charter or certificate of its incorporation, and said Federal farm-loan association shall become a corporation as of the date of the acknowledgment of its organization certificate.

Every person who shall obtain a loan from any Federal land bank shall thereby become a member of the Federal farm-loan association of the county in which the land mortgaged to secure such loan shall be located, and in his application for loan he shall accept membership in such association, under the terms and conditions as prescribed in this act. He shall also, in such application, agree to assume all of the responsibilities and liabilities of such membership. He shall be entitled to all the advantages and benefits of membership in such association without the payment of any fee, commission, or assessment of any kind or character, except as provided in this act. His membership in such association shall continue until the payment in full of his loan, at which time his membership therein shall cease.

Federal farm-loan associations shall have no capital stock and shall not be conducted for profit. Their objects shall be to assist in the administration of the system of land credits established by this act, to assist Federal land banks in conducting their business, and to provide an organization through which and by which the members thereof shall cooperate with each other in securing credit, in the payment of their loans, and in other proper lines for their mutual benefit and for the promotion of agricultural development.

The directors elected at the first election of any Federal farm-loan association shall hold their offices for one, two, and three years, respectively. Thereafter directors shall hold office for terms of three years each. The directors shall serve without pay. Any Federal land bank may, however, employ any director or member of any Federal farm loan association and pay him for such service. One of the directors shall be designated as chairman, one as vice chairman, and one as secretary-treasurer. Such officers shall perform such duties as are customary for such officers to perform and such other duties as may be prescribed by such association.

Every Federal farm-loan association shall adopt by-laws and rules for its government on such form as shall be prepared and approved by the Federal farm loan board.

Every Federal farm-loan association shall appoint one or more appraisement committees consisting of three members, who shall perform such duties in the appraisement of land offered as security for loans in said county as shall be prescribed by the Federal farm loan board.

Federal farm-loan associations shall have power to adopt and use a corporate seal, to have succession until dissolved by act of Congress or under the provisions of this act, to sue and be sued, complain and defend, in any court of law or equity, as fully as natural persons, to do any other act prescribed by law and to make such contracts as may be prescribed by the Federal farm-loan board.

The directors of Federal farm-loan associations shall meet at such time and place as shall be designated by the chairman of the board. A majority of such board shall constitute a quorum for the transaction of such business.

The members of every Federal land-bank association shall meet every three months in regular meeting. Special meetings may be called by the chairman of the board of directors. A majority of such members shall constitute a quorum. The officers of the board of directors shall be the officers of the general assembly of the members of the Federal farm-loan association. In all meetings of Federal farm-loan associations each member thereof shall have one vote.

Until such time as borrowers in any county or parish shall be organized as provided in this section, the individual borrowers in such county shall be regarded as a national farm-loan association, and all the provisions in this act in any way referring to national farm-loan associations shall be held to refer to individual borrowers in any county before organized as herein provided.

Where it shall be determined by any Federal land bank that a county includes a larger area than should be included in a single national farm-loan association, such county may be subdivided into more than one district, and a national farm-loan association may be organized in each of said subdivisions, and each of such subdivisions shall be held to constitute a county so far as the provisions of this act shall relate to the organization and administration of national farm-loan associations and the liabilities of the members thereof.

MUTUAL PROTECTIVE FUND.

SEC. 13. That a separate account shall be kept by every Federal land bank of dividends due to the members of each Federal land-bank association. The dividends due any borrower shall not be paid to him in cash until such dividend shall be an amount equal to 1 per cent of the face value of his loan, but shall be placed to the credit of the member, and also to the credit of such Federal land-bank association, and so remain until the loan of such member shall be paid, unless paid out as herein provided. The amounts so credited shall be known as the mutual protective fund. Such dividends shall draw interest in favor of the member at the annual rate the bank receives thereon from its depository or depositories. Should any member of any Federal land-bank association at any time be in default in the payment of interest due on his loan, he may apply to his association for financial assistance; and should the said association by majority vote of its members act favorably thereon, said association shall direct the Federal land bank holding such loan to pay the interest in default as aforesaid and charge the same to the mutual protective fund of such association.

ASSOCIATION DISTRICTS.

SEC. 14. That every Federal land bank shall divide each State included in the Federal land-bank district in which it is located into as many divisions as there shall be congressional districts in said State at the time of the passage of this act, and said districts shall be known as "association districts." They shall be formed with a view to the convenience of members of Federal land-bank associations and with a view to providing facilities of transportation for such members in attending meetings of the district council of such associations, but no association district shall contain a fractional part of a county. The chairmen of the boards of directors of the Federal land-bank associations within each association district shall constitute the district council of Federal land-bank associations. The district council of each Federal land bank association shall meet annually at such time and place as shall be designated by the Federal land bank of the Federal bank district in which such association is located. One of the directors of such Federal land bank shall meet with the district council of Federal land-bank associations and shall act as chairman of such council. Such district council may take under consideration any matter which may aid borrowers in the payment of their obligations to the Federal land bank or that may in any way contribute to the well-being of such borrowers or to the success of the land-credit system established by this act. It shall be the duty of every Federal land bank through the district councils of Federal land-bank associations to render every assistance possible to the borrowers of such bank and to encourage and enable such borrowers to use the system of land credit established by this act for the promotion of agricultural expansion and prosperity and to contribute to the welfare of its borrowers.

The Federal land bank of such district shall pay the chairman of the board of directors of each Federal land-bank association his reasonable expenses in attending such meetings and may also pay him reasonable compensation for the time necessarily occupied. District associations may be in session three days.

STATE COUNCIL OF ASSOCIATIONS.

SEC. 15. That there is hereby established in each State a State council of Federal land bank associations, which shall be composed of two delegates from each district council of Federal land bank associations. State councils shall be held at such time and place as shall be fixed by the Federal land bank of each district. At the annual meeting of the district councils of Federal land bank associations such councils shall each elect two delegates to the State council of the Federal land bank associations of such State. When practicable one of the directors of the Federal land bank of the district shall attend each State council of Federal land bank associations, and when so attending shall act as chairman of said council. It shall be the duty of said chairman to bring before the council such matters as in his judgment will contribute to the success of the land credit system established by this act, that will contribute to the agricultural development of such State, that will prosperify the borrowers from the Federal land bank, or that will enable such borrowers to meet their obligations to such bank or add to their general welfare. Each State council of Federal land bank associations shall elect two members of the advisory board of each Federal land bank. The Federal land bank shall pay the reasonable expenses of the delegates to the State council of the Federal land bank association and allow them a reasonable compensation for the time occupied in attending the meetings of the said association.

RESPONSIBILITY OF BORROWERS.

SEC. 16. That the responsibility of borrowers from Federal land banks shall be as follows:

First. Every borrower from any Federal land bank shall be held individually responsible, equally and ratably and not one for another, for all contracts, debts, and engagements of every other borrower from said land bank to the amount of his stock in the reserve capital thereof. Such stock shall be held as collateral security for the responsibility herein prescribed: *Provided*, That the responsibility of one borrower for another, as prescribed in this section, shall be limited, restricted, and enforced as hereinafter set forth.

Second. Primarily, the responsibility of one borrower for another or others as set forth in this section shall be held to apply and shall be enforced as follows:

First, as between members of each Federal land bank association;

Second, as between members of Federal land bank associations comprised in each association district;

Third, as between members of Federal land bank associations in each State;

Fourth, as between members of all the Federal land bank associations in each Federal land bank district.

INTEREST ON BONDS AND MORTGAGES.

SEC. 17. That the rate of interest charged by Federal land banks on farm loans shall be uniform throughout the United States. The rate of interest which farm loan bonds bear shall be uniform.

Before any Federal land bank shall make any farm loan the board of directors of the united Federal land bank, with the approval of the Federal farm loan board, shall establish a uniform rate of interest which every Federal land bank shall charge on farm loans until such time as the said board of directors, with the approval of the Federal farm loan board, shall establish a different uniform rate of interest which Federal land banks shall charge upon farm loans. Neither the board of directors of the united Federal land bank nor the Federal farm loan board shall have power to authorize any Federal land bank to charge a rate of interest on farm loans which in any way varies from the uniform rate charged by other Federal land banks established under the foregoing provisions.

Before the united Federal land bank shall issue any farm loan bond the board of directors thereof, with the approval of the Federal farm loan board, shall establish a uniform rate of interest which all farm mortgage bonds issued for and in behalf of Federal land banks shall bear, until such time as the directors of the united Federal land bank and said board shall establish another or different rate of interest which farm loan bonds issued by such bank shall bear. Neither the board of directors of the united Federal land bank nor the Federal farm loan board shall have power to authorize any Federal land bank to issue farm loan bonds bearing any other interest rate than the uniform rate established aforesaid. No farm mortgage bond shall bear interest in excess of 4 per cent per annum.

The annual interest charge, including amortization payments, upon any farm loan made by any Federal land bank shall not exceed 5 per cent upon the face of the loan. Interest shall be paid semiannually. From the annual interest payment of every borrower from any Federal land bank, such bank shall set aside an amount equal to at least one-half of 1 per cent of the face of the loan as a payment on the principal,

which amount shall be placed in the sinking fund and used as provided in this act.

From the annual interest payment of every borrower from a Federal land bank an amount equal to one-fourth of 1 per cent of the face of the loan shall be placed in the guaranty capital as provided in this act.

From the annual interest payment of every borrower from a Federal land bank an amount equal to one-fourth of 1 per cent of the face of the loan shall be set aside by such bank to be used in the payment of the administration expenses of such bank, in the payment of dividends, and for any other purpose that may be authorized by law.

No Federal land bank shall sell its farm-loan bonds at less than par value unless authorized to do so by the united Federal land bank, with the approval of the Federal farm-loan board.

Should it be necessary at any time, in order to secure the proper sale of farm-loan bonds, that such bonds shall be sold at less than their par value, the united Federal land bank, by its board of directors, may, with the approval of the Federal farm-loan board, establish a uniform rate of discount at which every Federal land bank shall sell farm-loan bonds issued for and in its behalf and thereafter, until otherwise ordered by the united Federal land bank, with the approval of the Federal farm-loan board, every Federal land bank shall sell such bonds so issued for it at the rate of discount so fixed.

SINKING FUND.

SEC. 18. That all amortization payments on the principal of any mortgage shall be set apart into a separate fund, to be known as the sinking fund, and is hereby declared to be a trust fund. The sinking fund shall be used for no purpose except for the payment, redemption, and retirement of the Federal farm-loan bonds issued by Federal land banks. The sinking fund of every Federal land bank shall be deposited in one or more of the depositories thereof, which shall pay interest thereon, payable semiannually, said interest to be paid upon the average daily balances in such fund for the six months immediately preceding the interest payment. Such interest shall be credited to such fund and become a part thereof. Such deposits shall be secured by United States Government bonds or Federal farm-loan bonds equal in amount to the sinking fund on deposit in any such depository.

The Federal farm-loan board shall prescribe rules and regulations which shall control every Federal land bank in its method and manner of selecting Federal farm-loan bonds for retirement or payment.

Every six months every Federal land bank shall call for payment or retirement Federal land-bank bonds equal in amount to the total sinking fund on hand at that time.

FARM-LOAN BONDS.

SEC. 19. That farm-loan bonds shall be issued in the name of the united Federal land bank for and in behalf of the Federal land bank asking for their issue, and the name of such bank shall plainly appear on the face thereof. All farm-loan bonds shall be secured as hereinafter provided in this section, and the facts showing such security shall be clearly stated on the face of said bond.

Farm-loan bonds issued by the united Federal land bank for and in behalf of any Federal land bank shall be secured—

First. By the farm mortgages deposited as collateral security therefor and by the reserve capital, the guaranty capital, and the operating capital of such bank; and the owners of farm-loan bonds issued for and in behalf of any Federal land bank shall have a first and prior lien over all other creditors upon farm mortgages so deposited and, subject to the proviso next following, upon such reserve capital, guaranty capital, and operating capital for the payment of said bonds: *Provided*, That the foregoing provision shall be subject to the right of any Federal land bank to use any part or portion of its reserve capital, guaranty capital, and operating capital, or any other fund or asset it may have, except farm mortgages deposited as collateral security for the payment of any issue of farm-mortgage bonds, to meet the default in the interest payment on the bonds of any other Federal land bank and to meet the obligations, contracts, and debts of any other Federal land bank, in case of the insolvency thereof, as provided hereinafter in this section.

Second. By any other fund, capital, or asset of such Federal land bank in common with the claims of other creditors.

Third. By the reserve capital, the guaranty capital, the operating capital, and other assets of all other Federal land banks; and the owners of farm-loan bonds issued for and in behalf of one Federal land bank shall have a first and prior lien over all other creditors, except the owners of the farm-loan bonds of such banks, upon the operating capital, the reserve capital, and the guaranty of all other Federal land banks for the payment of such bonds.

Fourth. Every Federal land bank shall be primarily liable for farm-loan bonds issued for it and in its behalf and shall also be liable, upon presentation of farm-loan bond coupons, for interest payments due upon any farm-loan bonds issued by other Federal land banks and remaining unpaid in consequence of the default of such other land banks; and every such bank shall likewise be liable for such portion of the principal of farm-loan bonds so issued as shall not be paid after the assets of any such other land banks shall have been liquidated and distributed: *Provided*, That such losses, if any, either of interest or of principal, shall be assessed by the Federal farm-loan board against solvent land banks liable therefor in proportion to the amount of farm-loan bonds which each may have outstanding at the time of such assessment.

In the organization certificate of every Federal land bank the subscribers shall set forth that the liabilities prescribed in this section are fully assumed as one of the conditions upon which said bank shall be organized.

Every Federal land bank before commencing business shall, by appropriate action of its board of directors, in such form as shall be prescribed by the Federal farm-loan board, duly recorded in its minutes, obligate itself to become liable on farm loan bonds as prescribed in this section.

The form of farm-loan bonds issued by a Federal land bank shall include, among other provisions, a copy or synopsis of this section of this act and a statement that the assets of all the Federal land banks are jointly and severally liable for the payment of each bond, and shall further state the physical basis of such bonds in farm lands and such other information as may be prescribed by the Federal farm-loan board.

APPLICATIONS FOR FARM-LOAN BONDS.

SEC. 20. That any Federal land bank which shall have voted to issue farm-loan bonds under this act shall make written application to the Federal farm-loan board, through the Federal fiduciary agent of the district, for approval of such issue. With said application said land bank shall tender to said agent as collateral security first mortgages on farm lands qualified under the provisions of section 12 or section 17 of this act, or United States Government bonds, not less in aggregate amount than the sum of the bonds proposed to be issued. Said bank

shall furnish with such mortgages a schedule containing a description thereof and such further information as may be prescribed by the Federal farm-loan board.

Upon receipt of such application said agent shall verify said schedule and shall transmit said application and said schedule to the Federal farm-loan board, giving such further information pertaining thereto as he may possess. The Federal farm-loan board shall forthwith cause one or more special appraisers to make such investigation and appraisal of the securities tendered as it shall deem wise, and upon receiving a report from said special appraiser or appraisers it shall grant in whole or in part, or reject entirely, such application.

The Federal farm-loan board shall promptly transmit its decision as to any issue of farm-loan bonds to the United Federal land bank, to the land bank applying for the same, and to the Federal fiduciary agent of the district. Said agent shall furnish, in writing, such information regarding any issue of farm-loan bonds as the Federal farm-loan board may at any time require.

ISSUE OF FARM-LOAN BONDS.

SEC. 21. That whenever any Federal fiduciary agent shall receive from the Federal farm-loan board notice that it has approved any issue of farm-loan bonds he shall forthwith take such steps as may be necessary, in accordance with the provisions of this act, to insure the prompt execution of said bonds and the delivery of the same to the land bank applying therefor.

Whenever the Federal farm-loan board shall reject entirely any application for an issue of farm-loan bonds, the first mortgages tendered to the Federal fiduciary agent as collateral security therefor shall be forthwith returned to said land bank by him.

Whenever the Federal farm-loan board shall approve an issue of farm-loan bonds, the Federal fiduciary agent having the custody of the first mortgages and bonds tendered as collateral security for such issue of bonds shall retain in his custody those first mortgages and bonds which are to be held as collateral security, and shall return to the bank owning the same any of said mortgages and bonds which are not to be held by him as collateral security. The land bank which is to issue said farm-loan bonds shall transfer to said Federal fiduciary agent, by assignment in trust, all first mortgages and bonds which are to be held by said agent as collateral security, said assignment providing for the right of redemption at any time by payment as provided in this act and reserving the right of substitution of other mortgages qualified under section 12 or section 17 of this act. Said mortgages shall be deposited in such deposit vault or bank as the Federal farm-loan board shall approve, subject to the control of said agent and in his name as trustee for the bank issuing the farm-loan bonds and for the prospective holders of said farm-loan bonds.

No mortgage shall be accepted by a Federal fiduciary agent from a Federal land bank as part of an offering to secure an issue of farm-loan bonds, either originally or by substitution, except first mortgages made subject to the conditions prescribed in said sections 12 or 17.

It shall be the duty of each Federal fiduciary agent to see that the farm-loan bonds delivered by him and outstanding do not exceed the amount of collateral security pledged therefor. Such agent may, in his discretion, temporarily accept in place of mortgages withdrawn United States Government bonds, farm-loan bonds, or cash.

The Federal farm-loan board may, at any time, call upon any land bank for additional security to protect the bonds issued by it.

FORM OF FARM-LOAN BONDS.

SEC. 22. That all bonds provided for in this act shall be issued under the authority and by the direction of the Federal farm loan board. They shall be issued in denominations of \$25, \$50, \$100, \$500, and \$1,000. They shall run for specified minimum and maximum periods, subject to be paid and retired at the option of the land bank at any time after their issue. They shall have interest coupons attached, payable semiannually, and shall be issued in series of not less than \$50,000, whose amount and term shall be fixed by the Federal farm loan board. They shall bear a rate of interest not to exceed 4 per cent per annum.

The Federal farm loan board shall prescribe rules and regulations concerning the circumstances and manner in which farm loan bonds shall be paid and retired under the provisions of this act.

Farm loan bonds shall be delivered through the Federal fiduciary agent of the district to the bank applying for the same.

In order to furnish suitably engraved bonds for delivery to Federal land banks and joint-stock land banks, the Comptroller of the Currency shall, under the direction of the Secretary of the Treasury, cause plates and dies to be engraved in the best manner to guard against counterfeits and fraudulent alterations, and shall have printed therefrom a numbered such quantities of such bonds of the denominations of \$25, \$50, \$100, \$500, and \$1,000 as may be required to supply such land banks. Such bonds shall be in form and tenor as directed by the Federal farm loan board under the provisions of this act, and shall bear the distinctive numbers and names of the several land banks by which they are issued. They may be exchanged into registered bonds of any amount and reexchanged into coupon bonds, at the option of the holder, under rules and regulations to be prescribed by the Federal farm loan board.

When such bonds have been prepared they shall be deposited in the Treasury, or in the subtreasury or mint of the United States nearest the place of business of each land bank, and shall be held for the use of such bank, subject to the order of the farm loan registrar of the district.

The plates and dies to be procured by the Comptroller of the Currency for the printing of such bonds shall remain under his control and direction, and the expenses necessarily incurred in executing the laws relating to the preparation of such bonds and all other expenses incidental to their issue and retirement shall be paid by the land banks. The Federal farm loan board shall levy semiannually against the respective Federal land banks, in proportion to the issue of bonds by each, a sufficient amount to cover such expenses.

The examination of plates, dies, bed pieces, etc., and regulations relating to such examination of plates, dies, etc., of national-bank notes provided for in section 5174, Revised Statutes, are hereby extended to include bonds herein provided for.

Any appropriation heretofore made out of the general fund of the Treasury for engraving plates and dies, for the purchase of distinctive paper, or to cover any other expense in connection with the printing of paper currency, and any distinctive paper that may be on hand at the time of the passage of this act may be used in the discretion of the Secretary of the Treasury for the purposes of this act, and should the appropriations heretofore made be insufficient to meet the requirements of this act, the Secretary is hereby authorized to use so much of any funds in the Treasury not otherwise appropriated as may be required for the purpose of furnishing the bonds aforesaid, adequate reimbursement being duly made therefor under the provisions of this section.

SEC. 23. That the form of farm loan bonds issued under this act shall be prepared by the Federal farm loan board.

Each bond shall contain a certificate in the face thereof, signed by the farm loan commissioner, to the effect that this bond has the approval in form and issue of the Federal farm loan board and is legal and regular in all respects. It shall be signed by the president of the United Federal land bank and attested by its secretary. It shall contain in the face thereof a certificate, in such form as shall be prescribed by the Federal farm loan board, signed by the president of the Federal land bank for which and in whose behalf said bond was issued, showing in effect that such bond was issued for and in behalf of said bank, and the said bank is bound primarily as prescribed by law for the payment thereof.

Each Federal land bank shall be held to be bound in all respects by the acts of its president in signing farm loan bonds as prescribed in the foregoing paragraph and by the acts of the Federal farm loan board in authorizing their issue, and every Federal land bank shall be held to be bound in all respects by the acts of the president of the United Federal land bank in signing farm loan bonds.

There shall appear on the face of each farm loan bond provided in this act the statement that such a bond is not taxable by national, State, or municipal authority.

AMORTIZATION AND INTEREST PAYMENTS.

SEC. 24. That whenever any Federal land bank shall receive any interest, amortization, or other payment upon any first mortgage pledged as collateral security for the issue of farm loan bonds, it shall forthwith notify the Federal fiduciary agent of the items so received. Said agent shall forthwith cause such payment to be duly credited upon the mortgage entitled to such credit. Whenever any such mortgage is paid in full, said agent shall cause the same to be canceled and delivered to the proper land bank for transmission to the original maker thereof, or his heirs, administrators, or assigns.

Upon written application by any Federal land bank to the Federal fiduciary agent, it may be permitted, in the discretion of said agent, to withdraw any mortgages or bonds pledged as collateral security under this act, and to substitute therefor other mortgages or United States Government bonds not less in amount than the mortgages or bonds desired to be withdrawn, such substituted mortgages being qualified under section 12 or section 17 of this act.

Whenever any farm-loan bonds, or coupons, or interest payments of such bonds, are due under their terms, they shall be payable at the land bank by which they were issued, in gold or lawful money, and upon payment shall be duly canceled by said bank. At the discretion of the Federal farm-loan board, payment of any farm-loan bond or coupon or interest payment may, however, be authorized to be made at any Federal land bank or any other bank under rules and regulations to be prescribed by the Federal farm-loan board.

When any Federal land bank shall surrender to the proper Federal fiduciary agent any farm-loan bonds of any series, canceled or uncanceled, said land bank shall be entitled to withdraw first mortgages and bonds pledged as collateral security for any of said series of farm-loan bonds to an amount equal to the farm-loan bonds so surrendered, and it shall be the duty of said agent to permit and direct the delivery of such mortgages and bonds to such land bank.

Interest payments on hypothecated first mortgages shall be at the disposal of the land bank pledging the same, and shall be available for the payment of coupons and the interest of farm-loan bonds as they become due.

Whenever any bond matures, or the interest on any registered bond is due, or the coupon on any coupon bond matures, and the same shall be presented for payment as provided in this act, the full face value thereof shall be paid to the holder.

Amortization or other payments on the principal of first mortgages held as collateral security for the issue of farm-loan bonds shall constitute a trust fund in the hands of the Federal land bank receiving the same, and shall be applied or employed as follows:

(a) To pay off farm-loan bonds issued by said bank as they mature or as they shall be called for payment by any Federal land bank.

(b) To convert said payment into gold or lawful money.

(c) To deposit in the depository or depositories of such bank on interest, subject to the provisions of this act, until the same shall be used in the payment of farm-loan bonds.

Federal land banks, in the order of their applications, shall have a preference over other subscribers in purchasing the whole or any part of an issue of farm-loan bonds.

Every Federal land bank shall notify the Federal fiduciary agent of the disposition of all payments made on the principal of mortgages held as collateral security for an issue of farm-loan bonds, and said agent is authorized, at his discretion, to order any of such payments or the proceeds thereof, wherever deposited or however invested, to be immediately transferred to his account as trustee aforesaid.

SEC. 25. That the board of directors of every Federal farm-loan association shall appoint one or more appraisal committees, consisting of three persons, which committees may be designated by number. Every application for a loan must be accompanied with an appraisal of the land offered as security by one of such appraisal committees.

Said appraisal committee shall examine the land which is offered as security for the desired loan and shall make a detailed written report, signed by all three members, giving the appraisal of said land as determined by them and such other information as may be required by rules and regulations to be prescribed by the Federal farm-loan board.

The written report of said appraisal committee shall be submitted to the Federal land bank, together with the affidavit provided for in this act, and the directors of said land bank shall examine said written report when they pass upon the loan application which it accompanies, but they shall not be bound by said appraisal.

Before any mortgage loan is made by any Federal land bank it shall refer the application, affidavit, and written report of the loan committee to one or more of the land-bank appraisers appointed under the authority of this act, and such appraiser or appraisers shall investigate and make a written report upon the land offered as security for said loan. No such loan shall be made by said land bank unless said written report is favorable.

Whenever any Federal land bank shall desire to issue farm-loan bonds under the provisions of this act, the Federal farm-loan board shall refer the application of such land bank to one or more of the special appraisers appointed under the authority of section 3 of this act. Such special appraiser or appraisers shall make such examination and appraisal of the mortgages offered as collateral security for such bonds as the Federal farm-loan board shall direct, and shall make a written report to said board. No issue of farm-loan bonds shall be authorized unless the Federal farm-loan board shall approve such issue in writing.

Forms for appraisal reports for farm-loan associations and land banks shall be prescribed by the Federal farm-loan board.

Land-bank appraisers and special appraisers shall make such examinations and appraisals and conduct such investigations concerning farm-loan bonds and first mortgages as the Federal farm-loan board shall direct.

No borrower under this act shall be eligible as an appraiser under this section, but borrowers may act as members of an appraisal committee in any case where they are not personally interested in the loan under consideration. When any member of an appraisal committee or of a board of directors is interested, directly or indirectly, in a loan, a majority of the board of directors of any farm-loan association shall appoint a substitute to act in his place in passing upon such loan.

RESTRICTIONS ON LOANS BASED ON FIRST MORTGAGES.

SEC. 26. That no Federal land bank organized under this act shall make loans except upon the following terms and conditions:

First. Said loans shall be secured by duly recorded first mortgages on farm land within the land-bank district in which the bank shall be situated.

Second. Every such mortgage shall contain an agreement for the payment of interest and for the payment of a fixed number of semiannual installments sufficient to provide for an agreed rate of interest during the term and for the payment of the principal during and at the end of the term on what is known as the amortization plan.

Third. Every such mortgage shall run for a period of at least 5 years and not exceeding 60 years.

Fourth. Every mortgage loan made under this act, for whatever period, shall provide for its extinguishment, at the option of the borrower, in whole or in part, at any date set for the payment of interest after one year from the date upon which said loan was made, as follows:

(a) By the tender at their face value of farm-loan bonds issued by the land bank holding such mortgage, all unmatured coupons being attached to said bonds.

(b) By advance payments in cash in sums of \$25 or any multiple thereof. In such case the Federal land bank receiving such payments shall purchase for its own account, and credit at par upon the mortgage, farm-loan bonds in suitable amounts and of the proper series; said land bank may call, as may be necessary, farm-loan bonds in suitable amounts and of the proper series, and when such calls shall have become effective shall credit such payments on such mortgage.

Fifth. The rate of interest charged for such loans, including the annual amortization payment and all other annual or semiannual charges thereon, shall not exceed 5 per cent per annum.

Sixth. No such loan shall exceed 55 per cent of the value of the land mortgaged, said value to be ascertained by appraisal, as provided in this act.

In making said appraisal the actual earning power of said land shall be a principal factor. A reappraisal may be permitted at any time in the discretion of the Federal land bank, and such additional loan may be granted as such reappraisal will warrant under the provisions of this paragraph. Whenever the amount of the loan applied for exceeds the amount that may be loaned under the appraisal as herein limited, such loan may be granted to the amount permitted under the terms of this paragraph without requiring a new application or appraisal.

Seventh. The amount of loans to any one borrower shall in no case exceed a maximum of \$10,000.

Eighth. Every applicant for a loan under the terms of this act shall make application on a form to be prescribed for that purpose by the Federal farm-loan board, and such applicant shall state the objects to which the proceeds of said loan are to be applied and shall afford such other information as may be required.

Ninth. Every borrower shall undertake to pay when due all taxes which may be lawfully assessed against the land mortgaged.

EXEMPTION FROM TAXATION.

SEC. 27. That every Federal land bank and every national farm-loan association, including the capital stock and reserve or surplus therein and the income derived therefrom, shall be exempt from Federal, State, and local taxation, except taxes upon real estate held, purchased, or taken by said bank or association under the provisions of section 11 and section 13 of this act. First mortgages executed to Federal land banks under the provisions of this act, shall be deemed and held to be instrumentalities of the Government of the United States, and as such they and the income derived therefrom shall be exempt from Federal, State, and local taxation.

Farm-loan bonds issued under the provisions of this act and the income derived therefrom shall be exempt from Federal, State, and local taxation.

INVESTMENT IN FARM-LOAN BONDS.

SEC. 28. That farm-loan bonds issued under the provisions of this act by Federal land banks shall be a lawful investment for all fiduciary and trust funds, and may be accepted as security for all public deposits.

Any member bank of the Federal reserve system may buy or sell farm-loan bonds issued under the authority of this act and accept them as collateral security for any loans made.

STATE LEGISLATION.

SEC. 29. That it shall be the duty of the farm loan commissioner to make examination of the laws of every State of the United States and to inform the Federal farm loan board as rapidly as may be whether, in his judgment the laws of each State relating to the conveying and recording of land titles and the foreclosure of mortgages or other instruments securing loans, as well as providing homestead and other exemptions and granting the power to waive such exemptions as respects first mortgages, are such as to assure the holder thereof adequate safeguards against loss in the event of default on loans secured by any such mortgages.

Pending the making of such examination in the case of any State, the Federal farm loan board may declare first mortgages on farm lands situated within such State ineligible as the basis for an issue of farm loan bonds; and if said examination shall show that the laws of any such State afford insufficient protection to the holder of first mortgages of the kinds provided in this act, the said Federal farm loan board may declare said first mortgages on land situated in such State ineligible during the continuance of the laws in question. In making his examination of the laws of the several States and forming his conclusions thereon said farm loan commissioner may call upon the office of the Attorney General of the United States for any needed legal advice or assistance, or may employ special counsel in any State where he considers such action necessary.

At the request of the executive of any State the Federal farm loan board shall prepare a statement setting forth in what respects the requirements of said board can not be complied with under the existing laws of such State.

EXAMINATIONS.

SEC. 30. That the Federal farm loan board shall appoint as many land-bank examiners as in its judgment may be required to make careful examinations of the banks permitted to do business under this act.

Said examiners shall be subject to the same requirements, responsibilities, and penalties as are applicable to national-bank examiners under the national bank act, the Federal reserve act, and other provisions of law. Said examiners shall be required to examine and report the condition of every Federal land bank at least twice each year.

Said examiners shall receive salaries to be fixed by the Federal farm loan board, which shall be paid by the Secretary of the Treasury out of any money in the Treasury not otherwise appropriated.

PENALTIES.

SEC. 31. That any applicant for a loan from a Federal land bank who shall knowingly make any false statements in his application for such loan, and any member of an appraisal committee or any appraiser provided for in this act who shall willfully overvalue any land offered as security for loans under this act shall be deemed guilty of a misdemeanor and shall be imprisoned not exceeding one year or fined not more than \$5,000, or both. Any examiner appointed under this act who shall accept a loan or gratuity from any bank examined by him, or from any person connected with any such bank in any capacity, shall be deemed guilty of a misdemeanor and shall be imprisoned not exceeding one year or fined not more than \$5,000, or both, and may be fined a further sum equal to the money so loaned or gratuity given, and shall forever thereafter be disqualified from holding office as an examiner under the provisions of this act. No examiner shall perform any other service for compensation while holding such office, for any bank or banking or loan association, or for any person connected therewith in any capacity.

Any person who shall falsely make, forge, or counterfeit, or cause or procure to be falsely made, forged, or counterfeited, or willingly aid or assist in falsely making, forging, or counterfeiting any bond, coupon, or paper in imitation of, or purporting to be in imitation of, the bonds or coupons issued by any Federal land bank, now or hereafter authorized and acting under the laws of the United States; or any person who shall pass, utter, or publish, or attempt to pass, utter, or publish any false, forged, or counterfeited bond, coupon, or paper purporting to be issued by any such bank, knowing the same to be falsely made, forged, or counterfeited; or whoever shall falsely alter, or cause or procure to be falsely altered, or shall willingly aid or assist in falsely altering any such bond, coupon, or paper, or shall pass, utter, or publish as true any falsely altered or spurious bond, coupon, or paper issued, or purporting to have been issued, by any such bank or association, knowing the same to be falsely altered or spurious, shall be deemed guilty of a misdemeanor and shall be fined not exceeding \$5,000 or imprisoned not exceeding five years, or both.

Other than the usual salary or director's fee paid to any officer, director, or employee of a national farm-loan association or a Federal land bank, and other than a reasonable fee paid by such association or bank to any officer, director, attorney, or employee for services rendered, no officer, director, attorney, or employee of an association or bank organized under this act shall be a beneficiary of or receive, directly or indirectly, any fee, commission, gift, or other consideration for or in connection with any transaction or business of such association or bank. No bank or association organized under this act shall charge or receive any fee, commission, bonus, gift, or other consideration not herein specifically authorized. No examiner, public or private, shall disclose the names of borrowers to other than the proper officers of a Federal land bank without first having obtained express permission in writing from the farm-loan commissioner or from the board of directors of such bank, except when ordered to do so by a court of competent jurisdiction or by direction of the Congress of the United States, or of either House thereof, or any committee of Congress or of either House duly authorized. Any person violating any provision of this paragraph shall be punished by a fine of not exceeding \$5,000 or by imprisonment not exceeding one year, or both.

Any person connected in any capacity with any farm-loan association, Federal land bank, who embezzles, abstracts, or willfully misapplies any moneys, funds, or credits, or who, without authority from the directors, draws any order, assigns any note, bond, draft, mortgage, judgment, or decree, or who makes any false entry in any book, report, or statement of such association or land bank with intent in either case to defraud such institution or any other company, body politic or corporate, or any individual person, or to deceive any officer of a farm-loan association or land bank or any agent appointed to examine into the affairs of any such association or bank, and every person who with like intent aids or abets any officer, clerk, or agent in any violation of this section, shall be deemed guilty of a misdemeanor, and shall be fined not exceeding \$5,000 or imprisoned not exceeding five years, or both.

Any person who shall deceive, defraud, or impose upon, or who shall attempt to deceive, defraud, or impose upon, any person, firm, or corporation by making any false pretense or representation regarding the character, issue, security, or terms of any farm-loan bond or coupon issued under the terms of this act; or by falsely pretending or representing that any farm-loan bond or coupon issued under the terms of this act is by one class of land banks is a farm-loan bond or coupon issued by another class of banks; or by falsely pretending or representing that any farm-loan bond or coupon issued under the terms of this act, or anything contained in said farm-loan bond or coupon, is anything other than or different from what it purports to be on the face of said bond or coupon shall be deemed guilty of a misdemeanor, and shall be fined not exceeding \$5,000 or imprisoned not exceeding five years, or both.

DISSOLUTION AND APPOINTMENT OF RECEIVERS.

SEC. 32. That upon becoming satisfied that any Federal land bank has failed to meet its outstanding obligations of any description whatever when due and is in default, the Federal farm-loan board may forthwith declare such bank insolvent and appoint a receiver, and require of him such bond and security as it deems proper. Such receiver, under the direction of the Federal farm-loan board, shall take possession of the books, records, and assets of every description of such bank, collect all debts, dues, and claims belonging to it, and, with the approval of the Federal farm-loan board, or upon the order of a court of record of competent jurisdiction, may sell or compound all bad or doubtful debts, and, on a like approval or order, may sell all the real and personal property of such bank, on such terms as the Federal farm-loan board or said court shall direct. Such receiver shall pay over all money so collected to the Treasurer of the United States, subject to the order of the Federal farm-loan board, and also make report to said board of all his acts and proceedings.

No national farm-loan association, Federal land bank, or joint stock land bank shall be dissolved without the written consent of the Federal farm-loan board.

ORGANIZATION EXPENSES.

SEC. 33. That the sum of \$100,000, or so much thereof as may be necessary, is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to be expended under the direction of the Federal farm-loan board, for the purpose of carrying into effect the provisions of this act.

LIMITATION OF COURT DECISIONS.

SEC. 34. That if any clause, sentence, paragraph, or part of this act shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this act, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered.

REPEALING CLAUSE.

SEC. 35. That all acts or parts of acts inconsistent with this act are hereby repealed, and this act shall take effect upon its passage. The right to amend, alter, or repeal this act is hereby expressly reserved.

Mr. SMITH of Michigan. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD on the subject of gasoline.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent to extend his remarks in the RECORD on the subject of gasoline. Is there objection?

There was no objection.

Mr. HAUGEN. Mr. Chairman I yield 15 minutes to the gentleman from Pennsylvania [Mr. MOORE].

Mr. MOORE of Pennsylvania. Mr. Chairman, I ask the Clerk to read a clipping from the Philadelphia Record, which I send to the desk.

The Clerk read as follows:

SMALL FARMS ALLOTTED—VACANT LOTS ASSOCIATION MAKES FIRST ASSIGNMENT FOR THE SEASON.

The work of assigning garden plats by the Philadelphia Vacant Lots Cultivation Association started yesterday at the Georges Hill farm, Fifty-fourth Street and Susquehanna Avenue. This is one of the largest plats at the disposal of the association, containing 100 gardens of from one-eighth to one-sixth of an acre. The distribution was scheduled to start at 2 o'clock, and before that time many of the former holders of gardens had gathered. Supt. James H. Dix and his assistant, Charles Horn, did not arrive until a little later, and their appearance was a signal for a grand rush to the little car which they use in overseeing the 24 farms of various sizes that are located in all parts of the city.

Italians predominated, and a few men and numbers of women and children made their appearance to represent families. In many cases the mothers carried babies in arms and other members of their families clung to their skirts. The older children often had to be called in as interpreters for their parents, who spoke only their native language.

After their names had been given they were looked up in the index to see how they had done the year before, for only those who had worked before were present yesterday. Next the dollar that pays for seed, preparation of the ground, and fertilizer was taken, and the applicants were handed cards to show their holding and a crop report that is required to be turned in at the end of the season.

After all this had been settled the actual assigning of the plats was made, and until 6 o'clock the two men were kept busy. At present the ground has not been prepared, though fertilizer is now being spread. Each of the families—for the plats are not given to individuals—has a little shanty, in which they keep their tools.

Among those at the Georges Hill farm is one old man of 85 years, a Grand Army of the Republic veteran, and there are a number of other old men and women among the workers. The veteran is one of the best workers on the entire farm and cultivates one of the most beautiful as well as productive gardens throughout the season. In the near future the other plats, mostly in Germantown and West Philadelphia, will be given out.

Mr. MOORE of Pennsylvania. That is what we are doing to catch up on the farming problem in a great city like Philadelphia. In a small way it is helping us to meet the high cost of living.

Mr. Chairman, I desire to speak briefly in behalf of the back to the farms movement in the East. During the discussion of the river and harbor appropriation bill a great deal was said, some of it in bantering mood, much of it seriously, with respect to the development of the Atlantic seaboard by the opening up of certain inland waterways. There is much to be said in behalf of this great waterways movement from the standpoint of preparedness, and there is more to be said from the standpoint of agriculture and commerce. Both are important. The agricultural phase of the question is very important. It is not often discussed, except amongst those who encourage the back to the farms movement in the East or those who suffer hardship and inconvenience in the matter of transportation to the markets.

BEGINNINGS IN THE EAST.

Mr. Chairman, the beginnings of this great country of ours, of course, were along the Atlantic seaboard.

Everyone familiar with our history is proud of the story of the thirteen original States. Our brethren who have gone out of these States into the Middle West, who conquered the mountain fastnesses and carved their way through the Rockies to the Pacific coast, are to be commended for their sturdiness of character and for the perseverance with which they opened up our great new country. Our present status as a Nation is due largely to the onward march and westward ho! of these

good, red-blooded sons of the East; they populated and built up the West. [Applause.]

Next to education, the railroads of the country, perhaps, have done as much to make us understand each other as a people and to develop the various States, as any other factor. Without the railroads we would still have the wilderness and it would be relatively impossible, except for the waterway and the wagon road, to have that community of interest on the part of the peoples of the various States that now so happily prevails.

I rejoice in the success of my brother who has gone to the West, and I can even understand why, in the rush of the past fifty-odd years, busy with his own affairs, struggling against new and harsh conditions, he has sometimes forgotten the East or come to regard it as effete; but I do not like him to forget his "mother country," within the United States, nor to yield up any of that pride of national ancestry which it ought to be the pleasure of every citizen to acknowledge.

Our colonial history is rich, and our national history from the beginning at Independence Hall in Philadelphia in 1776 is such as to have made us the envy if not the admired of all the world. It will do us no harm at any time to recall these patriotic beginnings and to imbibe a little of the spirit of the earlier days.

WEST GAINS ON NEW ENGLAND.

We talk sometimes in the East of the "bounding" and "booming West." We honor the men who made it so; we are proud of them, because they sprang from our loins. We know what many men in New England, even those who voted against the river and harbor bill the other day, are sometimes prone not to speak about, that the western tendency has had its effect upon eastern industries; that no longer is New England the dominating manufacturing center of the United States, and that the Western States have begun manufacturing to such an extent that it may be surprising to some of our cultured friends from Massachusetts, although it is still the fact, to know that the population of St. Louis exceeds that of Boston, and that there are more shoes manufactured in St. Louis to-day, out yonder beyond the Mississippi River, than are manufactured in the Hub, up yonder in New England.

It is a fact that some of our New England friends sometimes hesitate to speak about, even if they are informed upon the subject of New England's transportation handicap, that New England—that little section of the country yonder, which is a mere thumb tack upon the map of the United States—pays two times as much in freight for the coal it uses as is the actual value of the coal at the mines. That is to say, their annual coal bill for running the industries of New England and for keeping warm the hearthstones of the people amounts to \$100,000,000 annually, on which the freight charges from the mines of Pennsylvania, Indiana, and Illinois are \$70,000,000. In other words, according to the statistics of the Boston Chamber of Commerce, \$70,000,000 is paid annually in freight for coal worth \$30,000,000 at the mines. Now, I mention these figures because they explain, to a certain extent, why we desire a competitive or relief means of transportation along the Atlantic seaboard. Of course, the use of fuel is important and deals with the industrial side of the question, but think of the vast industries along the Atlantic seaboard which in turn, to a great degree, support the agricultural output of the interior, involving an interchange of commodities that is greater in the United States than elsewhere.

EASTERN LANDS A PLENTY.

It is true that the New England farmer has gradually been passing out, just as the sailing vessel on the high seas has been given over to the steamer, and to the barge that is working inland and at great risk outside—matters of fact with which some of our friends in discussing river and harbor improvements do not sometimes desire to concern themselves.

But there has been a "back-to-the-farm" movement in the East. It has been stirred up in New England and along the Middle States. Land has been plentiful and cheap. Irrigated land—that is to say, land naturally irrigated—has been cheap. Down in the southern tier of States there is land enough to sustain vast armies of men—many of whom are now seeking homes in the arid and semiarid sections of the West. We sometimes think it strange that home seekers should pass by these rich, watered lands of the Eastern States, where markets await them, for the sagebrush territory, which can only be made fertile after much expenditure of money and labor to bring the water to it. If it is due to ignorance of eastern conditions, we can not be blamed for calling attention to it.

Who knows the extent of land along the Atlantic seaboard that is capable of tillage if farmers are interested sufficiently to apply their labor to it? I have some statistics upon this point that are worthy the attention of the committee. The Director

of the Census, Mr. Durand, in 1911, made a calculation with reference to these available eastern lands. Confining his figures to the area of the thirteen original States, Mr. Durand, in a carefully prepared address, said:

The total area of farm land in the thirteen original States in 1850 was 147,000,000 acres, while in 1910 it was only about 10 per cent greater, 161,000,000 acres. The acreage of improved land had increased somewhat more, from 64,000,000 acres in 1850 to 83,000,000 in 1910, or nearly one-third. In the area outside of the thirteen original States, however, acreage of farm land increased from about 146,000,000 acres in 1850 to 713,000,000 in 1910.

There was your western development coming out of the East. While you were developing by leaps and bounds our progress in improving farm land was slow. The figures of the Director of the Census show that in 1910 we had 161,000,000 acres of farm area and only 83,000,000 acres improved. The remainder—nearly half of it—still awaits the hand of the tiller of the soil.

Now, what kind of land is this? It is not sagebrush land—and I am not reflecting on that—but it is land through which streams of water run, where there is a natural irrigation, and where all the farming of the country once was done. Go with me along the streams of the coast, more than 140 of them, running down into the Atlantic Ocean, and I will show you magnificent old homesteads, over in Virginia, along the James, and elsewhere; over yonder on the York, near by the place of the surrender of Cornwallis, with scenery as beautiful as anything to be found in the East, with land as rich as the sun ever shone upon, where only the remnants of colonial residences are left to show that there was a plantation once existing there. And why? Because in those days when the great planters thrived along the seaboard, George Washington being at their head—and he was one of the original farmers of this country, sending to England, by the way, for skilled farm labor—because in those days a man who was picking a home for himself, who was seeking to establish a plantation, selected a site along the line of the waterways. He did not build up on the hilltops; it was too difficult to get water for the family and the stock. He built down in the valley, along the stream. And it is the relic of these old homes that we see to-day. With the advent of the railroad along about 1830—

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

Mr. MOORE of Pennsylvania. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

EFFECT OF RAILROADS ON FARMING.

Mr. MOORE of Pennsylvania. In view of the limitation, Mr. Chairman, I shall briefly discuss the effect of the railroads upon the waterways of the country. The waterways were highly appreciated in the olden days and canalization was resorted to all along the seaboard. Some of the Southern States took the lead in opening up these artificial channels. When the superior advantages of the railroad depreciated the value of canals, they also tended to shift the centers of population. In many instances large areas of farm land which had been successfully operated along the water front, were depopulated in the rush to locate along the line of the railroads. The effect upon the old plantations was immediate and the ruins of old homes are now in many instances all that remains in territories that were once alive with agricultural pursuits. It was an evolution which bore heavily against the East and greatly stimulated that movement westward where fortunes were supposed to be made. It is because we have so much arable land in the East still awaiting the tiller of the soil that the statistics to which I have referred and which I can not now enlarge upon, should be submitted for consideration during the discussion of the Agricultural appropriation bill. Bear in mind the importance of water to the soil, compare the natural irrigation of the East with the artificial irrigation of the West, and there is small cause for wonder that the East, with its wonderful markets, cries out for relief from congested railroad conditions, and for the opening up and the connecting of its waterways in order, amongst other things, that they may enable the eastern farmer to get to market.

TREMENDOUS COMMERCE OF THE EAST.

The Director of the Census told us that the railroad mileage in the thirteen original States was only about 23 per cent of the total mileage of the United States. Think of it! The vast products of the East, with more than 55 per cent of the manufactured output of the United States, doing business upon 23 per cent of the railroad mileage of the country. Is it any wonder farms have been idle and the eastern farmer has been crowded out?

It is not that the waterways do not contribute to the relief of this situation, for they do. They do in the transportation of bulky freight, but they are not so connected up as to be of the greatest possible service.

Speaking of the freight conditions serving 45,000,000 people along the Atlantic seaboard and the Gulf, Mr. O. P. Austin, then Chief of the Bureau of Statistics, in 1910 said:

Let us try to state in a single sentence the sums of money being paid for the transportation of freight in the area in question. I have already shown you that the sums paid for railway transportation approximate \$700,000,000 per annum and the sums paid on the Atlantic and Gulf frontage \$84,000,000. If we apply one-half of the ocean front tonnage freight rate to the 100,000,000 tons handled on the rivers, we should get for that service about \$65,000,000; and aggregating these items of \$65,000,000 on the rivers, \$84,000,000 on the ocean front, and \$700,000,000 on the railways, we should get a total of at least \$750,000,000 per annum for transportation of merchandise within this territory and along its water front.

Now, let us sum up this attempt to measure the transportation requirements and transportation charges of the area which we are considering—the area stretching from the northern border of Maine to the southern border of Texas. It contains, first, one-half the population of the entire country, 40 per cent of its farms, 35 per cent of its railway mileage, 35 per cent of its public roads; produces 85 per cent of its cotton, 50 per cent of its lumber, 35 per cent of its tobacco, 56 per cent of its pig iron, 54 per cent of its coal, all of its naval stores, all of its phosphates, 58 per cent of its manufactures, and through its ports passes 80 per cent of the value of the foreign commerce of the country; while the estimated value of the property within its borders is, according to the Census Bureau, greater than that of all the remainder of the country. The value of the merchandise originating in its borders is probably \$14,000,000,000 per annum, or more than all of the merchandise forming the international commerce of the world. The freight carried upon its rivers is approximately 100,000,000 tons per annum, that along the Atlantic and Gulf coasts approximately 65,000,000 tons, that upon the railways approximately 600,000,000 tons per annum, or, say, in the aggregate 750,000,000 tons, though a part of this, of course, originates in other sections of the country and is transported into or across the territory in question. The sums paid for this transportation, as nearly as we can estimate it, are, for land and water transportation, about \$750,000,000, of which approximately 80 per cent is paid to the railways and the remainder about equally divided between the interior and coastwise water carriers.

COMPARATIVE FIGURES AS TO AREA AND COMMERCE.

A table of comparisons supplied by Census Director Durand in 1911 throws an interesting light upon the problem of area in relation to eastern industry and commerce. A careful study of this table evidences the comparative congestion of commerce and industries for the percentage of railroad mileage in the area of the thirteen original States. It evidences the eastern need for transportation facilities that will at least keep it abreast of other sections of the country. Remember that western shipping points like Chicago, St. Louis, or even Seattle have anywhere from 5 to 25 railroads to come and go on. Put those conditions side by side with Boston, for instance, with its one or two lines of railroads, operating largely through the neck of the funnel at New York, and it is not unreasonable that railroad embargoes upon freight such as have been put into effect during the European war pressure should follow. Note also in the statement I am submitting herewith that the thirteen original States have over 59 per cent of the wage earners, who are the farmers' best customers, and that the gross value of the industries is approximately 55 per cent of the total value of the products of the United States.

Comparison of area, population, industries, and commerce of the thirteen original States with those for the United States as a whole, 1910.

| Items. | Totals for United States. | The thirteen original States. | |
|-------------------------------------------------|---------------------------|-------------------------------|--------------------|
| | | Amount. | Per cent of total. |
| Area (square miles)..... | 2,970,000 | 376,000 | 12.7 |
| Population..... | 91,972,000 | 37,311,000 | 40.5 |
| Urban population..... | 42,623,000 | 22,052,000 | 51.8 |
| Land in farms (acres)..... | 873,729,000 | 161,056,000 | 18.4 |
| Improved land (acres)..... | 477,448,000 | 83,089,000 | 17.4 |
| Value of farm property..... | \$40,838,000,000 | \$6,588,000,000 | 16.1 |
| Manufacturing industries (1909): | | | |
| Number of wage earners..... | 6,615,000 | 3,912,000 | 59.1 |
| Gross value of products..... | \$20,672,000,000 | \$11,121,000,000 | 53.3 |
| Value added by manufacture.... | \$8,531,000,000 | \$4,715,000,000 | 55.3 |
| Coal production, tons (1909).... | 411,432,000 | 249,877,000 | 60.7 |
| Value of mining products (1902).. | \$796,826,000 | \$343,064,000 | 43.0 |
| Exports of merchandise..... | \$1,745,000,000 | \$1,018,000,000 | 58.3 |
| Imports of merchandise..... | \$1,557,000,000 | \$1,227,000,000 | 78.8 |
| Tons of water-borne domestic freight..... | 177,520,000 | 66,361,000 | 36.8 |
| Railroad mileage..... | 236,869 | 54,815 | 23.1 |
| Tons of freight carried 1 mile by railways..... | 218,802,986,929 | 76,003,996,891 | 34.7 |
| Passengers carried 1 mile by railways..... | 29,109,322,589 | 10,576,588,667 | 36.3 |

¹ Atlantic coast ports.

² Atlantic coast and Gulf ports.

³ Not including Georgia or a small section of western New York and Pennsylvania.

ARABLE LAND OF THE SOUTHERN STATES.

The opponents of our Eastern waterway improvements are apparently unaware of the great commerce which now finds recourse to these inland streams. The old Chesapeake & Delaware Canal carries a million tons of commerce every year. The Beaufort-Norfolk link, which was severely criticized during the river and harbor discussion, has also been serviceable, as is the Dismal Swamp Canal, which connect the northern and southern waters. All of these waterways are busy carrying lumber, in particular, from the forests of North Carolina and Virginia to the northern markets. Barges, limited to the size of the locks of existing canals, carry a variety of freight. It was estimated before the general upheaval caused by the European war that the difference in carrying a cargo of lumber from North Carolina to Philadelphia was as \$2 to \$3 per 1,000 feet in favor of an inside waterway as against the ocean voyage. That is a big item to the consumer. In the matter of fertilizer carried from Philadelphia to Wilmington, N. C., it was estimated that the inside water route would cost \$1.30 per ton of 2,200 pounds, as against \$4.80 per ton of 2,000 pounds by rail; so that the interest of the farmer who lives along the streams that run into the intracoastal waterway is evident. In North and South Carolina, in Georgia, and in Florida, as well as in the States along the northern coast, the farmer is as much interested in transportation and in methods of marketing his products as is his brother in the Middle West or in the extreme South. If he had the waterway routes properly improved, and the motor boat is helping him considerably in this respect, he would find the Eastern farm lands as rich and productive as any under the sun.

GREAT FARM ACREAGE OF VIRGINIA.

As an indication of the availability of farm land still remaining in Virginia, the "Mother of Presidents" and a leader in population and agriculture in the Revolutionary period, I submit the following letter from the Hon. George Ainslie, mayor of Richmond, Va., who has taken a keen interest in this subject:

OFFICE OF THE MAYOR,
City of Richmond, Va., December 18, 1915.

HON. J. HAMPTON MOORE,
House Office Building, Washington, D. C.

DEAR MR. MOORE: I find upon investigation that I misstated the unused acreage of Virginia, largely on the safe side. I stated that my recollection was that the amount was approximately 6,000,000 acres. To be exact, the amount is 9,926,566. Our figures in this regard, as compiled from the United States census reports by the Southern Settlement & Development Organization of Baltimore, are as follows:

| | Acres. |
|-------------------------------------------------|------------|
| Land area of Virginia..... | 25,767,680 |
| Land under cultivation and producing crops..... | 4,256,000 |
| Leaving uncultivated..... | 21,511,680 |
| Allowing for pasturage..... | 2,000,000 |
| There remains unused..... | 19,511,680 |
| Allowing for hills and swamps..... | 9,685,114 |
| Which leaves unused arable land of..... | 9,926,566 |

Thinking that possibly these figures, taken from Government reports, might be of use to you as showing conditions in this regard in the oldest of American settlements, where the climate is free from extremes and the soil will raise any crop, I am sending them to you in the above form.

Very sincerely, yours,

GEORGE AINSLIE.

Mr. HAUGEN. Mr. Chairman, I yield to the gentleman from Minnesota [Mr. LINDBERGH].

Mr. LINDBERGH. Mr. Chairman, I desire to extend my remarks in the Record by inserting a letter from the general manager of the Minnesota & International Railway Co., of Brainerd, Minn., who states that his company was criticized on the floor of the House here for a certain matter, and he wishes to have the letter inserted in answer to that criticism.

The CHAIRMAN. Is there objection?

There was no objection.

The following is the letter referred to:

MINNESOTA & INTERNATIONAL RAILWAY Co.,
Brainerd, Minn., February 17, 1916.

HON. C. A. LINDBERGH,
Member of Congress, Washington, D. C.

DEAR SIR: My attention is called to a letter written Congressman CHIPERFIELD by R. R. Hurlbut, former agent of this company at Laporte, Minn., dated February 1, 1916, which I understand has been inserted in full in the CONGRESSIONAL RECORD and which states that the agent lost his position with the railway company because of his refusal to allow special Indian agents to inspect his station records in connection with their duties in preventing the introduction of liquor into treaty territory.

The statement of the agent that he was discharged for any action of his in connection with that matter is entirely untrue, and his withdrawal from the service of the company was his own voluntary action and not connected with this Indian agent episode in any way, and anyone interested in the matter is entirely welcome to inspect the records of this case at any time. I am surprised that Congressman CHIPERFIELD would use such a letter without first taking the trouble to ascertain, as he could readily have done from the railway company interested, what the real facts were.

Trusting that you will see to it that this letter receives as much recognition in the CONGRESSIONAL RECORD as did the one Congressman CHIPERFIELD introduced, I am,
Yours, very truly,

W. H. GEMMELL.

Mr. HAUGEN. I yield to the gentleman from North Dakota [Mr. YOUNG].

Mr. YOUNG of North Dakota. Mr. Chairman, I ask unanimous consent to extend my remarks in the Record.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HAUGEN. Mr. Chairman, I yield to the gentleman from Illinois [Mr. MANN].

Mr. MANN. Mr. Chairman, I ask unanimous consent to extend my remarks in the Record.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. LEVER. Mr. Chairman, I yield 15 minutes to the gentleman from Georgia [Mr. VINSON].

Mr. VINSON. Mr. Chairman, I desire to make a few observations in regard to rural credits, but before I do so and before I speak in general terms in regard to this subject I want to say that I commend to the careful consideration of every Member of this House the valuable book written by the distinguished gentleman from Oklahoma [Mr. MORGAN] on that subject.

Mr. Chairman, we point with pride to the wealth and prosperity of this country, and the growth of the same has been phenomenal. Since 1850 the population of the United States has more than quadrupled, and there are now more than 100,000,000 people in this country.

During the past 50 years our foreign commerce has grown from \$318,000,000 to \$4,254,000,000. The national wealth has increased from \$7,000,000,000 to \$144,000,000,000. The amount of money in circulation has increased from \$279,000,000 to \$3,419,000,000. The value of our farm property has increased from \$4,000,000,000 in 1850 to approximately \$44,000,000,000 in 1910.

In 1850 there were only 9,021 miles of railroad in operation in the United States. To-day there are over 260,000 miles. The valued output of factories in 1850 was about \$1,000,000,000 and to-day it is over \$25,000,000,000.

From whence comes the marvelous growth of this country? It comes, Mr. Chairman, primarily from agriculture, for it is the corner stone of all of our prosperity. If you take away our farms and agriculture and the results of their labor, we would have no leviathans of the sea laden with foreign commerce; we would have no farm property, no railroads, no factories, no cities, and our onward march as a rich and powerful Nation would cease. Our foreign commerce would disappear, our railroad trains would cease to scream along their steel-ribbed ways, and our centers of trade would become waste places.

By helping by adequate legislation to develop fully the growth of agriculture we are lending aid to every business enterprise in the country. The impoverishment of the tillers of the soil necessarily lay its burden upon man in every walk of life. His short crops and low prices are felt in every channel of trade, and the gentle rains from heaven above to the earth beneath, which give life to the growing plants, regulate the money markets of the world. In all the various pursuits of life there can be no higher nor nobler calling than that of cultivating the capacious bosom of mother earth. Nature with all her wealth would be as useless as the burning sands of the Sahara were it not for the toil and labor of him who cultivates the soil, and who, by his enterprise and industry, has converted the solitude of the gigantic forests into the smiling fields and open meadows. The sun that rises and sweeps back the darkness of night and heralds the approach of a new-born day could not warm the earth to a degree to make it produce enough food to satisfy the appetite of mankind and clothe the back of the human family should the farmers of this country refuse to cultivate the soil and husband the results of their labor.

I know, Mr. Chairman, that whenever one discusses farm life and agriculture in any of its various forms he is tempted to drift into tinsel phrases and trite figures of speech at the expense of healthy, wholesome thought. But I shall not consume the short time allotted to me to-day by flights of fancy endeavoring to portray in words the scene of the golden grain as it bends its head and becomes like the ever-flowing waves of the restless sea as it responds to the gentle caress of the summer's wind; nor will I endeavor to describe the beauty of the cotton bloom, nor talk to you of the grand and glorious work of nature as she causes the flourishing corn out yonder in the expanding West to burst forth its silks into rainbow hues, nor picture in words the scene of the fields of cotton as they wave their white banners of peace to the fields of grain, which in turn

wave back their banners of gold; but I shall, Mr. Chairman, in a brief manner call the attention of the House to why I consider it to be of importance that there should be passed at this session of Congress a rural-credit bill with Government aid, extending to the farmers of the country the same opportunity to borrow money at a low rate of interest and for a long period of time as is now enjoyed by other business. Are not the farmers of this country entitled to the same protection in doing business as the followers of any other occupation? There can be no doubt whatever as to this, and there is no doubt in the minds of the men who have studied the question that the farmer is discriminated against.

There is no country in the civilized world so far behind in providing adequate and suitable laws for the operation of rural credit as this one. And in all the examinations one can make he will not find in this civilized world a country more able to provide the necessary institutions and facilities than the United States, and you will never be able to find a group of people who can offer better basis of credit than the American farmer. There is no problem that confronts Congress or the people of this country which is of more importance than establishing some adequate institution by which the farmers may be given the advantage of doing business on the same businesslike methods in obtaining their money as is enjoyed by those engaged in other occupations.

As the strength and the prosperity of the Nation has its origin in the farmer, he is the artery through which flows the lifeblood of the Republic; and as his prosperity in turn affects the prosperity of all the people of the Nation, Congress owes it to all business of the entire country to see that his prosperity is not diminished.

Mr. Chairman, it long ago became apparent to those who studied farm life in America that something was materially wrong, and that the farmers were not receiving at the hands of the Government laws which would enable them to keep pace with the other interests in the country. To my mind the evidence is overwhelming that the present system by which the farmers are forced to obtain their money is wrong, and it can almost be proven to a mathematical certainty that the system by which he is now compelled to obtain his money is working a hardship, impoverishing him, and affecting the prosperity of the Nation.

It will be contended, when the rural credit bill is reported from the Banking and Currency Committee and comes before this House for consideration, by some illustrious Member, that nothing is wrong with the present system and that all the farmers in the country who now have security can obtain credit. I deny the validity of any such contention, for if there is nothing wrong in the present system I ask why the activity of the Southern Commercial Congress? Some years ago that body arranged for a commission of 100 men to go to Europe and to study and investigate the rural-credit system in operation in the different European countries.

If nothing is wrong, what forced the agitation and the activity in the different State banking associations, and the American Bankers' Association? These organizations following in the footsteps of the Southern Commercial Congress, sent to Europe members of their respective organizations to study the problems and to report the finding.

Even the Department of Agriculture of the Government, whose time in the past has been devoted largely to scientific problems, made investigation and gathered valuable information and data on this important subject. Not only has a search for information been made by the Department of Agriculture, but the State Department has become active and requested the ambassadors from this Government serving in different European countries to make investigations of the operation of the rural-credit system in the countries in which they are serving.

If there is nothing wrong with the present system and no relief should be given to the farmers, why the activity of the governors of the different States in one of their annual conventions? So convinced was ex-President Taft that something was materially wrong and changes should be inaugurated and a new system of credit be established exclusively for the aid and benefit of agriculture, that he addressed a communication to the governors of the different States at one of the conventions, urging an investigation on their part. He said:

The 12,000,000 farmers of the United States add each year to the national wealth \$8,400,000,000. They are doing this on a borrowed capital of \$6,140,000,000. On this sum they pay annually interest charges of \$510,000,000. Counting commissions and renewal charges, the interest rate paid by the farmer of this country is averaged at 8½ per cent, as compared to a rate of 4½ to 3½ per cent paid by the farmer, for instance, of France and Germany.

Again, the interest paid by the American farmers is considerably higher than that paid by our industrial corporations, railroads, and municipalities. Yet, I think it will be admitted that the security

offered by the farmer in his farm land is quite as sound as that offered by industrial corporations. Why, then, will not the investor furnish the farmer with money at as advantageous rate as he is willing to supply it to the industrial corporations? Obviously, the advantages enjoyed by the industrial corporations lies in the financial machinery at his command, which permits it to place its offer before the investor in a more attractive and more readily negotiable form. The farmer lacks this machinery, and lacking it, he suffers unreasonably.

Mr. SHALLENBERGER. Will the gentleman yield for a question?

Mr. VINSON. With pleasure.

Mr. SHALLENBERGER. Does the system of rural credits that you advocate contemplate operating with the question of personal loans as well as with real estate loans—farm loans?

Mr. VINSON. I am not wedded to any particular bill that has been introduced, but I can not see any reason why Congress should not extend to the farmers the same kind of protection that it gave to the commercial banking institutions in this country. [Applause.]

Mr. SHALLENBERGER. I wanted to ask one other question along that same line, namely, if the gentleman does not believe that if the farmers were accorded the same rules and rights and privileges in the discounting of their paper to the Federal reserve banks as now accorded to other lines of business they could secure about the same rate of interest?

Mr. VINSON. I think you are correct. If the farmers were given the same privileges in borrowing money as is enjoyed by corporations, why, of course, their interest would be lower.

Mr. CLINE. May I ask the gentleman a question?

Mr. VINSON. I have but a few minutes, and it is a big subject.

Mr. CLINE. Can you cover it in that time?

Mr. VINSON. No; I do not believe I can.

Mr. CLINE. Is it not a fact that the difference in the rates of interest as between the farmers and commercial bodies or corporations is largely due to the extent of the loan? The farmer does not loan \$500,000 or a million or two million dollars, and the larger the loan the smaller the rate of interest?

Mr. VINSON. No; the gentleman is wrong. It is due to the reason that the banking institutions of the country can not hypothecate the security given by the farmer, which is probably his land, as well as he can the convertible securities of any corporation, such as bonds and stocks.

Mr. CLINE. I wish to call attention to this fact, that in the panic of 1907 short-time farm mortgages were more readily convertible than municipal or corporation bonds, or bonds of corporations in general. That is the experience we had in the West.

Mr. VINSON. I doubt whether the gentleman's statement will bear out the condition all over the country.

Mr. LEVER. If the gentleman from Georgia will permit, it is due to the fact that the farm mortgages in the gentleman's country are more nearly standardized than in any other section of the country.

Mr. VINSON. If the present method by which the farmer is forced to obtain his money is not wrong, and no relief should be given, what induced Congress to send a commission from this House and appropriate \$25,000 to defray the expenses, to visit European countries to study rural-credit operations therein? Towering above all other investigations, the International Institute of Agriculture, with headquarters at Rome, Italy, is now sending volumes to this country describing the operation of rural-credit systems in various European countries.

If nothing is wrong and no change needed, why did the two great political parties in 1912, at their conventions, incorporate the following planks on that subject in their party platforms?

DEMOCRATIC PLATFORM.

RURAL CREDITS.

Of equal importance with the question of currency reform is the question of rural credits or agricultural finance. Therefore, we recommend that an investigation of agricultural credit societies in foreign countries be made, so that it may be ascertained whether a system of rural credits may be devised suitable to conditions in the United States; and we also favor legislation permitting national banks to loan a reasonable proportion of their funds on real-estate security.

REPUBLICAN PLATFORM.

BANKING AND CURRENCY.

It is of great importance to the social and economic welfare of this country that its farmers have facilities for borrowing easily and cheaply the money they need to increase the productivity of their land. It is as important that financial machinery be provided to supply the demand of farmers for credit as it is that the banking and currency systems be reformed in the interest of general business. Therefore, we recommend and urge an authoritative investigation of agricultural credit societies and corporations in other countries and the passage of State and Federal laws for the establishment and capable supervision of organizations having for another purpose the loaning of funds to farmers.

No thoughtful man can for one moment reach but one conclusion, and that is that the present system and the method by

which the farmers of the country are forced to obtain credit, is inadequate and working a hardship on the already heavy-laden shoulders of the farmers of the country, and it is up to Congress to remove the hardship and provide a more modern method by which he may obtain credit.

Mr. Chairman, the greatest asset of the United States to-day is the agricultural possibilities of farm land, and one of the greatest needs of this country is the establishment of some distinct institution designed to aid the farmers in obtaining money at a low rate of interest and on long periods of time to enable them, in the cultivation of their crops, the improvement of their farms, the acquiring of farms, the harvesting, handling, and marketing of their crops.

There are in America over 12,500,000 farmers who own over \$44,000,000,000 worth of property, and produce annually over \$9,500,000,000 worth of farm products.

At first blush one would readily conclude that the American farmers are in a most prosperous condition, but, sir, you have only to analyze the figures and you will find the reverse. If you divide the total farm worth by the 12,000,000 farmers, the average income would only be \$3.332, and divide the annual farm yield and then you will be astonished to know that the American farmer's gross income is only \$791 per annum, and out of this sum of money he must support his family, educate his children, pay his interest and taxes, and lay aside for a rainy day.

Mr. KEARNS. Mr. Chairman, will the gentleman yield at that point?

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

Mr. VINSON. Yes.

Mr. KEARNS. The gentleman says the average income of the farmer is something like \$770?

Mr. VINSON. I said it was \$791.

Mr. KEARNS. Has the gentleman taken into consideration the amount of farm products that the farmer's family consumes in a year?

Mr. VINSON. Yes. On the amount of capital that he has invested in his business, and the amount which the products of his labor bring to him, the farmer receives only a gross income of about 2 per cent.

It was a realization of the condition of the American farmer that aroused the interest of the Southern Commercial Congress, the Department of Agriculture, and the Department of State, and Congress at last awoke from its slumbers and concluded that some method of helping the farmer to solve his problem to enhance his financial well-being and to increase his contribution to the welfare of the Nation must be provided by law.

Never but once in the history of the entire Government has the farmer been the beneficiary at the hands of the Government, and that was in the acquisition of the lands he cultivates.

In ancient Rome the division of public lands was accomplished by riotous epochs of the Gracchi, and in England one-fourth of all the arable lands were inclosed during the last 200 years and became the property of the individual landlords. In France the Revolutionary Assembly of 1789 confiscated the immense landed possessions of the Catholic Church and sold them in lots of 2 or 3 acres for nominal sums to the peasants who had for so many years cultivated them for their ecclesiastical landlords; but in America none of the disagreeable features appeared, for the United States by its preemption laws of 1801 to 1862 allowed the land to be acquired for nothing.

The American farmers are not asking the Government by this legislation or any legislation that they have ever advocated gratuity at the hands of Congress. But they are entitled to a square deal and fair play, and so help me, God, as long as I am a Member of this body I will fight to see that they obtain it. They have security to offer, and they are asking the opportunity of offering the security which they possess as a collateral under a rural-credit system of obtaining money. We all know there must be some pledge given to the lender before money will be advanced, and what better basis for credit could any borrower offer than land. The farm property itself can be pledged to advantage. If the farm property can be pledged to advantage in time of need without months of delay, without great cost for negotiating loans, without having to pay such high and outrageous rates of interest, with the privilege of paying off the debt at the first opportunity, it will be of great advantage to the people of the United States as a whole, for it truly follows, as does the night follow the day, that the impoverishment of the farmer means the impoverishment of all.

Mr. Chairman, during the days of Washington and Jefferson ninety-six out of every one hundred people in the country were engaged in agriculture, but to-day only fifty-two out of every

one hundred are so engaged. There must be some reason for this. Why has such a large percentage of the people turned away from the farm to earn their living?

From 1899 to 1909 our urban population increased 34 per cent and our rural population during that period only increased 11 per cent. In our three largest cities—New York, Chicago, and Philadelphia—10 per cent of the population of this country reside and 25 per cent of the rest of the citizens of this country reside in cities with a population of over 100,000.

We have all heard the hue and cry that has been raised repeatedly in this country that the farms are becoming depopulated, and we have read many interesting articles in magazines and periodicals entitled "Back to the farm." Why has not the farm kept pace with the cities in the increased population? Why have the people turned their face toward the city?

I shall not endeavor to enumerate all the reasons which, to my mind, have caused this state of affairs to exist, but I do know that the lack of credit has been one of the things that has stagnated farm life.

Another reason that has caused this condition to exist has been that the farmers only get approximately 35 cents out of every dollar that the consumer spends for the products of his labor, and this has made farming one of the most unremunerative callings.

To my mind the lack of credit and the failure to receive a just compensation for the products of his labor has done more to depopulate the farms of the country than anything else.

Mr. Chairman, the American farmers have been discriminated against in a most outrageous manner in obtaining credit. Credit is an instrument of great protective power. Without credit our industrial and commercial development could never have made the wonderful strides that they have. The sole object of rural-credit legislation is to place in the hands of agriculture a modern method of obtaining credit. In other words, it will enable the farmer to borrow money on the security of his land at approximately the rate first-class business concerns can borrow money on convertible security. And this is nothing but right and fair. As it is to-day the individual farmer is largely at the mercy of the local money lenders. He must pay what is demanded, and he comes very near paying from 10 to 20 per cent on all the money he borrows.

There are in the United States 27,000 banks, and according to the figures submitted by the Comptroller of the Currency for 1914, these 27,000 banks have in resources \$26,971,398,030.96. They have \$2,132,074,073 capital stock. They have \$2,276,517,370 in surplus and undivided profits. They have in loans and discounts and investments in stocks and bonds \$20,873,281,196. These banks have but \$2,132,074,073 in capital, and on this capital they have extended in loans and investment, in stock and bonds, credit to the amount of \$20,873,281,196. The banks, as we all know, own the capital, but the credit power of the bank really belongs to the public, the depositors.

We speak of banks as cash institutions, on the contrary they are credit institutions. They extend \$10 worth of credit for every dollar in capital that they have. And from an examination of the report of the Comptroller of the Currency it disclosed that the banks have loaned on farm land only \$542,115,491.

In the report of the Secretary of Agriculture for the year 1914, it is estimated that the State, private, and savings banks throughout this country have loaned on what is known as "short-time loans" to farmers approximately \$1,000,000,000, and that the national banks have loaned to farmers on "short-time loans" approximately \$750,000,000; therefore on short-term loans the farmers of the country have obtained from our credit institutions about \$1,750,000,000, and have, as I have already stated, obtained credit from the banks, with their farm land as collateral, \$542,115,491, making in all a total loan to the farmers of this country by the banks, approximately \$2,292,115,491, and the total loans of banks in accordance with reports of the Comptroller of Currency for 1914, amounts to \$20,873,282,169.

In numbers, according to the last census, our farmers of America constitutes one-third of our population, but banking institutions of this country have extended to them but one-ninth of the credit of the country. On the amount of loans made by the banks in this country 2½ per cent of their loans and investments are on farm-mortgage security. Ninety-seven and one-half per cent of the loans made by the banks of this country are upon security other than farm lands. In other words, the banks in this country invest \$97.50 in stock and bonds and other forms of security for every \$2.50 invested in farm lands. The farm land of this country constitutes one-fourth of the wealth of the Nation, but receives from our banking institutions but one-fortieth of the credit.

It is pertinent, Mr. Chairman, to make inquiry to ascertain what favoritism has been extended to railroads and manufacturing enterprises by the banking institutions of this country.

The banks of this country, according to statistics that I have been able to investigate, have made investment in railroad bonds to the amount of \$1,675,303,719, and in railroad stock \$75,437,000, making a total investment on railroad stocks and bonds of \$1,748,739,728. In other words, the banking institutions of the country have extended credit to the amount of \$1,748,739,728 more to the railroad companies than to the farmers.

The railroads are valued at approximately \$16,000,000,000; the farms are valued, as I have already stated, at approximately \$44,000,000,000. The railroads give employment to about 2,500,000 people; the farms of America give employment to approximately 12,500,000. There are in this country approximately 10,000,000 supported by the railroads, and there are over 45,000,000 supported by the farms.

The banks have actually invested in railroad stocks and bonds more than three times the amount loaned to farmers, with their land as collateral. They have only loaned to the farmers, with their land as collateral, \$542,115,491.

Let us see what the banks are doing toward extending credit to the manufacturing enterprises of this country. Manufacturing is the only other industry that compares with agriculture in the amount of wealth annually produced and that industry has access to a source of credit, because the security that they offer consists of stocks and bonds, which are sometimes "watered."

Manufacturing concerns own large corporations, and the value in 1914 of the capital stock of manufacturing concerns was over \$64,000,000,000, and they had issued over \$37,000,000,000 in bonds and other forms of indebtedness, giving to this business over \$101,000,000,000 in stocks and bonds and other forms of security.

The banks of the country have loaned on stocks and bonds as security the enormous sum of \$9,712,000,000, and on farms they have loaned but the sum of \$541,115,491—over 49½ per cent in stocks and bonds, and 2½ per cent in farm mortgages. In other words, the banking institutions of the country have extended credit to the amount of \$9,169,884,519 more to the corporations than to the farmers. One-half of the entire credit power of the banks is extended to corporations.

Has not the farmer a right to claim that the banking institutions have discriminated against him, and is it not conclusive evidence that the banks do not extend to the farmer the credit to which he is entitled? This, therefore, makes it clear to my mind that it is necessary to inaugurate a new system of credit to meet the urgent demands of the farmer.

Not only have the banking institutions of the country been guilty of discrimination against the farmer in obtaining credit, but in the establishment of the national banking system of this country farm loan was outlawed by the Federal enactment as a class of security upon which loans should not be negotiated. Yet it must be admitted that the safest and highest class of gilt-edged securities in the Nation to-day is its improved farm lands, upon which the Government and all other industries of the Nation must depend for support and progress.

Congress has also discriminated in its appropriations. We appropriated for our Navy approximately \$147,000,000; to our Army, \$104,000,000; to our pensions, \$162,000,000; and to the Department of Agriculture the sum of \$30,000,000, which appropriation is subdivided into 20 or more classes. The amount appropriated for agriculture in proportion to the number of people engaged in that occupation amounts to just about 40 cents for the benefit of the head of each rural family, while the appropriation to the Army amounts to more than \$2,000 per capita.

Now, Mr. Chairman, turn to the subject of taxation; for if there is one thing that is as sure as death in this country it is taxes. The valuation of property in 1912 subject to an ad valorem taxation amounted to \$69,452,936,104. Of this amount \$51,854,009,436 consisted of real estate. Three-fourths of the burden of our direct taxes for the support of the State, the county, the city, and the town falls upon the burden of real estate. The largest item in the farmer's budget of wealth is his real estate.

It is impossible for the owner of real estate to escape the burden of taxes, while the banks, the corporations, the railroads, with their different securities, are able oftentimes to dodge the tax collector. You find the farmer paying an enormous rate of interest, deprived of the advantage of obtaining credit on the same basis that other business in the country enjoys, and at the same time his entire property being subject to taxes, as it is visible to the ever-seeing eye of the tax collector.

In view of the figures above given, can any reasonable man claim that the farmer is not discriminated against. He does not enjoy the same privilege of offering as collateral to the banking institutions of the country his security as is enjoyed by the railroad, the corporations, and manufacturing enterprises. He is subjected to hardship, inconvenience, and high rate of interest to obtain his money, while those engaged in other business are not forced to encounter the obstacles that the farmer constantly has to surmount to obtain credit.

As I have stated, he yields annually by the toil of himself and his family, and produces oftentimes in a mortgaged crop, over \$9,500,000,000 worth of wealth; he owns, in round numbers, approximately \$44,000,000,000 worth of farm property, yet with all of this accumulated wealth he can not obtain in the money markets of this country money at the same rate of interest as is enjoyed by others.

I respectfully inquire, When will this discrimination cease? Why should fish be made of one and fowl of another? Is it not shortsighted on the part of the banking institutions of this country to continue this discrimination, when the banker should know that the money he has loaned to the corporations, that the money he has loaned to the railroads, the money he has loaned on city and urban property, will shrink in valuation if the farmer becomes impoverished?

Has not the time arrived when the American farmers who follow the noblest of all occupations, who bear the hardships incident to farm life, who are confronted with the uncertain conditions of weather, the fluctuating prices of his commodity, and who, year by year, produce such wealth to the country, should be given a modern system whereby he can obtain money on a long period of time and at a low rate of interest, which is absolutely essential to his continued prosperity?

Mr. Chairman, while I have talked on rural credit in a general way and pointed out why, in my opinion, legislation along this line should be enacted and have called attention to the manner in which the farmers of the country are discriminated against in obtaining credit, it is important to analyze the bill introduced by the gentleman from Virginia [Mr. GLASS], which, in all probability, will be reported from the Banking and Currency Committee for consideration by this House.

The administration of the proposed law would be under a newly created board, known as the Federal farm-loan board, to be established in Washington and to consist of five members named by the President, with the advice and consent of the Senate. Not more than three would be members of the same political party. The members are to devote their whole time to the business of the board and are to receive salaries of \$12,000 a year and traveling expense. The term of each member would be 10 years. Large powers would be granted and ample provision made for the necessary force of attorneys, experts, assistants, clerks, laborers, and other employees, and for registrars and appraisers. The President would be given discretion, but would not be required to put these employees under the classified service.

The Federal farm-loan board is to divide continental United States, excluding Alaska, into 12 Federal land-bank districts, apportioned with due regard to the farm-loan needs of the country. They may be readjusted from time to time, and their number may be increased by the board. In no case, it is prescribed, shall a Federal land bank be established with less than \$500,000 capital.

In each Federal land-bank district a Federal land bank is to be established, which may establish, subject to approval of the board, branches within the land-bank district. The board of directors of every Federal land bank, apart from the temporary organization, is to consist of nine members, each holding office three years, six to be local directors and to represent national farm-loan associations. The remaining three are to be known as district directors, appointed by the Federal farm-loan board.

Section 5 deals with the capital stock of Federal land banks. Every Federal land bank shall have before beginning business a subscribed capital of not less than \$500,000. Shares are \$10 each. If within 90 days after opening the books any part of the minimum capitalization is unsubscribed, the Government is to take it.

Section 7 provides that corporations, to be known as national farm-loan associations, may be organized by persons desiring to borrow money on farm-mortgage security under the terms of the act. Every farm-loan association is to elect a board of not less than five directors. Ten or more natural persons who are the owners or are about to become the owners of farm land qualified as security for a mortgage loan under the act, may unite to form a national farm-loan association. They will prepare articles of association and forward them to the Federal land bank

of the district, and on approval of the director of such bank a charter will be issued to the association. Members of such associations will be allowed to borrow on land mortgages in accordance with the act.

The bill goes into much detail as to the nature of the loans and mortgages permitted. The theory is that loans may be made payable back in installments at reasonable interest rates. The maximum loan to any borrower is \$10,000.

In addition to providing for Federal land banks, the bill provides for joint-stock land banks, and provision is made for farm-loan bonds or joint-stock bonds secured by first mortgages on farm lands, such as the measure contemplates.

Mr. Chairman, I am frank to admit that after months of study on this bill I am thoroughly of the opinion that the same is not workable and will not accomplish the desired results. While there are many admirable features in the bill, yet it is lacking in the essential of a genuine rural credit bill—Government aid—and I do not believe if it is enacted into law will serve the purpose and object intended, and time will demonstrate the correctness of my conclusion. It is too cumbersome and has too much red tape to be put into successful operation.

Mr. Chairman, the present system of American farming must be revolutionized and made to conform to the best methods of modern twentieth century progress. The weak link in the chain of agricultural success to-day is the absence of a sound and safe system of agriculture finance.

When this system is inaugurated it will at once lighten the present heavy burden of the American farmer and will soon make rural life not only attractive but prosperous. This great Government of ours has not been developed by merchants, lawyers, bankers, and manufacturers. The pioneers of this country were farmers, who for generations past braved the dangers of the wilderness, hewed the forests, tilled the soil, and by their blood on hundreds of battle fields placed this Nation in the first rank among the nations of the earth. I say to my Democratic colleagues here to-day that the people have a right to expect that we redeem the party platform made in Baltimore and give to the farming interests of this country rural credit legislation with Government aid. Do not give to them a law which is a mere makeshift. Give to them a bill with Government aid—with this great Government which they have helped to develop and given their best efforts to make it what it is to-day behind the collateral which they offer. With Government aid in a rural credit bill the Government will do for the farmer of the country what it did for commercial banking in the Federal reserve act—that is, guarantee the observance of all of its contracts and the redemption of all of its obligations.

The American farmer does not come to Congress pleading for any special privileges over any other class of American citizens, but they have the right to expect that a square deal will be accorded to them, and by the passage of a rural credit bill with Government aid it will give to agriculture a new birth and stimulate this great industry, upon which rests the prosperity, the happiness, and the welfare of this great American Republic. [Applause.]

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

Mr. LEVER. Mr. Chairman, I yield to the gentleman from Alabama [Mr. BLACKMON] one minute.

The CHAIRMAN. The gentleman from Alabama [Mr. BLACKMON] is recognized for one minute.

Mr. BLACKMON. Mr. Chairman, I am very much interested in the question of rural credits. I ask unanimous consent to extend my remarks on that subject in the RECORD.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent to extend his remarks in the RECORD on the subject of rural credits. Is there objection?

There was no objection.

Mr. BLACKMON. I yield back the remainder of my time.

Mr. LEVER. Mr. Chairman, I yield to the gentleman from Indiana [Mr. CLINE] the remainder of that minute.

Mr. CLINE. Mr. Chairman, I would like to ask unanimous consent to extend my remarks in the RECORD on the American Academy of Arts and Sciences.

The CHAIRMAN. The gentleman from Indiana [Mr. CLINE] asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. LEVER. Mr. Chairman, I yield five minutes to the gentleman from Georgia [Mr. HOWARD].

The CHAIRMAN. The gentleman from Georgia [Mr. HOWARD] is recognized for five minutes.

[Mr. HOWARD addressed the committee. See Appendix.]

Mr. HAUGEN. Mr. Chairman, I yield to the gentleman from North Dakota [Mr. HELGESEN] such time as he desires.

The CHAIRMAN. The gentleman from North Dakota [Mr. HELGESEN] is recognized.

[Mr. HELGESEN addressed the committee. See Appendix.]

Mr. HAUGEN. Mr. Chairman, I yield 30 minutes to the gentleman from New York [Mr. PLATT].

The CHAIRMAN. The gentleman from New York [Mr. PLATT] is recognized for 30 minutes.

Mr. PLATT. Mr. Chairman, in the face of all that has been said this afternoon on the subject of rural credits, and being a member of the Committee on Banking and Currency, I feel very strongly inclined to lay aside my prepared speech, and to talk a little common sense on the subject of rural credits, but I will refrain for the time being, and will speak about a very different subject in which I am not exactly an expert, but in which I am greatly interested, namely, birds.

On Thursday morning, March 30, there passed away in this city Prof. Wells W. Cooke, assistant biologist at the Biological Survey, the leading authority in the United States, and I think I am safe in saying in the world, on bird migrations, a modest unassuming student, but a student of the great mysteries of the open, a most delightful companion, ever ready to share with others his gentle pleasures and to aid them in learning about the birds, the flowers, the ferns, the trees, and the beautiful things that grow wild all about us in the fields and woods, but which most of us never see. Prof. Cooke, like John Burroughs and John Muir, taught many people how much wholesome enjoyment there is to be had without money and without price, almost at our doors, everywhere, in the reading of the book of nature. I never heard him complain of the high cost of gasoline. It was my good fortune to make his acquaintance soon after I came to Washington to attend the extra session of the Sixty-third Congress in the spring of 1913, and to be asked to join the local Audubon Society in its tramps about the neighborhood of Washington under his leadership, and even to be admitted to the smaller coterie of cranks who take early morning tramps in springtime along the Potomac hills and marshes in Virginia, along the Chesapeake & Ohio towpath, or back into the woods that still in part surround the District of Columbia. I should like to tell you something about those tramps, but must confine myself to a brief sketch of some of the splendid work of the Biological Survey, with special reference to Prof. Cooke's work on bird migrations.

First, let me say that the migrations of birds are still in considerable part a mystery. Just why some of them travel such long distances from their summer to their winter homes nobody knows. Generally speaking, like our millionaires who go to Palm Beach or to southern California in the winter, they flee away from the cold at the advance of winter, but that is not true of all of them. There is at least one bird, the arctic tern, the champion migrant, that nests north of the arctic circle as far as land has been found, and then flies 11,000 miles to the antarctic continent, way south of Patagonia. This wonderful bird seems to seek sunshine rather than warmth. The sun never sets during its entire stay at its breeding grounds, and the same is true of at least two months of its sojourn in the antarctic.

A few birds, on the other hand, do not migrate at all, but stay with us all the time, winter and summer. The English sparrows are the most familiar; but the cardinals, or red birds, so common here in Washington, grouse or partridge, and quail are among them. A few others, like meadow larks, go only short distances. Some others are both migratory and nonmigratory, like the Maryland yellow throat, which both winters and breeds in Florida, though most of the species passes north in the spring to New York and New England.

Many birds spend their summers in Canada and as far north as Alaska and their winters along the Gulf of Mexico or in South America. Some birds that nest in Canada seem to like cold weather, but not too much cold. The tree sparrows and juncos, for instance, are abundant around Washington, in New York State, and throughout the Northern States in winter, but go back to Canada in the spring. They are seed eaters and probably simply keep away from snows so deep as to bury their food. Robins migrate, but not very long distances. They are found during all the year a little south of Washington, and a few winter in this neighborhood, but occur along the Gulf only in winter, and in the Northern States only in summer. Generally speaking, they keep below the line where the ground freezes, and come North as soon as the ground softens, so that they can get earth worms for food. I believe that Prof. Cooke has said that

birds do not greatly mind cold weather, but must go where they can find food.

Some of our well-known birds that winter in South America go far south of the Equator and seek a particular locality. The familiar bobolink or reed bird winters in southern Brazil, and nighthawks go well into the Argentine, while purple martins, barn swallows, cliff swallows, and some thrushes winter almost as far south. Scarlet tanagers winter on the west coast of South America, mostly in Peru, south of the Equator.

Mr. SHALLENBERGER. I wonder if the bewhiskered, nut-cracking night bird migrates from that country also.

Mr. PLATT. I am afraid I do not know much about that bird. I mention only a few of these birds and their habits to show the wonderful variety and interest in the subject. Prof. Cooke has discovered many strange and interesting things about the routes of the birds, their speed of flight, and their distribution. He organized a large corps of voluntary workers, and it may surprise Members of this House to know that there are some 300 people covering pretty nearly all parts of the United States and much of Canada who work for Uncle Sam without pay, reporting regularly every year the dates of the arrival and departure of the birds in their localities. [Applause.] From these reports and from reports of trained observers who have visited the Arctic regions and other uninhabited or sparsely inhabited localities Prof. Cooke prepared a series of maps showing the range of almost every bird known in the United States and its routes of migration. Some of these maps have been published in the bulletins written by him for the Biological Survey, and since the passage of the Federal law of March 4, 1913, protecting migratory birds these maps and the data upon which they are based have become of immense importance.

Without such studies as those made by Prof. Cooke some of our game birds would surely be entirely destroyed in time. One very important matter brought out by these studies is the establishment of the fact that most birds concentrate in winter in a much smaller area than that covered by them in breeding in the summer. The ducks and geese breed mostly in north-western Canada between the Rocky Mountains and Hudson Bay or Lake Winnipeg, in a vast region of many lakes and streams and marshes. A large number of them used to breed in the Dakotas, in Minnesota, and Wisconsin and some still nest there, but increasing agriculture is gradually driving them out. In winter they concentrate along the Mississippi, the Gulf, and the Atlantic coast, where they have been killed in great numbers by sportsmen and pot hunters. Chesapeake Bay was formerly the winter home of millions of canvasback and redhead ducks that nested in Canada. Now, because of constant shooting, canvasbacks are almost rare in the Chesapeake. Prof. Cooke contributed to the National Geographical Magazine of March, 1913, an article entitled "Saving the ducks and geese" that shows by maps the summer and winter homes of these splendid game birds, tells how they have been slaughtered in vast numbers in the winter and spring, and points out the means that must be taken to save them. Further and very interesting information on this point is given in the beautifully illustrated article in the National Geographic Magazine for August, 1915, by Dr. Henry W. Henshaw, Chief of the Biological Survey, on American game birds. Dr. Henshaw reviews briefly the numerous game laws that have been passed by the States, points out the tremendous increase in the number of hunters as shown by the licenses issued, and shows that both Federal and State laws are necessary to save the game birds. The Federal law, it should be noted, applies only to migratory birds and can do nothing to protect quail or grouse and other birds which are nonmigratory.

Laws alone, whether Federal or State, are evidently insufficient. Some splendid birds, like the passenger pigeon, that once existed in countless numbers, have already been exterminated, and many others, like the heath hen, once abundant in the East, are almost extinct and kept from total extinction only by the protection of a special refuge. The heath hen is now only to be found on the Island of Marthas Vineyard where, under the protection of stringent laws of the State of Massachusetts, a few pairs have increased to about 200. This brings me to the subject of bird refuges—special areas set apart for the safety of birds of all kinds, where they may not be killed. The Federal Government has established 68 bird reservations in different parts of the United States, including Alaska, and this does not include the national parks. Several States have also established bird refuges, and to these must be added a large number of private estates where the birds are fully protected, and privately established bird reservations.

Dr. Henshaw mentions as conspicuous examples Marsh Island, acquired through the generosity of Mrs. Russell Sage; the Rocke-

feller preserve; and the Ward-McIlhenny preserve, all in Louisiana. The last mentioned comprises some 50,000 acres.

The 68 Federal game and bird reservations, I may say here, together with the National Bison Range, in Alaska; the Jackson Hole Elk Refuge, in Wyoming; and the 4,000-acre game preserve on the Wind Cave National Park, in South Dakota, are all maintained on an appropriation of only \$22,000 (testimony of Dr. T. S. Palmer, hearing Agriculture appropriation bill, Biological Survey, p. 17) which is entirely insufficient to provide needed protection. A reservation off the coast of Georgia had to be abandoned during the past year because of lack of funds, and the appropriation of \$22,000 is only a little more than \$300 for each one. The Laysan Island Reservation in the Hawaiian Islands was visited by poachers last year, who killed some 300,000 birds, mostly albatrosses, for their plumage. This great reservation has no warden, and the same is true of many of the smaller reservations.

Mr. YOUNG of North Dakota. The gentleman's remarks are certainly very interesting. I should like to ask the gentleman whether it is not a fact that the birds throughout the country are of immense economic value, particularly to agriculture?

Mr. PLATT. I am coming to that, but I may say, in answer to the gentleman's question, that according to Dr. Henshaw the farmers are saved not less than \$500,000,000 every year through the work of the birds in destroying insects, and small animals like field mice and squirrels, and weed seeds.

Mr. YOUNG of North Dakota. In view of that fact, would it not seem that we should appropriate something more than \$22,000 annually to take care of these 68 bird reservations, and the immense amount of work that is being done along that line?

Mr. PLATT. The appropriation is too small, especially when it is remembered that that \$22,000 takes care of several herds of buffalo and of elk, and a great number of game birds which are of immense value themselves for food.

Mr. GREENE of Vermont. Does the gentleman expect further on in his remarks to call attention to the fact that some species of birds which were once thought to be more or less pests have been proven to be of great economic value?

Mr. PLATT. Yes; I shall touch upon that, and should be glad to say more about it if time would permit.

Mr. REAVIS. My question is not apropos of the line of thought you are now developing, but I am curious to know about the migratory habits of the redbird?

Mr. PLATT. Does the gentleman mean the cardinal that we see so often around Washington?

Mr. REAVIS. Yes.

Mr. PLATT. It does not migrate at all; it stays here all winter and all summer.

Mr. REAVIS. I will say that I have heard a redbird whistling near my home in Nebraska when the temperature was as low as 10° below zero.

Mr. PLATT. Yes; occasionally one of them stays up in the State of New York. Some birds apparently do occasionally migrate which ordinarily are not supposed to do so. For instance, a mockingbird spent considerable time in Downing Park, in the city of Newburg, on the Hudson River, some time ago. Then, the Carolina wren, which is a very common bird around Washington, occasionally nests in New York State and in New England. It seems very unlikely that it stays there in the winter, but I have seen no data on that question.

There is much in the work of the Biological Survey with regard to birds that I should like to mention if time permitted. Perhaps the most unique and valuable work is the examination of the contents of bird stomachs by Prof. F. E. C. Beal and others.

Prof. Beal has been at this work some 27 years. He sits there looking through a microscope at little piles of seeds and other things spread out before him, and he is so expert that he can recognize the half-digested fragment of a weed seed, or caterpillar's hair, or a piece of bone from the hind leg of a little field mouse, or something of that kind. Of course, nearly all the contents of birds' stomachs are partly digested. It takes a man of tremendous experience and expertness to know what he is looking at when he examines these things.

Birds have been called by Dr. Henshaw "the policemen of the air." It has long been known that they devour great quantities of insects and small animals, but the patient scientists of our Biological Survey have undertaken to prove, so far as possible, just what the birds do for agriculture, by showing just what they do eat. They have conclusively proven that some hawks, formerly considered enemies of the farmer, really do much more good than harm, because they destroy a large number of field mice and other small animals and only occasionally take a

chicken. Our country, I understand, has taken the lead in this work, as in the study of bird migration.

Mr. YOUNG of North Dakota. Is it not a fact that the great State of Pennsylvania at one time offered a bounty for the killing of hawks?

Mr. PLATT. Yes; but it had to repeal the law, because it was found that the field mice and other small animals which had been destroyed by the hawks and owls were increasing in such numbers that their devastations had done a great deal more harm than the destruction of the hawks had done good.

Some interesting studies have been made by Prof. Cooke and others in the way of a bird census—to find out how many birds there are living in our great country. It looks like an absolutely stupendous, hopelessly impossible task—like counting the sands of the seashore—but it is not. The average Eastern farm has been found to have one pair of birds to the acre nesting on it. By special inducements this can be increased considerably. For instance, in the Chevy Chase neighborhood in Maryland, just outside of Washington, 13 pairs of birds were nesting in one yard of one-half an acre and 34 species of birds were found nesting on 23 acres in 1914. It has been proven that where birds are best cared for and protected insects are most held down. The estate of Baron Hans von Berlepsch, "Seebach," near Essen, in Germany, was like an oasis in a desert after a great plague of insects had devoured most of the vegetation of the neighborhood. The baron was a great bird lover and had provided special nesting places and food for birds so long that he had greatly increased the number of birds on his estate, and when the invasion came they well repaid his care.

Mr. HOWARD. Does the gentleman know anything about the temperament, habits, location, and value of the bird discovered by President Roosevelt—that bird which has whiskers and nut-cracking proclivities? I should like to have the gentleman tell us something about that if he can. I am interested in that bird.

Mr. PLATT. I am sorry to have to tell the gentleman that I do not think I ever saw that bird. I will say this, however, that Col. Roosevelt is really a competent bird observer. He knows a great deal about our common birds. I know that at first hand, because I spent nearly a day with him once in the woods, along with John Burroughs. He is interested in everything he sees out of doors and never misses an opportunity to study an unusual bird, or the birds of a locality new to him.

Mr. COOPER of Wisconsin. Will the gentleman from New York permit me to reply to the gentleman from Georgia? The gentleman intimates or suggests by his question that Mr. Roosevelt claims to have discovered this bird. In an interview published yesterday in one of the New York papers he disclaims ever having made any such remark as that at all. All he said was that he thought he had discovered some traits of that bird of which he had never before heard; but the papers have been constantly stating that he claimed to have discovered it, although he did not say anything of the sort himself.

Mr. HOWARD. Did he describe the bird as having nut-cracking proclivities?

Mr. COOPER of Wisconsin. Oh, no.

Mr. LEVER. Will the gentleman yield?

Mr. PLATT. Certainly; I will yield to the chairman of the Committee on Agriculture.

Mr. LEVER. The gentleman has made a very interesting statement, and I am glad he has made it. I would like to ask if he has ever considered any plan or method by which we could destroy the English sparrow, which, to my mind, is driving away a great many native birds from this country?

Mr. PLATT. I may say that Ernest Harold Baynes, in his very interesting book on Wild Bird Guests and How to Entertain Them, has shown how the English sparrows were driven out of his home town in Meriden, N. H. He says they can be made to keep out. I should hate to see them all destroyed, however, for they stay here all winter, and are very cheerful little fellows.

Mr. ELSTON. Will the gentleman yield?

Mr. PLATT. I will yield to the gentleman from California.

Mr. ELSTON. I have not been here during the whole of the gentleman's remarks, but I would like to ask whether he made any reference to the birds in the Sandwich Islands?

Mr. PLATT. Yes; I referred to the bird refuge there and the fact that there have been marauders there killing thousands of albatrosses.

Mr. ELSTON. Did the gentleman make any suggestion as to the expediency of preserving bird life in that locality or make any plan for the administration? It is merely a bird refuge.

Mr. PLATT. If I am correctly informed, the Laysan Island Reservation extends over more than 5° of longitude, and includes many small islands, and there ought to be a permanent station there. There ought to be a warden to take care of it. It is a group of islands absolutely uninhabited except by birds.

Mr. ELSTON. Has the gentleman any plan in mind for stimulating interest in that bird locality? I am asking in behalf of parties on the coast who are very much interested in this, and particularly in the Laysan Island proposition.

Mr. PLATT. I know of nothing better than to call attention to the fact that plume hunters have destroyed so many birds there, and get a little more money from the Government for their protection.

Mr. LEVER. My recollection is that the matter was brought to the attention of the committee last year, and that some provision was made in the bill for better service at that point; but I am not sure that my recollection is correct.

Mr. PLATT. Dr. Palmer, of the Biological Survey, refers to it in the hearings before your committee this year.

Mr. LEVER. Probably that is what I had in mind, and it was this year instead of last year.

Mr. CLINE. Will the gentleman yield?

Mr. PLATT. Certainly; I yield to the gentleman from Indiana.

Mr. CLINE. Speaking about the migration of birds, I remember of reading a while ago a statement made by some member of the Audubon Society of Illinois that the birds in their migration observed the trade winds, both coming to and going from the United States. Does the gentleman know anything about that?

Mr. PLATT. It is so of some birds, but birds take a great many different routes. The average bird that winters in South or Central America flies across the Gulf of Mexico, some 700 miles. A few go around through Central America and Mexico. There are birds that take one route in the fall going south and another route coming back in the spring.

Mr. CLINE. They go by the Allegheny Mountains and the coast and come back by way of the Rocky Mountains.

Mr. PLATT. They generally follow the Mississippi River north and come back along the coast.

Mr. CLINE. The article also contains a statement that robins that appear in the spring would appear at Albany, New York, Buffalo, Chicago, and St. Paul within an hour or two of the same time.

Mr. PLATT. I do not know particularly about the history of the robin in its migration. It has been shown that birds that go into the Northwest or into Alaska travel faster than those that come east. The lines of migration on the charts made by Mr. Cook in the West and Northwest bend way up into Canada. For instance, certain birds appear in Washington and at St. Paul, or perhaps at New York and at Winnipeg, on the same dates.

Mr. FESS. Will the gentleman yield?

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

Mr. FESS. Has the gentleman made any study or come to any conclusion as to whether there is any bird that ought to be destroyed because it is hurtful to other birds, because it robs the nests of other birds? For instance, there is an impression that the common jay lives on the eggs of other birds.

Mr. PLATT. The bluejay is a beautiful bird and it does occasionally eat the eggs of some other birds, but it is entitled to some kind of food. [Laughter.] I think if there is any bird that ought to be destroyed more than any other because of its bad habits it is the cowbird, which does not take the trouble to build a nest, but drops its eggs into the nests of smaller birds.

Mr. FESS. My question is not a facetious one; I am asking the question of one who has studied birds.

Mr. PLATT. I do not claim to be an ornithologist.

Mr. FESS. But the gentleman knows more about birds than anybody else here.

Mr. PLATT. I think no bird ought to be entirely destroyed. I think some ought to be held down. I think the English sparrow ought to be lessened considerably, but I should hate to see it entirely destroyed.

Mr. MANN. There is no danger. [Laughter.]

Mr. FESS. Is the common blackbird a migratory bird?

Mr. PLATT. Yes; the purple grackle is the common blackbird that you see around Washington. It is the bird that walks; you see it walking around in the parks. It has been here three or four weeks.

Mr. FESS. We have hundreds and thousands of them at Antioch College, in Ohio, during a certain part of the year always in the campus at night. About 5 o'clock you will see them coming in in groups, and they light on the trees until the

trees are simply black with them, and then before the dawn you can begin to hear them and it is a regular frolic as they go. Where do they go in the day?

Mr. PLATT. The gentleman is talking about what they do from day to day.

Mr. FESS. My first question was whether they are migratory. Where do they go during the day?

Mr. PLATT. They go off somewhere to find food, and come back and roost at night.

Mr. FESS. I have never seen them come from the west. They always come from the east at nighttime.

Mr. MANN. That would depend upon where they get the food.

Mr. PLATT. Yes. Their food supply in the neighborhood of Dr. Fess's home is evidently to the eastward.

Mr. MANN. They nest in the locality, and they swarm in the fall.

Mr. PLATT. Yes.

Mr. SHALLENBERGER. Mr. Chairman, will the gentleman yield?

Mr. PLATT. Yes.

Mr. SHALLENBERGER. I have been very much interested in the speech of the gentleman from New York. The State of Nebraska is especially rich in varieties of birds, and I would like to ask him if he can inform us as to the fate of the common bluebird. It used to be quite common in Nebraska, but it seems to have almost disappeared. Is that bird being destroyed by other birds?

Mr. PLATT. I think not. It has been a very common impression that the bluebird has been driven out by the English sparrow, but as a matter of fact some years ago thousands of bluebirds were killed by an ice storm. An ice storm kills more birds than anything else. It puts a coating of ice not only over the ground but over every branch of every tree and bush. If the ice coats everything long enough, thousands of birds will starve to death unless somebody feeds them. The bluebirds all over the East almost disappeared a few years ago. They are coming back now. There are a lot of bluebirds around Washington. I saw them as early as February. They are gradually increasing, and unless they are destroyed by another storm they will continue to increase. Some of them winter here in the neighborhood of Washington. Cats destroy a good many young bluebirds, which are particularly helpless when first out of their nests. In fact, cats destroy a great many birds of all kinds.

Mr. FESS. Where does the scarlet tanager live?

Mr. PLATT. If I remember right, it winters in Peru. Most of them go south of the Equator and off to the west coast of South America, which is a very unusual thing. The tanager is a bird mostly of the woods when it is breeding, though I have known a few pairs to nest around the outskirts of cities and villages.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. LEVER. Mr. Chairman, I yield 15 minutes to the gentleman from Mississippi [Mr. QUIN].

Mr. QUIN. Mr. Chairman, the bill that the House has before it now, according to my judgment, is the most important matter that this Congress will consider at this session, unless it takes up, if it can ever get it reported to this House, a rural-credit bill. Congress should force the committee to report a real rural-credit bill. Our farmers are entitled to it and must have it. The Congress has done a great deal to teach the American farmer how to produce farm products. The Congress has been liberal for years in showing the farmer how to cultivate the soil, how to treat it, how to diversify his crops in order to get the best results, but there is one thing that the American Nation is behind on, and that is a marketing system. We show the farmer how to produce in abundance all of the splendid farm products and we fail to get his products properly marketed. As shown by the gentleman from Nebraska [Mr. REAVIS] in his able address here to-day, 18 different men handle the steer, so that the original grower of that steer must pay all of this commission which is consumed by these 18 different parties, from the producer of the steer to the ultimate consumer, the man who buys the beef to cook. In my district we have a great fruit and vegetable industry. Several of my counties produce and ship large quantities of truck and fine vegetables. One town, Crystal Springs, shipped 1,300 cars of vegetables in the year 1915. From the little town of Gallman, and the county seat, Hazlehurst, including Crystal Springs, 2,500 cars of vegetables were shipped in 1915, and for those vegetables \$350,000 went to the Illinois Central Railroad Co. in freight charges, and now that railroad company has before the Interstate Commerce Commission a proposal to increase that freight rate, and

a ruling is to be made on that on the 15th day of this month. I am fighting before that commission to keep the railroad company from perpetrating that outrage on the poor truck farmers of my district. I hope success will crown our efforts. These are two of the things that our farmers are being burdened with in this country—commission charges and transportation charges. Shylock in all of the tide of time never showed such a greedy, grasping hand as some of these produce and vegetable commission men in the large cities show in handling the product of the farmers.

The transportation companies are more than greedy when they try to raise and increase rates on vegetables now. The poor farmer can not stand it.

Now this great vegetable truck is worth big money ordinarily. I am giving you a concrete case and I know that all through the Mississippi Valley and the Central West and the Southwest are these people producing these splendid trucking products who hardly get enough to pay for their fertilizers and a decent wage for production. There must be some remedy for it. These people are paying an enormous fertilizer charge. Fertilizer is higher this year than it has been since I have known anything about farming and yet the transportation companies propose to increase freight rates. The ultimate consumer of the farmer's product pays a big price for it. You go down right into the restaurant below here in this Capitol, and you get a little tomato—10 cents. That farmer for a whole crate of tomatoes only got probably 50 or 60 cents. The same thing in regard to beets; the same thing in regard to carrots and cabbages and beans, and all of his products are the same way. The same thing is true about hogs and about cows; the same thing is true of the southern cotton farmer. The middlemen get it all; freight rates eat a great hole in it, so that the man who actually produces the farm products of this country is held down in a state of almost absolute need. [Applause.] How is it that these people, as shown here from the speech of the gentleman from Iowa the other day, a family of six make only \$402 a year on a farm of a valuation of \$6,000 with 75 acres in cultivation? If the same capital should be employed with equal intelligence in any other line of industry the man would get many fold more than he really does for his labor as a farmer. I do not say that Congress is to blame for it. Congress is to blame in a measure for not devising a suitable national exchange bureau or system of marketing.

I introduced a bill here to extend the Bureau of Markets, and I am happy to say that some of the principles involved in that bill the distinguished chairman of this committee and his colleagues and collaborators have worked into the bill. [Applause.] But the result of this work does not reach as far as it should. We know that unless there is some proper method of handling the farm products to keep down the exorbitant commission charges, heavy transportation charges that eat up what profits the farmer should receive from the time the products leave the farm until they reach the ultimate consumer, unless there is some radical change in it, the farmer can not grow much more independent. All of this talk we see in the magazines, and some we hear on this floor, of this "back to the farm" can not be brought about by mere talk. The gentleman from Ohio told us there had been a great hegra from the farms of Ohio into the cities of that State. I do not know anything about farm conditions in the State of Ohio, but I know they are not what they ought to be or the people would not be leaving the farms. They do not get enough for their work is the reason they go to the city. I know the reason they leave the farm in my district in my State, Mississippi, to go to work in the railroad shops and in other public works, is because of the fact they do not get the real value of the produce they raise on the farm and for the further reason they want to get into the town where they can have good public-school advantages for their children. The men are willing to work from early dawn until late at night at hard manual labor at small wages in order to have good schools for their children to attend. We owe it to the great agricultural class—the real wealth producers of the United States—to aid them in establishing splendid rural schools in which to educate their children. The farmer, the man who owns a small farm, does his own work in my country, and understand me, he does not fool his time away or spend it around the country store nor around the streets of the town, but he labors from early in the morning till late at night, as long as he can see, and that is from one end of the year to the other. Not only does he himself labor, but his children and oftentimes his wife go to the field and work. They are endeavoring to better their condition in life. The necessity makes it necessary that the whole family should work in order to have a decent living, because the farmer fails to get the full value of his labor in the price of his products.

Mr. REAVIS. Will the gentleman yield?

Mr. QUIN. I do.

Mr. REAVIS. The gentleman spoke of the entire family of the farmer laboring. Does the gentleman know of any one employment where longer hours are put in than by the farmer and his family?

Mr. QUIN. No, sir; there is none. Nobody works as long hours as the real farmer who tills the soil. I know this not only from observation but from actual experience myself on the farm. I have done nearly everything myself except preach. I worked on the farm from the time I was 5 years old until I got education enough to get away from it, and the reason I left the farm was not because I did not like farm work but because I saw no hope in it. I realized, under conditions as they then existed, that the man who toils in the fields of this country could never get the price of his labor. I realized that the man who works on the farm, putting in not 8 hours a day, but at certain seasons of the year he puts in 18, would scratch a poor man's head all of his life. These very vegetable growers I have told you about around Crystal Springs right now, this 13th day of April, and their wives and children, probably little fellows about 4 years of age, the whole crowd of them are in the field at daylight until late in the evenings working with vegetables, and on chilly evenings they work sometimes until 11 o'clock at night, covering those vegetables up to keep the cold from killing them.

That is the way my people work. And yet they have nothing more than a bare living, when if they received the real value of their labor they would soon become independent. We had a bill up in this Congress to take care of individuals sitting around in departments who did not want to work 8 hours a day, but who only wanted to work about 6½ or 7 hours, and who wanted 30 days, and who do get 30 days, sick leave, and 30 days free absent leave, when the poor farmer has to toil day in and day out—and is robbed going and coming—and then forced to pay the taxes of the favored few.

Mr. COX. Will the gentleman yield?

Mr. QUIN. I will.

Mr. COX. Does the gentleman know that the same class of people he is talking about here in the departments are now asking to be retired on half pay when they reach the age of 60?

Mr. QUIN. Yes, sir; and it makes my heart sick to know that there are many Congressmen on this floor who will vote to do it, when these people who work for 18 hours a day on the farm are the ones who will have to pay for it. And if you are going to assist the employee of this Government, because he has a lifetime job and gets a good salary and works eight hours and less a day, what are you going to do for the producers of wealth who must pay the taxes? You propose to give this lifetime employee not only a little less than eight hours a day of work, but retire him on \$600 a year after he has quit. That is too preposterous, in my judgment, to talk about. If these 30,000,000 of people who are engaged in the raising of the products of this country knew what Congressmen would vote to put that great burden on them, they would come up here and put them out of this place. You take the six and one-half million farmers and you multiply them by about five, which allows four children to the family, and you have about 30,000,000 people out of a hundred million people, who are producing the farm products of the country, and whom you wish to tax for the benefit of the few.

The 30,000,000 people who are producing these products are asking for no favors. They receive none. But they can not get justice. All I have ever asked for any constituent in my district is justice, and as a representative of the people, I believe this great farming class of 30,000,000 that keep all the wheels of industry in this country running, that keep all these railroad trains moving, that keep our salaries paid, ought to have not only what goes with this agricultural bill that we are considering to-day, but they ought to have a genuine system of exchange for marketing their products [applause] in order that the real value of farm labor will be received in the sale of the products of the farms, whatever they may be. [Applause.] The ultimate consumer pays enough. The Lord knows we do not want to hand down any bigger burden on him than is there now, but what is the matter is the cost of transportation and the further cost of commission. These commission men, as a rule, are parasites.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LEVER. Mr. Chairman, I yield to the gentleman two minutes more.

The CHAIRMAN. The gentleman from Mississippi is recognized for two minutes more.

Mr. QUIN. These commission men are parasites, who live off of the men and women and children who toil, and as an illustration of it the commission man generally has a nice fine

house in which to live, he rides in an automobile, he generally wears a diamond, and he wears nice clothes and his family wears nice clothes. The poor farmer and his family are lucky to have simple fare on their table and plain clothes on their bodies, they are lucky if they can have an ordinary horse and buggy, and they are still luckier if the farmer has enough money left, after paying high interest and all other robberies, at Christmas to get a few toys for his children, a jug of "oil of joy" for his Christmas eggnog, and a new calico dress for his wife. [Laughter.]

Mr. CLINE. Will the gentleman yield?

Mr. QUIN. Yes.

Mr. CLINE. Now, I believe all the gentleman has said about these conditions, but when I put it up to a commercial man he said to me, "Why, farm lands have gone up in the last 13 or 14 years 200 to 210 per cent." And I am unable to explain why that should be, considering the fact that the farmer is beaten out of most all of his profits.

Mr. QUIN. I do not know anything about where farm lands have gone up all over the country. That just makes the farmer pay more taxes, for if he still farms he wants to continue to own the land, and a poor man has less opportunity to buy a farm. They have not gone up that way in my country. You can get as fine land as a crow ever flew over in my district for \$20 an acre. You can get as good grazing land as any in Nebraska or Ohio for \$50 an acre. I advise you gentlemen to go into that country and put your money into the stock-raising business. Do not go into the vegetable-raising business, because the railway companies and the commission men will get all the money you make. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. HAUGEN. I yield one minute for the purpose of asking the gentleman a question: Are you in accord with the suggestion made by the department—by these people who have been objecting to the eight-hour workday—that the farm management be so rearranged as to give additional hours of work to the people on the farm in order to improve the condition and increase the receipts for the year, which seems to be the only remedy suggested so far?

Mr. QUIN. To give additional hours to the farmers?

Mr. HAUGEN. That he may be given additional hours to work during the year.

Mr. QUIN. Oh, my goodness, he works all of the time in the daylight now, and puts up a torch by which to work at night.

Mr. HAUGEN. That seems to be the only remedy discovered so far by the department.

Mr. QUIN. That is it. The department is doing the best it knows how; but it is plain that the few who get the farmer's profits will never discover anything for him except for him to work like hell. [Laughter and applause.]

I here insert my bill as a part of this speech:

A bill (H. R. 10486) to extend the Bureau of Markets in the Department of Agriculture.

Be it enacted, etc., That the Bureau of Markets shall be extended. The Chief of the Bureau of Markets shall name all special agents, clerks, and other employees that may be necessary to fulfill the duties of such bureau in or out of the District of Columbia, and they shall receive the same compensation as other United States Government clerks doing similar work.

Sec. 2. That it shall be the duty of the Chief of the Bureau of Markets to make thorough investigations as to the system of marketing all farm products, especially vegetables, fruits, hogs, poultry, and all diversified products of the farm, cooperative and otherwise, in practice in various sections of the United States and foreign countries. The information and data thus collected shall be distributed to farmers, farmers' unions, farmers' organizations, and societies of consumers throughout the various agricultural sections of the United States, and made available for the use of any individuals or organization, either by the circulation of printed bulletins, letters, circulars, telegrams, or by information given personally by special agents or employees of said bureau. It shall also be the duty of the Chief of the Bureau of Markets to make investigations of the demand for farm products in various trade centers, and the current movement of such normal demand, and the price thereof, with the view of furnishing information as to the best available markets, which information shall be distributed as above set forth.

Sec. 3. That it shall be the duty of the Chief of the Bureau of Markets created under this act from time to time and at appropriate intervals to gather accurate information from the various production areas of the United States upon and relative to the amount of productions of the various fruit and vegetable crops thereof, including the acreage planted therein, and of the various kinds, classes, and varieties thereof, respectively, and the probable dates upon which such crops will become ready for market, and to distribute such information through reports to interested persons, as hereinafter provided.

Sec. 4. That it shall be the duty of the Bureau of Markets to aid in every practicable way the sellers and buyers of such crops and farm products as are mentioned in this act while the same are subjects of interstate commerce, to the end that such buyer shall receive the full amount, quality, and quantity of such crop or commodity shipped, and the seller shall receive the full amount or price, less expense, for which such crops or commodities are bought; and that to this end such bureau and the agents thereof shall have a right, and it is hereby made their duty, to inspect the quality and quantity of such crops or commodities that leave the hands of the shippers thereof and the quality and quan-

tity of such crops or commodities that come into the hands of the buyers thereof, as well as to ascertain by inspection of the records hereinafter provided for, or by deposition or otherwise, the prices paid for such crops or commodities by the buyers thereof, and to report such information to persons directly interested therein; and, further, to prosecute persons guilty under this act of infringements hereof.

SEC. 5. That it shall hereafter be the duty of every agency, person, or corporation, instrumental in selling, handling for sale, or arranging the sale of any such crops or commodities the subject of interstate commerce on behalf of the shipper, whether before or upon delivery to the first purchaser thereof, in each case of such nature to make a true and correct record in writing, dated and signed by the person entering such record, showing the quantity of such crop or commodity received by such agency, person, or corporation, the date and the time of day at which it was so received, the name of the shipper from whom it was received, the quality and condition of such crop or commodity when so received, and when sold, the name and address of the first bona fide buyer thereof, the price paid by such buyer to such agency, person, or corporation to such shipper, and the date of such remittance, the original of which record shall be prepared immediately upon the transaction of the facts and matters therein recorded, and shall be thereafter forthwith transmitted by mail, duly addressed to such shipper, and a duplicate of which record shall be correctly entered by such agency, person, or corporation in a well-bound book or books to be kept for such purpose in the office of such agency, person, or corporation, subject to the inspection of the shipper and the Bureau of Markets.

SEC. 6. That any person or persons, corporations, or other agency, as well as any agent or employee thereof, who shall omit to send the original record, or to keep the duplicate thereof, or to allow inspection of such duplicate as above provided, shall be guilty of a felony and upon conviction thereof shall be punished by a fine of not less than \$1,000 and imprisonment of not less than 12 months, or by both such fine and imprisonment.

SEC. 7. That any farmer, farmers' union, organization, buying or selling agency that desires telegraphic or telephone information from the Bureau of Markets shall deposit the actual cost of transmitting such telegraphic or telephonic information with the Chief of the Bureau of Markets.

SEC. 8. That the sum of \$— shall be appropriated out of the funds of the United States Government, and the Secretary of Agriculture shall provide suitable offices in which said Bureau of Markets can conduct the business thereof, and the Chief of the Bureau of Markets shall make an annual report to Congress, giving in detail the workings, affairs, operations, and expenditures of such bureau.

Mr. HAUGEN. Mr. Chairman, I yield 20 minutes to the gentleman from Iowa [Mr. HULL].

The CHAIRMAN. The gentleman from Iowa [Mr. HULL] is recognized for 20 minutes.

Mr. HULL of Iowa. Mr. Chairman, no one of the comedy of errors with which the present administration can be justly charged has proved inimical to the public, has demonstrated the inefficiency of the Department of Animal Industry, and has disregarded the rights of a State to deal exclusively with its own affairs more than that episode staged last summer under the name of the "foot-and-mouth quarantine." The things that were done by the Federal officers during that régime would have been ludicrous if they had not been so pitiful, and would have been absurd if they had not ruined many a home, driven many a man into bankruptcy and an untimely grave, and throttled the independence of a State. One benefit has evolved. We have been taught that before the Federal Government can ever hope to be an important factor in the development of the great live-stock industry it must thoroughly reorganize the department in control of this great source of wealth of the United States.

One can only realize the magnitude of the blunder when he considers the millions upon millions that are invested in the live-stock industry of this country. It is the greatest wealth producer in the United States; tens of thousands annually derive their livelihood therefrom; it has paid the mortgage on many thousands of farms, and it involves more capital than any other pursuit of man in the world. The live-stock industry indirectly affects every person in the United States, and directly affects millions of farmers whose future is bound up in its success. With the growth of this great industry at stake, it naturally would follow that the Federal Government would provide as adequately for the development of the live-stock industry as it has for the numerous other of our growing resources. Such, however, is not a fact, for its Federal supervision in the United States is now and has been in the hands of a few veterinarians, lacking the capacity to direct it and entirely out of sympathy with the farmers and others who own and whose money is invested in these great herds of stock. These men are totally inefficient to cope with the immense problems which are involved in the husbandry of this vast branch of the Government's resources.

At the head of our transportation service is an efficient organization employing thousands and thousands of expert men whose sole business is its development; we have a Bureau of Mines, employing the most capable men in the country and annually spending millions to develop our mineral wealth; our forest reserves are efficiently guarded at an annual expense of millions; and vast sums are expended that we may produce more wheat, more corn, and more of those things that add to our wealth. In pitiful comparison with this is the meager amount set

apart to further an industry greater than any of these, an industry the future development of which is now in the hands of an organization of men devoid of the necessary qualifications to insure it the greatest amount of success, devoid of the efficiency to handle the vast questions involved, and who are entirely out of sympathy with the farmers who are financially interested. As the European war awakened us to our inadequacy in military preparedness and naval equipment so it was the outbreak of the foot-and-mouth disease throughout the United States last year that demonstrated how totally inadequate and inefficient was our Federal Board of Animal Industry, so inefficient that it was entirely unable to cope with the disease that spread like wildfire through the country. The foot-and-mouth disease has been dispelled, it is true, but only after it has ruined thousands of farmers, added mortgages to hundreds of homes, and cost untold and unnecessary millions, to say nothing of the usurpation of State rights by the Federal Government. All of this might have and should have been avoided, but it was not, because there was a woeful lack of knowledge and efficiency and a lack of the application of good, sound common sense.

The foot-and-mouth disease first made its appearance in the United States in Niles, Mich., a year ago last July. Its origin has been attributed to many sources, but none of these have been specifically verified. When it was first suspected, however, serum tests were sent to the Bureau of Animal Industry in Washington, for analysis. It was right here, at the very beginning, that the bureau made its first big blunder and proved that it was inefficient, for in diagnosing the case it failed to discover the foot-and-mouth germ, and it failed to pronounce it foot-and-mouth disease. If we had had a sufficiently efficient board, the disease would have been throttled in its incipency, and the germ would never have been carried outside of the State of Michigan. If a proper diagnosis had been made, millions of dollars would have been saved, and the live-stock industry would have avoided the crushing blow it has received. However, as the bureau failed to properly diagnose the case no quarantine was established, and the infection was allowed to spread. Naturally it was not long in reaching the Chicago stock yards, and from there it was disseminated through 11 States. Cars on which infected cattle had been shipped were saturated with the germs, and one can conceive of no way where it could have been more widely scattered.

In October, weeks if not months after the disease first made its appearance in Michigan, the Federal authorities suddenly awoke to the fact that an epidemic of foot-and-mouth disease, in widely scattered areas, was facing the country. Then began those hysterical quarantine orders which came from the Federal department, and which will be recorded as the most amazing spectacle of incompetence, ignorance, and usurpation of authority that has ever been witnessed in a similar event. First began a campaign of publicity, very little of which was founded on fact. The statement was strewn broadcast that the United States was in the throes of a terrible cattle disease for which there was no cure. The public was given to understand that the cattle industry was about to be decimated. It was declared that there was no cure for this terrible disease, and the only thing to do was to lock up great areas of land and let everything confined therein die. It was claimed no method was too drastic, no system was too severe, no price too high to pay in order that we might rid ourselves of this terrible scourge that had suddenly swept over the country.

In this campaign of ignorance and inefficiency State laws were violated, property rights ignored, and individuals terrorized in an insane effort to wipe out something that never should have been allowed to gain a foothold. The worst feature in connection with these orders was that not only the man who had an infected herd was made to suffer by the blundering tactics of the Federal department, but the innocent owner of other herds—not only of cattle, but of hogs—was made to lose his savings of months, if not years, by the arbitrary methods pursued—methods that have no justification in eliminating the disease or in economical management.

The quarantine as first established tended rather to spread than to isolate the disease. Areas were placed under quarantine so large that it was impossible to enforce the rules prescribed. Whole counties at first were isolated. Drastic measures were used in an attempt to coerce the farmers into obeying these stupid rules. They were threatened, bulldozed, and coerced into obeying these mandates of the department that were founded neither on law nor ordinary good sense. When orders began to issue from the Federal department hundreds of head of cattle and thousands of head of hogs, a large portion of which were many miles away from the infected premises, would be tied up. In many instances these cattle and hogs were ready for market. They could have been shipped at once, and

thus the owner would have secured his money and the danger of spreading the infection minimized. Not only would their removal from the inclosed area have aided in destroying the disease but it would have aided the officers in their quarantine.

The result from the attempted enforcement of the quarantine was exactly the opposite. Great quantities of stock were held until they became infected; hogs ready for shipment had to be fed and were held until, in many cases, they died of cholera. It must be remembered that the disease reached its zenith just about the time a large part of the stock was ready for the market. This fattened beef and pork, instead of finding its logical outlet, was held by these obnoxious orders until millions of dollars were lost. When this strong-arm business became so notorious that the people arose in open defiance the Bureau of Animal Industry, to appease the people and secure any semblance of obedience to its orders, modified the original quarantine rule reducing the isolated area from a county to a distance of 15 miles around the affected premises. This was an admission of the error it had made in its original order, but while an improvement over the county quarantine, it came still far from relieving the intolerable conditions that existed. Millions of dollars of stock, still clean of the disease, was tied up, a market for it was unavailable, and the men whose money was invested saw total loss staring them in the face. It must be remembered that only sporadic attempts were made to see that these rules were properly enforced. The result was that while the cattle and hogs were held, other animals were spreading the infection, and we had the spectacle of a vast quantity of live stock being held waiting for the foot-and-mouth disease and the cholera to come and wipe it out of existence. Many of the methods used in an attempt to enforce the quarantine caused much of the antagonism that was raised. In many instances the veterinarians in charge were arrogant and arbitrary. Added to this was the fact that most of them were hopelessly ignorant of what was required.

In many instances proper inspection was not made, but even a more serious charge can be made against them. The public might have excused the lack of knowledge in handling the disease, but it could not excuse the utter disregard of sanitary measures and the criminal carelessness with which these veterinarians carried the disease from one place to another. Infected and uninfected herds would be inspected by these same veterinarians without any thought of their disinfecting themselves or their clothing. There is little doubt but what these same veterinarians were responsible for the spread of the disease as much as any other one thing. The climax to this orgy of blunders came about a year after the disease had its inception. The foot-and-mouth disease had practically been eliminated, eliminated by killing all the infected cattle and many more that had no disease and destroying millions in property. Then it was that this same bureau, knowing well that serums suspected of containing the germ had been manufactured in Chicago, allowed this same serum to be sold, resulting in the reappearance of the disease in many places. This second scourge was wiped out only after these drastic measures were put in force once more and added millions of stock destroyed.

Mr. KING. Mr. Chairman, will the gentleman yield?

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

Mr. HULL of Iowa. I do.

Mr. KING. Is it not a fact, stated in the evidence taken at Chicago by Senator KENYON in December, that Dr. Bennett, who was acting for the United States Bureau of Animal Industry in Chicago at the time the plague broke out there in the yards, was a stockholder in a hog-cholera serum factory in Wisconsin at the time?

Mr. HULL of Iowa. I believe it was so testified to, and other evidence was adduced at that hearing to the same effect.

Mr. HAUGEN. Mr. Chairman, will my colleague yield there?

The CHAIRMAN. Does the gentleman yield?

Mr. HULL of Iowa. Yes.

Mr. HAUGEN. Do I understand the gentleman to say that Dr. Bennett was then in the employ of the Federal Government?

Mr. HULL of Iowa. I understand so, but I am not an authority on that subject.

Mr. KING. That is the statement contained in the evidence of witnesses taken at the hearings referred to.

Mr. HAUGEN. Is he the party that inspected or passed the serum?

Mr. KING. It was not his concern, but the Chicago serum concern which spread the disease in 1915. Dr. Bennett was a stockholder in that company. He is not now connected with the department.

Mr. HAUGEN. My question was whether he had inspected and passed the serum that started the infection in 1915?

Mr. KING. That inspection was made by Dr. Shearin, of the Bureau of Animal Industry, located at Chicago, and also I think by Dr. Dorset. One of them or both has been dropped by the department.

Mr. HAUGEN. Oh, no. Dr. Dorset was not dropped.

Mr. COX. What excuse was given for their not understanding it?

Mr. KING. They said that they tested out some 60 different samples of that serum, and that it showed negative in those experiments, but they failed to take into consideration the fact that there was one-half of 1 per cent of carbolic acid in it at that time—it being stated by Dr. Dorset at the Sherman House that that would kill any foot-and-mouth germ that was in it, which statement I think they took for granted and which was not true—which might not reach all the parts of the serum. They should not have taken any chances on that proposition. Simply to save \$1,800 worth of serum at Chicago their action cost the people of Illinois something like \$300,000.

Mr. HULL of Iowa. They should have taken no chances at all. They went out and destroyed hundreds of thousands of dollars' worth of cattle and then allowed serum companies to distribute serum that had practically no value.

Mr. OVERMYER. Mr. Chairman, will the gentleman yield?

Mr. HULL of Iowa. Yes.

Mr. OVERMYER. Can the gentleman tell how many men were in this country at the time of the outbreak of the foot-and-mouth disease who were familiar with it and who had ever seen it?

Mr. HULL of Iowa. That is what I say. They ought to have been posted. They had had outbreaks of this disease before, and they are paid by this Government to know how to deal with it.

Mr. OVERMYER. I thought the gentleman's complaint was that they did not have enough inspectors to handle the situation in all parts of the country.

Mr. HULL of Iowa. No. If the gentleman will wait until I get through, he will see that one of my complaints is the usurpation of power by officials of the National Government over the States in an unconstitutional manner.

Mr. KING. Mr. Chairman, will the gentleman yield again, in order that I may answer some of the questions that have been asked?

Mr. HULL of Iowa. Certainly.

Mr. KING. Is it not a fact that the Bureau of Animal Industry was familiar with the outbreak in 1901 and in 1902 and with the outbreak of 1908, and that it issued a special bulletin on that subject, giving the results of their investigation? And does not the gentleman think they ought to have been thoroughly posted on the foot-and-mouth disease at that time when this last outbreak occurred?

Mr. HULL of Iowa. Yes. As the gentleman from Illinois stated in his remarks here, there were some gentlemen thoroughly posted about this matter. There was the trouble.

Now, I want to call your attention to another phase of the condition that existed during the epidemic of this disease, and that is the important part that the United States Live Stock Sanitary Association had in making the rules and regulations that were adopted to stamp it out. It should be known in the start that the secretary, treasurer, and guiding spirit in this organization is Mr. John J. Ferguson. Mr. Ferguson is the scientific expert and one of the leading men with Swift & Co., one of the biggest packing concerns in the United States. Now, the office of the Secretary of Agriculture might have been densely ignorant as to the proper way to eradicate the foot-and-mouth disease, but the United States Live Stock Sanitary Association was as well informed as the bureau was ignorant. In fact, all reports and evidence tend to show that the United States Live Stock Sanitary Association had much more to do with the rules of quarantine and the methods used to stamp out the foot-and-mouth disease than did the Bureau of Animal Industry. Belonging to this organization are Federal officers of the Government bureau and such well-known men as Dr. J. F. Gibson, chief of the Bureau of Animal Industry of the State of Iowa, and the heads of nearly every State bureau also are members. It is well founded in the minds of many of the farmers, especially those who lost their money by this drastic campaign, that the rules and regulations governing the foot-and-mouth disease were framed in the interests of the packers and insurance companies of which some of those men were the owners, rather than the interests of the farmers. It is claimed that the packers reaped a harvest off the misfortune of the stock raisers, and all the evidence tends to confirm these state-

ments. At least this is so, that Mr. Ferguson, head man of one of the packing companies, was the guiding spirit in an organization that was apparently responsible for the drastic quarantine laws that were placed into effect.

Let me show you how these quarantine rules resulted in benefits to the packers. The disease was rapidly sweeping through the country, such measures as were being used tended to spread rather than isolate the disease; whole counties were being put under quarantine, a quarantine which could not be enforced; the farmers did not know what moment they would be prohibited from shipping their stock; were afraid any moment that it might be tied up, held until it became infected, and they would lose all. As a result they were willing to sell at any price, quantities of stock were dumped on the market, and prices decreased rapidly. Whole States were put into suspected areas, and from this area the farmer could only ship to one market, and there he must sell at the packers own price. This resulted in tremendous losses. This must be considered together with the fact that Mr. Ferguson, one of the leading men in the packing industry, was the head of an organization that was apparently directing the quarantine. In his work he was aided and abetted in drafting these rules by State officers, who were charged with protecting the farmers, but who, by their action, warrant the charge of holding stock in quarantine that the insurance companies of which they were stockholders might grow rich through the farmers' misfortune. When you keep the two in mind, do you wonder that these men who were losing their profits through these quarantine laws became imbued with the idea that a mercenary motive was involved in these quarantine regulations.

I want to call your attention to the manner in which the Federal Government usurped the rights of the various States to make and enforce quarantine regulation within their own borders. I cite your attention to Iowa particularly. This is my own State, and I am very familiar with the actions that were taken there. These vicious quarantine laws that had been enforced had become intolerable. Herds of hogs and cattle were dying by the hundreds. Millions were being lost, farmers were being made bankrupt, and the live-stock industry was going to ruin. At this time a 5-mile quarantine was enforced. So great had become the disaster that the people in the infected areas almost in a body appealed to the governor to give them some relief. On December 31 Gov. Clark sent to David E. Houston, Secretary of Agriculture, the following telegram:

DES MOINES, IOWA, December 31, 1915.

Hon. DAVID HOUSTON,
Secretary of Agriculture, Washington, D. C.:

Within the 5-mile zone quarantine for foot-and-mouth disease are thousands of hogs ready for market, 60 days in some cases. Feed almost exhausted, tenants unable to pay rent, obligations generally can not be met, hogs threatened with cholera, many already dying with it, great losses sustained by farmers. Can the Government consent that hogs outside of 2 miles of infected farm, after inspection, may be shipped to Iowa market for immediate slaughter? It would be great relief. State desires to cooperate with Government if it is possible and consistent with safety. May the modification be granted.

GEO. W. CLARK, Governor.

This shows the condition that existed in Iowa at this time. On January 2, the following reply to that telegram was received:

Gov. GEORGE W. CLARK,
Des Moines, Ia.:

JANUARY 2, 1915.

Order 231, effective January 1, permits shipment of stock for slaughter after inspection from 5-mile zone 30 days after disinfection of premises is completed. This will undoubtedly release in near future much live stock now held in quarantine. Regret three recent outbreaks in Cedar and Iowa Counties; will delay action in those localities.

D. F. HOUSTON, Secretary.

Thus, you will see that the appeal of the governor of Iowa for relief found a deaf ear in this Democratic administration, which expressly refused to allow a State to move stock within its own borders. In January of that year the Iowa Legislature met in its biennial session, and one of the first things to come before that body of men was the intolerable condition prevailing in the quarantine of the foot-and-mouth disease. Iowa farmers appealed almost in a body for legislative action that would at one time place a real quarantine around premises infected with the foot-and-mouth disease, and release for shipment stock not infected, stock that was rapidly eating up the profits of the farmer, or hogs that were becoming infected with cholera. The result was that a law was passed providing that a strict quarantine should be placed around an area of not more than 3 miles from any infected premises, and a conditional quarantine should be placed around an area 2 miles from the strict quarantine. Stock could be immediately shipped from the conditional quarantine after due inspection. Stock in the strict quarantine was held. This law you can readily see would have proven a great relief to the farmers. After passing the law, the Iowa Legislature sought

the cooperation of the present administration in the enforcement and application of the law it had enacted. Did it get it? No, indeed! Instead, it received a threat that if the governor of Iowa signed the bill that the legislature had passed, the entire State of Iowa would be isolated, and that not one shipment of stock would be allowed to pass its borders. I quote you a telegram signed by Carl Vrooman, Acting Secretary of Agriculture, which clearly indicated the high-handed method the administration used to coerce the State into adopting its rules and regulations:

TO THE GOVERNOR OF IOWA:

Regret very much bill relating to foot-and-mouth disease quarantine does not meet with our approval. It is sometimes necessary to quarantine large areas until extent of infection can become known. Quarantining individual farms or radius of 5 miles around them is not always sufficient. Am advised such bill would automatically release all present quarantines in Iowa and would compel the department, much against its will, to quarantine the entire State. Disease rapidly disappearing and department contemplates in the near future conference with State officials and representatives of live-stock interest as to most effective methods of cooperation in the handling of future outbreaks.

CARL VROOMAN

Acting Secretary of Agriculture.

Can you beat it? Did you ever before hear of such a Federal piracy of a State prerogative? A department of this Government threatening a State that if it passed a law governing an industry within its own borders that that State would be isolated, cut off from communication with every other State in this Union.

I wish also to quote a paragraph from a letter dated Washington, D. C., July 22, 1915, received by myself and signed by D. F. Houston, Secretary of Agriculture, which confirms the statement that this administration claims the Bureau of Animal Industry has unlimited authority over the property and liberty of citizens of a State in matters that have always been considered under the strict jurisdiction of the State:

It is the practice of the department in establishing and enforcing Federal quarantines to give careful consideration to State quarantine laws and to recognize State quarantines which are found to be adequate to meet the emergencies arising out of the outbreak of animal diseases. The department understands, however, as a matter of law, that when a Federal quarantine has been declared under the authority of a statute dealing broadly with the subject, the Federal quarantine prevails and State laws and regulations inconsistent therein become invalid; and it has not hesitated to enforce Federal quarantines, regardless of State laws or regulations, whenever such action has been found to be necessary to cope efficiently with contagious, infectious, and communicable animal diseases.

I shall at the proper time introduce an amendment to the bill now pending. This amendment has the indorsement of practically every one of the breeders and farmers who have had experience with quarantine of foot-and-mouth disease. I hope that I may have the support of everyone in this House. I hope that all those of the opposition who have hitherto worked to defeat those measures that have been advocated by the Republicans in the interest of the farmer will give this amendment their support. Hitherto they have promised much during that period before the time of election, but when they have come to Washington the interests of the farmer are forgotten, and they have used their power to retain the autocracy of these bureaus rather than in the interest of those who produce the wealth. [Applause.]

If the gentlemen on the opposite side of this Chamber use their power to defeat these measures that are in the interest of the farmers, I remind them that these farmers have it in their power next fall to see that Members of Congress are elected to this House that belong to a party in sympathy with them and their interests. [Applause.]

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

Mr. HULL of Iowa. I ask unanimous consent, Mr. Chairman, to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. LEVER. Mr. Chairman, I yield two minutes to myself.

The CHAIRMAN. The gentleman from South Carolina is recognized for two minutes.

Mr. LEVER. Mr. Chairman, agriculture is the greatest occupation of mankind. It is the oldest of all the occupations of mankind. To-day is the anniversary of the birth not only of the patron saint of the party to which I owe allegiance and have the honor to follow, but it is at the same time the birthday of a man who, during his whole life, was the patron saint of agriculture in the early history of this country. I refer to Thomas Jefferson. [Applause.]

His philosophy was that the four chief occupations of man are agriculture, commerce, manufacture, and navigation, and

the chiefest of these is agriculture. He was the first man in this country to show a practical interest in the upbuilding of agriculture, when, as ambassador to France, he began to introduce into this country new seeds and new varieties of plants. He wrote many, many very interesting and valuable dissertations upon agriculture. He was a visionary man in many respects, a dreamer, but in my judgment he looked further into the future, and saw it more clearly, than any human being who ever lived.

The first appropriation upon which the Department of Agriculture finally built itself was secured in 1839—an appropriation of \$1,000 for the introduction into this country of new and rare seeds. The department itself was organized in 1887. It was organized largely through the efforts of the father of one of my distinguished colleagues, Mr. AIKEN, of South Carolina. [Applause.]

But I rose only to remind the committee that this is the birthday of one of the great patron saints of this country, who devoted a large part of his time and his thought to the promotion and development of agriculture. [Applause.]

Now, Mr. Chairman, I yield 15 minutes to the gentleman from Alabama [Mr. HEFLIN].

The CHAIRMAN. The gentleman from Alabama [Mr. HEFLIN] is recognized for 15 minutes.

[Mr. HEFLIN addressed the committee. See Appendix.]

Mr. HAUGEN. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. BROWNE].

Mr. BROWNE. Mr. Chairman, the last Congress of the United States appropriated over a thousand million dollars. One hundred and forty thousand dollars was appropriated for the Forest Products Laboratory. This bill carries a similar amount.

The Forest Products Laboratory is located at Madison, Wis. It was established in 1910, the State of Wisconsin appropriating \$50,000, building suitable buildings, and so forth, for housing this department.

I desire to call your attention to the work this Forest Products Laboratory is doing, to see whether the money is well expended, and whether the people of the United States are getting value received for their money.

NUMBER OF PEOPLE EMPLOYED IN WOODWORKING OCCUPATIONS.

The Statistical Abstract of the United States of 1914 gives 1,005,000 people employed in the manufacture of logs, lumber, woodworking, wood pulp, wood-pulp paper, turpentine, cooperage, cabinet work, and wood distillation. The same abstract gives the total number of wage earners engaged in purely manufacturing as 6,615,000; that is to say, almost one-sixth of our wage earners who are engaged in manufacturing are dependent for their employment on forest products. It means also that at least one-sixth of our transportation, more than one-sixth of our building, one-sixth of our commercial, financial, and professional activities are directly or indirectly dependent upon our forests.

Every farmer that owns a wood lot is benefited by being able to utilize it to his best advantage. The settler who formerly burned the greater portion of the wood and timber taken from the land that he was cleaning is now, thanks to scientific investigation, able to sell the greater portion of his forest products and make them pay for the cleaning of the land and placing buildings thereon. Even the bark from the trees and the stumps of the pine are becoming a source of revenue.

In the brief time given me it would be impossible for me to go into detail as to the many kinds of investigations being conducted by this Forest Products Laboratory. I will only have time to briefly call your attention to a few of these activities, and will ask leave to have printed in the RECORD as part of my remarks a more complete statement showing the scope of the work in accomplishments of the Forest Products Laboratory, and statistics concerning the pulp, paper, and other industries, which statement was prepared at my request by Howard F. Weiss, director of the laboratory, and a man of remarkable ability and energy.

TIMBER TESTS.

The work of this section is devoted principally to tests upon commercial woods of the United States.

The grading rules for structural timber, formulated by the American Railway Engineering and Maintenance of Way Association, are based largely on the result of tests made by the Forest Products Laboratory.

The portion of the new building laws for New York City that relates to wooden construction is based largely on the result of the Forest Products Laboratory tests.

Tests by the Forest Products Laboratory on telephone poles of various species have shown that woods heretofore considered unsuitable have the requisite strength for pole purposes.

Formerly timbers cut from trees adapted for turpentine were thought to be weaker than timber from untapped trees, and only unboxed timber was accepted. This discrimination has caused a waste of about 37,000,000,000 board feet of long-leaved pine timber valued at \$111,000,000.

Tests made by this Government laboratory have shown that tapping trees for turpentine has no effect on the strength, and the use of box timber is becoming general.

Tests on packing boxes of various types have resulted in the revision of the specifications of the Interstate Commerce Commission for boxes used in shipping explosives. The railroads of the United States paid \$40,000,000 annually in claims to shippers for goods lost and damaged in transit. A large percentage of this amount is due to poor design of boxes. By improving the design they hope to save at least \$5,000,000 a year to the shippers and to the railroads.

Since the establishment of this forest laboratory in 1910 to 1915, 125,000 strength tests on 130 species of American wood have been made.

THE SEASONING OF WOODS.

A kiln has been designed which has shown greater efficiency than any now used. A carload of water-oak wagon felloes furnished by a large vehicle company, and claimed by them to be of little value because they could not be seasoned without checking and marking, were dried with a loss of only 2 per cent of the material.

Dry kilns have now been built by six large concerns using the advice of the Forest Products Laboratory, which represent an investment of \$175,000.

Eleven hundred samples of wood a year are being identified for the public use without charge, and disputes involving large transactions are settled.

WOOD PRESERVING.

The preservation of wood against fire and decay and against all wood-destroying animals, and the study of the durability of wood under various conditions, represents the wood work of this section.

Tests upon the fire-resisting and water qualities of various paints and chemicals are also being carried on.

It has been shown that the life of wood used in the exposed situations, or in contact with the soil or water, can be increased at least three times by treatment with preservatives.

The Forest-Products Laboratory has designated some 12 wood-preserving plants for wood-using companies.

Tests have shown that many woods of comparatively little value, such as jack pine, lodge-pole pine, and other woods that were considered of little value, can be easily treated with preservatives and are suitable for ties. The use of these kinds of wood for tie purposes has doubled in the last five years.

The results of the investigations by the Forest Products Laboratory of the treatment of paving blocks have been utilized by the city of Chicago in drawing up specifications for city pavements.

PULP AND PAPER.

The study of forest products as pulp-making materials and the study of processes of manufacture of pulp and paper have been of inestimable value to the paper industry.

Tests have shown that pulps of commercial value suitable for use in the manufacture of news and wrapping paper can be made by the sulphite process from eight species of native wood, several of which grow in large quantities on the national forests. Some of these woods are now used to a limited extent; others not at all.

Red fir, white fir, jack pine, tamarack, and hemlock can now be satisfactorily substituted for spruce in the ground-wood process in making the cheaper grades of paper, such as news and wrapping paper. Several mills are now using these woods.

THE MANUFACTURE OF VEGETABLE ALCOHOL.

The Forest Products Laboratory has been conducting experiments the last three years on the production of grain alcohol, and they believe that their experiments have been perfected so that vegetable alcohol can be manufactured at a cost sufficiently low so that it will be a substitute for gasoline. The market price for grain alcohol to-day is 55 cents a gallon. The Forest Products Laboratory believes that it can be produced for 15 cents a gallon.

Experiments conducted and just completed by this laboratory show that wood waste, such as sawdust, and other wood refuse, will produce about 20 gallons of 90 per cent alcohol per ton.

This alcohol is the same as that manufactured from grain and potatoes and other similar material, and must not be confused with wood alcohol, which is obtained from the destructive distillation of hardwoods.

Experts upon the subject claim that the advantages in favor of alcohol over gasoline for power purposes are many. It is claimed that with an alteration of engines a gallon of alcohol will be fully equal to a gallon of gasoline. Alcohol is safer to handle, forms no carbon on the spark plug, has no smell, and is not offensive.

In this connection I wish to make the suggestion that the Government is now operating an extensive sawmill on the Menominee Indian Reservation in Wisconsin. It is estimated that there is from one and one-half to two billion feet of timber upon this reservation. The Government could establish at a small cost a plant on this reservation to manufacture alcohol, using the by-product of this mill, which is cutting about 20,000,000 feet of lumber annually. The by-products are not being utilized at the present time.

From advices that I have had from experts upon the subject I believe this is entirely feasible; and if the appropriation of \$140,000 specified in this bill for the Forest Products Laboratory, which is the same amount that was appropriated by the Sixty-third Congress, was raised to \$215,000, work in the various lines could be substantially increased and a factory of this kind instituted.

I believe that if anyone will take the pains to ascertain the work which our Forest Products Laboratory is doing, they will agree with me that the people of this country are getting more value received for the money expended for the maintenance of the Forest-Products Laboratory than any money appropriated by the Government, and by increasing the appropriation they will greatly increase the benefits that will be derived from this very valuable branch of the Agricultural Department.

NATIONAL WEALTH.

What constitutes our national wealth? Our national resources, our lands, forests, water power, coal, minerals.

In the last 25 years our national wealth has increased at an unprecedented rate. This has been due to our scientific research, our ability to find and utilize our national resources.

Our land and all the wealth pertaining to land was here, of course, hundreds of years ago, but it did not become valuable until man by scientific research was able to utilize it.

The development of agriculture is a most striking illustration of this.

SCIENCE APPLIED TO AGRICULTURE.

In 1890 Prof. Babcock, of the agricultural department of the University of Wisconsin, invented the Babcock test, a chemical process by which he could test milk and determine with absolute accuracy the amount of butter fat contained in the milk. This invention was given to the world absolutely free, without a patent. It made the creamery, and especially the cooperative creamery, possible. It encouraged the farmer to go into dairying; with this test he was enabled to get just what his milk was worth. If he had high-bred cattle that gave rich milk, he received maybe twice the pay per quart that his neighbor who had an inferior breed of cattle received.

The dairy industry increased to a wonderful degree after this great invention, which added millions of dollars to the value of lands in the United States.

At that time the dairy industry in Wisconsin was in its infancy. She produced less than \$10,000,000 worth of dairy products annually, while to-day Wisconsin is producing each year over \$100,000,000 worth of dairy products.

The introduction of alfalfa has added millions of dollars to the value of lands in the Central West. The scientific breeding of cattle, the propagation of pure-bred seeds, and the study of soils have given our farm lands an increasing value which is beyond estimate.

Scientific investigation has worked the same change in the value of our minerals. Mr. Albert W. Atwood, in the Saturday Evening Post of March 18, referring to our rich deposit of tungsten, says, "What good did my grandfather get out of the undiscovered tungsten in Colorado when he was fighting in the Civil War? And what use was the unguessed deposit of tungsten to the Nation, for that matter, for it was not then being used as an alloy for steel as it is to-day."

The same development has taken place in the utilization of our water power.

In the district that I have the honor to represent, within the last dozen years over \$15,000,000 worth of paper mills and other wood-using industries have been built along the Wisconsin River, and not one-tenth of the water power that is running to waste has been utilized.

Wisconsin was once the first timber State in the Union—it is now, I believe, third—but more than one-half of the timber that was cut was wasted. If we had possessed one-half the knowledge of the use of timber that we have to-day, hundreds of millions of dollars of wealth that was wasted because of ignorance could have been saved. Other timber States have had the same experience.

When a great department of the Government is doing a wonderful work in conserving our great national resources, the utilization of our forest products that are now being wasted at the rate of hundreds of millions of dollars a year, is it not a good investment to appropriate a sufficient sum so that this valuable department can carry on its great work faster?

Mr. LEVER. Will the gentleman yield for a question?

Mr. BROWNE. Yes, sir.

Mr. LEVER. Does the gentleman happen to represent the district in which this laboratory is located?

Mr. BROWNE. The laboratory is located in Madison, Wis. I do not represent that district.

Mr. LEVER. Has the gentleman made any personal observation of the working of this laboratory?

Mr. BROWNE. I have; yes, sir.

Mr. LEVER. Of course, the gentleman is giving his opinion, but I would like to have him state it categorically. Does it seem to be doing a good work?

Mr. BROWNE. It is doing a wonderful work, and I expect to file a statement going into details as to that work.

Mr. LEVER. I have recently gone into the study of the question, and I am very much impressed with the character of the work there and the results they are getting, and I am glad the gentleman is making this statement.

Mr. BROWNE. They are getting wonderful results, and Wisconsin is one of the large wood-industry States, and their work is greatly appreciated by every manufacturer of wood products through the United States, and many States and cities are getting valuable information from this Government laboratory, which can be had free by asking or writing.

Mr. LEVER. This laboratory, if the gentleman will permit, was located there for the reason that Madison was in a measure a clearing house through which the lumber products of that country go.

Mr. BROWNE. Yes, sir. And also because we have many scientific men in our great university and other large laboratories are located there, and Wisconsin is right in the center of the timber section. This makes the location of this Government Forest Products Laboratory a very advantageous location. Many places were considered when the location was decided and, I believe, the location was most fortunate.

Lyman Abbott has forcefully said:

A nation is made great, not by its fruitful acres, but by the men that cultivate them; not by its great forests, but by the men who use them; not by its railways but by the men who build and run them. America was a great land when Columbus discovered it; Americans have made of it a great nation.

The CHAIRMAN. The gentleman's time has expired.

Mr. BROWNE. I ask unanimous consent to print in the RECORD as part of my remarks a more complete statement, showing the scope of the work of the Forest Products Laboratory and statistics concerning the same:

Wage earners in manufacture, 1909.

[Pp. 240 to 243. Statistical Abstract, United States, 1914.]

| Forest products: | Average No. of employees. |
|-------------------------|---------------------------|
| Charcoal | 631 |
| Cooperage | 26, 269 |
| Furniture | 128, 452 |
| Lumber | 695, 019 |
| Piano and organs | 19, 010 |
| Paper and wood pulp | 75, 978 |
| Pulp goods | 783 |
| Turpentine and resin | 39, 511 |
| Wood carpet | 184 |
| Wood distillation | 2, 721 |
| Wood preserving | 2, 403 |
| Wood, turned and carved | 14, 139 |
| Total employees | 1, 005, 100 |

Census Bulletin, Manufactures, 1909—Table 7, lumber industry.

| States: | Value of products. | Value added by manufacture. |
|------------|--------------------|-----------------------------|
| Washington | \$89, 155, 000 | \$52, 276, 000 |
| New York | 72, 530, 000 | 30, 824, 722 |
| Louisiana | 62, 838, 000 | 39, 081, 716 |
| Michigan | 61, 514, 000 | 32, 471, 918 |
| Wisconsin | 57, 967, 000 | 32, 381, 700 |

STATEMENT SHOWING THE SCOPE OF WORK AND THE ACCOMPLISHMENTS OF THE FOREST PRODUCTS LABORATORY, AND STATISTICS CONCERNING THE PULP AND PAPER AND OTHER WOOD INDUSTRIES OF THE STATE OF WISCONSIN.

(Prepared for Mr. R. B. Goodman to furnish the information requested by the Hon. EDWARD E. BROWN in his letter of February 21, 1916, to Mr. Goodman.)

The work of the Forest Products Laboratory covers the following general lines:

1. Timber tests.
2. Timber physics.
3. Wood preservation.
4. Pulp and paper.
5. Derived products: (a) Distillation; (b) naval stores; (c) ethyl alcohol and dyestuffs.

1. Timber tests.

The work of this section is devoted principally to tests upon the mechanical properties of the commercial woods of the United States and upon articles made from them. Thus tests are made upon small, clear pieces of full-sized structural timbers, boxes, barrels, vehicle parts, railway ties, etc., to determine not only actual strength but also most fitting designs and most useful specifications. Some of the specific accomplishments of this section are as follows:

(1) The grading rules for structural timber formulated by the American Railway Engineering and Maintenance of Way Association, and also the rules formulated by the American Society for Testing Materials, are based largely on the results of tests made by the forest-products laboratory. For the first time in the history of American lumbering, certain progressive companies will now agree to cut structural timbers according to the scientific grading rules formulated by us and guarantee such timbers.

(2) The National Association of Hickory Manufacturers incorporated the results of a series of tests on red and white hickory wagon spokes in their grading rules, allowing red hickory to appear in higher grades than before, thus making better use of material that was formerly considered inferior.

(3) The portion of the new building laws for New York City that relates to wooden constructions is based largely on the results of forest-products laboratory tests.

(4) Tests made by the forest-products laboratory on telephone poles of various species have shown that woods heretofore considered unsuitable have the requisite strength for pole purposes. The tests have resulted in the increased use of lodge-pole pine and Engelmann spruce in the West as substitutes for the less plentiful and higher-priced cedar.

(5) Formerly timbers cut from trees tapped for turpentine were thought to be weaker than timbers from untapped trees, and only unboxed timber was accepted. This discrimination has caused a waste of about 37,000,000,000 board feet of longleaf-pine timber, valued at \$111,000,000. Tests made by the Forest Service have shown that tapping trees for turpentine has no effect on the strength, and the use of boxed timber is becoming general.

(6) Tests on packing boxes of various types, including boxes with and without battens, dovetailed boxes, and wire-bound boxes, have been made. These results affect the use of some 4,000,000,000 board feet of box lumber. The tests have resulted in the revision of the specifications of the Interstate Commerce Commission for boxes used in shipping explosives. The railroads of the United States pay \$40,000,000 annually in claims to shippers for goods lost and damaged in transit. A large per cent of this amount is due to poor design of boxes. We are now improving this design, and hope to save the railroads at least \$5,000,000 a year.

(7) Tests on shortleaf pine and white cedar cross arms in standard sizes have shown these species to possess ample strength for this purpose, as well as the commonly used species, Douglas fir and longleaf pine.

(8) Tests on California tan-bark oak have shown it to be entirely suitable for many purposes for which eastern oak is used. Approximately 400,000,000 board feet of tan-bark oak have been left in the woods to decay after the bark was removed for tanning purposes. Tan-bark oak flooring was used in one of the large hotels recently rebuilt in San Francisco.

(9) The practice of steaming timber before preservative treatment has been practically abandoned as a result of tests that showed the strong possibility of weakening the timber, and also that air seasoning was preferable to steaming as a means of rendering timber more easily treated.

(10) We have completed to date (1915) 125,000 strength tests on 130 species of American woods.

2. Timber physics.

This section devotes its time to the study of the physical properties of wood and carries out researches and experiments upon the kiln drying of wood, identification of wood, the preparation of photomicrographs of wood sections, and the treatment of wood under various conditions to change its mechanical and physical properties. Some of the results of this work are listed below:

(1) A kiln has been designed which has shown greater efficiency than is the case in average practice. A carload of water oak wagon felloes furnished by a large vehicle manufacturing company and claimed by them to be of little value because they could not be seasoned without checking and warping were dried with a loss of only 2 per cent of the material.

(2) Methods of drying already demonstrated when applied to woods studied will give the lumber industry an annual saving of \$2,200,000.

(3) Dry kilns have now been built by six concerns using the advice of the forest products laboratory, which represent an investment of \$175,000.

(4) Eleven hundred samples of wood a year are being identified for the public without charge and disputes involving large transactions are settled.

3. Wood preservation.

The preservation of wood against fire and decay and against the attack of wood-destroying animals and a study of the durability of wood under various conditions represents the field of work of this section. Tests are made upon various methods of impregnating wood and upon the durability of various kinds of wood treated with various preservatives under varying conditions. Tests upon the fire-resisting and weathering qualities of various paints and chemicals are also being carried on. Some of the results secured from this work are as follows:

(1) Tests to determine the life of both treated and untreated material are being carried on in cooperation with railway companies, cities (paving blocks), telephone companies, and mine companies. It has been

shown that the life of wood used in exposed situations or in contact with the soil or water can be increased at least three times by treatment with preservatives. Forty-two sets of test material in various parts of the country are inspected at regular intervals by the forest-products laboratory and the results published from time to time. Information of this sort shows definitely the saving in both material and money due to preservative treatment. In one instance on the advice of the forest-products laboratory a small treating plant was installed by a coal company, which reduced their annual consumption of timber to one-half of the amount previously required, though only part of the timber used was treated.

(2) The Forest Products Laboratory has designed some 12 wood-preserving plants for wood-using companies and assisted in the design and preliminary operation of many others. The industry is now well established. A large amount of information on the best methods of treating certain woods, of operating various types of plants, and of handling certain preservatives is being constantly supplied in reply to inquiries. In 1904 there were 30 plants in operation, while in 1910 there were 84. From 1909 to 1910 there was a gain of over 45 per cent in the quantity of material treated annually.

(3) Tests have shown that many woods of comparatively little value, such as loblolly pine of the Southeast, jack pine of the Northeast, and lodgepole pine of the Rocky Mountain States, can be easily treated with preservatives and are suitable for ties. The use of these pines for tie purposes has doubled in the last five years.

(4) Tests have been made on 23 preservatives, including creosotes and salt solutions, to determine their properties, such as effectiveness in checking the growth of fungus, ability to penetrate into wood, effect on the strength of wood, and permanency. As from 50 to 75 per cent of the cost of treating is for the preservative, accurate data to guide a selection are important. Such tests have shown the necessity of careful analysis and grading of the creosotes used as wood preservatives, and laboratories have been established by the largest water-gas-tar company in the United States and by one of the largest creosote companies for the better handling of their wood preservatives. Our tests have shown farmers and others that preservatives costing 10 to 20 cents a gallon are as good as the ones they were paying 75 to 100 cents for.

(5) As a result of tests to show the possibilities of treated loblolly pine for pole construction a plant has been constructed in the South and is operating on this species.

(6) Tests to show the advantages of treating silo timber have resulted in silo companies furnishing treated material.

(7) The results of investigations of the treatment of paving blocks have been utilized by the city of Chicago in drawing up specifications for city pavements.

(8) The specifications for wood preservatives adopted by the American Railway Engineering & Maintenance of Way Association and by the National Electric Light Association are based on work done by the Forest Products Laboratory in analyzing and grading preservatives.

(9) The methods of treating poles by the brush and open-tank process adopted by the National Electric Light Association are based on the recommendations of the forest-products laboratory. Our tests show that by the expenditure of 30 cents in treating a pole a saving of 20 per cent on the investment is made.

(10) Sap stain in lumber causes a loss of \$7,000,000 annually because it degrades the lumber. We have discovered that sodium fluoride gives twice as efficient results as sodium bicarbonate in preventing stain, and its commercial application is now being pushed.

4. Pulp and paper.

The study of forest products as pulp-making materials and the study of processes of manufacture of pulp and paper occupy the time of this section. Besides the plant at Madison, an experimental ground-wood pulp laboratory was operated at Wausau, Wis., for several years. Several important pieces of work upon the utilization of spruce and hemlock bark are now practically ready for commercial demonstration, but are not given in the following list of accomplishments, since no public commercial demonstration of the results of this work has been made:

(1) Tests have shown that pulps of commercial value suitable for use in the manufacture of news and wrapping paper can be made by the sulphite process from eight species of native woods, several of which grow in large quantities on the national forests. Some of these woods are now used to a limited extent, others not at all. Mills have started to use red fir, white fir, and lodgepole pine. Other species are under investigation.

(2) Tests have shown that three native species—jack pine, tamarack, and hemlock—of which large quantities are available in the Lake States, can be satisfactorily substituted for spruce in the ground-wood process in making the cheaper grades of paper, such as news and wrappings. Several mills have begun grinding these woods. A number of western woods are now being tested.

(3) Tests have shown that pulps suitable for book or wrapping paper can be made from 12 new species of native woods by the soda process; several other native species show commercial possibilities as soda-pulp woods. One mill that will operate on western yellow pine is in course of construction in the Southwest.

(4) Tests have shown that the highest grades of "kraft" paper can be made from longleaf pine by the soda and sulphate processes. Three paper mills in the Southeast are now using longleaf pine, a fourth is under construction, and plans are under way for a fifth.

(5) A number of methods of increasing the yield of pulp from the raw material without decreasing the quality of the product have been found.

(6) Tests by the sulphate process, now little used in the United States, have shown especial possibilities as a means of making paper from mill waste. A number of mills are now operating on waste.

5. Derived products.

(A) DISTILLATION.

This line of work has to do with obtaining wood alcohol, acetate of lime, and charcoal from hardwoods, and turpentine, rosin, pine oil, charcoal, and other products from coniferous woods, by means of dry distillation or steam distillation, as the case may be. The work upon the extraction of turpentine and rosin by means of solvents, such as gasoline, is also classed under this head. The latter work has been undertaken but recently, and no specific accomplishment can be mentioned at present, although much progress has been made. The more important accomplishments in distillation are given in the list which follows:

(1) In hardwood distillation over 90 per cent of the material used is beech, birch, and maple, and practically no attempt has been made

Forest products, State of Wisconsin.

| Product. | Year. | Quantity. | Value. | Source of data. |
|------------------------------------------|-------|---------------------------|------------------------------------------|---------------------------------------------------------------|
| Lumber cut | 1913 | 1,493,353 M ft. (b. m.) | ¹ \$22,922,908 | U. S. Dept. Agri. Bul. 232, p. 7. |
| Lath produced | 1912 | 257,657 thousands | ² \$876,033; \$3.40 per M | Dept. of Commerce, Lumber, Lath, and Shingles, 1912, p. 40. |
| Shingles produced | 1912 | 267,945 thousands | ² \$535,890; \$3 per M | Do. |
| Pulp wood consumed | 1911 | 591,918 cords | ² \$4,439,385; \$7.50 cd. | Dept. of Commerce, Pulp Wood Consumption, 1911, p. 6. |
| Pulp produced | 1911 | 334,363 tons | | Do. |
| Veneer (wood consumed in manufacture) | 1911 | 30,059 M ft., log scale | ¹ \$618,914; \$20.59 per M | Dept. of Commerce, Veneers, 1911, p. 8. |
| Excelsior (wood consumed in manufacture) | 1911 | 23,495 cords | | Dept. of Commerce, Excelsior, 1911, p. 3. |
| Excelsior produced | 1911 | 20,639 tons | | Do. |
| Hardwood distillation | 1911 | 2 plants in operation | Production not known | Dept. of Commerce, Wood Distillation, 1911. |
| Tan bark and tanning extract used | 1909 | 126,015 tons | ¹ \$1,252,434, \$9.94 per ton | Dept. of Commerce, Tan Barks and Tanning Extract, 1909, p. 5. |
| Tight cooperage | 1911 | 6,104,000 staves | ¹ \$126,719, \$20.76 | Dept. of Commerce, Tight Cooperage Stock, 1911, pp. 5 and 11. |
| Slack cooperage | 1911 | 603,000 sets of heading | ¹ \$108,540, \$0.18 per set | Dept. of Commerce, Slack Cooperage Stock, 1911, pp. 8 and 9. |
| | | 30,919,000 staves | ¹ \$188,605, \$6.10 per M | |
| Firewood | 1908 | 8,890,000 sets of heading | ¹ \$400,050, \$45 per M | U. S. Dept. of Agri., Forest Service Circular 181, p. 6. |
| | | 2,132,000 hoops | ¹ \$12,003, \$5.63 per M | |
| | | 3,063,921 cords | ¹ \$11,305,114 | |

¹ Estimated value is based on 1912 prices.

² Estimated wholesale value f. o. b. mill. With the exception of lumber, lath and shingles, the values used for estimating are for 1909.

Estimated total value of all products, \$12,786,655.

STATE OF WISCONSIN.

TABLE 2.—Wood-using industries, average prices paid for lumber at the factories, and the per cent which each industry used of the total quantity.

| Industries. | Average price paid for lumber at the factory per 1,000 feet b. m. | Apportionment of the total quantity of lumber among the industries (approximate per cent). |
|-------------------------------------------------------|-------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| Agricultural implements | \$32.54 | 1.59 |
| Beehives and bee keeper's supplies | 22.97 | .49 |
| Boats | 43.64 | .29 |
| Boxes | 13.09 | 12.82 |
| Chairs | 28.43 | 5.26 |
| Church and school furnishings | 33.39 | .47 |
| Cigar boxes | 35.51 | .56 |
| Coffins and caskets | 24.42 | .48 |
| Excelsior | 9.30 | .90 |
| Furniture | 25.22 | 5.20 |
| Handles | 18.48 | .18 |
| Musical instruments | 41.76 | .16 |
| Office, store, and bank fixtures and cabinet work | 44.12 | .64 |
| Pulp | 15.54 | 33.35 |
| Refrigerators | 21.66 | 1.19 |
| Sash, doors, blinds, and interior and exterior finish | 30.19 | 18.72 |
| Toys, wagons, and lawn furniture | 24.84 | .59 |
| Trunks | 23.11 | 1.24 |
| Vehicles and vehicle stock | 41.02 | 4.48 |
| Windmills, tanks, and silos | 36.05 | 1.02 |
| Woodenware | 14.05 | 6.67 |
| Miscellaneous | 25.87 | 3.70 |

The total amount of wood consumed in the State of Wisconsin by the industries listed is 930,382,000 feet, board measure, and is valued at the plant at \$20,293,034. It is to be noted that almost exactly one-third of this wood is used by the pulp mills of the State.

Mr. HEFLIN. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. BLACKMON. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. HAUGEN. Mr. Chairman, I yield 15 minutes to the gentleman from North Dakota [Mr. NORTON].

Mr. NORTON. Mr. Chairman, it was with the deepest interest that I listened on Tuesday to the splendid address of the very able and affable chairman of the Committee on Agriculture [Mr. LEVER], in which he discussed the most important items in the Agricultural appropriation bill now before this Committee of the Whole House on the state of the Union and in which he outlined a promised program of legislation in the interest of the farmers of this country to be enacted by this Congress.

With the most profound sincerity, and with all my heart, I hope and trust that every one of these beautiful pictured promises of legislation, long needed by the 6,500,000 farmers of this

Nation, will be written on our statute books ere this session of the Sixty-fourth Congress adjourns. Every aid that I can give or render here will be to the end of such accomplishment.

With no captious desire to criticize, but having in mind that there is a wide difference between promises and fulfillments in the business world and sometimes even in the American Congress, and being most deeply interested in what I deem one of the most important, if not the most important, subject of legislation that should be considered by this Congress, I desire to briefly again call the attention of the membership of the House, and particularly the attention of those from agrarian districts, to the grave danger that this Congress may not give fair and full consideration to rural-credit legislation, and on this account may fail to enact any law for a Federal rural-credits system.

The State which I have the honor in part to represent has for its chief industry agriculture. During the year last past it produced in spring wheat alone 145,000,000 bushels—considerably more than one-third of all the spring wheat raised in the United States. The value of the farm products produced in 1915 amounted to more than \$400 for each man, woman, and child in our State. It is a wonderfully rapidly developing State, as can be understood by the fact that 35 years ago the wheat production in the State amounted to less than 2,000,000 bushels. The total of all its bank deposits three decades ago amounted to less than \$1,000,000, whereas to-day the deposits amount to more than \$100,000,000. Having grown to manhood on a farm in the State, and having experienced all the difficult and distressing conditions with which the ordinary western farmer has to contend, I have given close attention for several years to the needs and demands for better rural-credit conditions in this country.

As the farmers of North Dakota are now, and have been for many years, paying highly exorbitant interest rates for the money and credit necessary to carry on their business, they, too—each one of them—have been interested in the work that has already been done toward securing the establishment of a national system of rural credit in this country.

It is generally conceded that the most important act of constructive legislation passed by the Sixty-third Congress was the Federal reserve act. For many years prior to the passage and approval of this act in December, 1913, it was well understood and recognized by students of finance and by the public that our banking and currency systems were weak, faulty, and wholly inadequate to meet the rapidly growing needs of the manufacturing, mining, transportation, and commercial interests of the country. The placing of the Federal reserve act upon our statute books has brought about a marvelous improvement in our banking system and in our currency system and has added wonderful strength and stability to all our institutions of trade and commerce.

While the banking and currency systems provided for by the Federal reserve act well meets the needs for credit of those engaged in manufacturing and commerce—those who require credits but for short and definite periods of time—it entirely fails to meet the needs of the great majority of the 6,500,000 farmers of the Nation, who, in the purchase and improvement of their farm property and in the production and harvesting of their crops, must have credits for much longer and more uncer-

tain periods of time and on a different class of security than is looked upon with favor by our present commercial banking system.

It has long been recognized in European countries that the commercial banking systems do not properly take care of agricultural credit. To-day nearly every great nation of the world has provided a separate rural-credit system apart from its commercial banking system to meet the needs of agricultural credit. This Nation has a most important duty yet to perform in this respect, both to itself and to the farmers of the Nation.

The movement for the adoption of a Federal rural-credit system for this country has been actively before the country during the past 10 years. President Taft on several occasions during his administration called attention to the necessity of some system to better provide for credits needed by those engaged in agricultural pursuits in this country.

Mr. BLACKMON. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from North Dakota yield to the gentleman from Alabama?

Mr. NORTON. Yes; I shall be pleased to.

Mr. BLACKMON. I understand the gentleman to say that this legislation has been demanded for 10 years. Has it not been demanded for about 30 years?

Mr. NORTON. It has been considered more during the last 10 years than during any other period of our history, but it has been discussed more or less during the last 30 or 40 years in this country. As the gentleman knows, this country is to-day nearly a century behind some of the European countries in legislation on this subject.

Mr. BLACKMON. I merely wanted to ask the gentleman that question. He said 10 years, and I thought it was considerably longer.

Mr. NORTON. In the last session of the Sixty-second Congress it was provided that a commission should be appointed to visit European countries, study the various rural-credit systems there, and report to Congress. This commission, known as the United States Commission on Agricultural Cooperation and Rural Credit in Europe, was duly appointed, and made a wide study of rural credit conditions in European countries during the summer of 1913. On the return of the members of the commission who visited Europe a very complete and most valuable report of their observations was made to the first session of the Sixty-third Congress.

The Democratic, the Republican, and the National Progressive Parties recognized in their party platforms of 1912 the importance of rural-credit legislation for this country.

The Democratic Party, in its platform of 1912, made this promise to the farmers of the country:

Of equal importance with the question of currency reform is the question of rural credits or agricultural finance. Therefore we recommend that an investigation of agricultural credit societies in foreign countries be made, so that it may be ascertained whether a system of rural credits may be devised suitable to conditions in the United States; and we also favor legislation permitting national banks to loan a reasonable proportion of their funds on real-estate security. We recognize the value of vocational education, and urge Federal appropriations for such training and extension teaching in agriculture in cooperation with the several States.

The Republican Party, in its platform adopted at Chicago on June 22, 1912, says on this subject:

It is of great importance to the social and economic welfare of the country that its farmers have facilities for borrowing easily and cheaply the money they need to increase the productivity of their land. It is as necessary that financial machinery be provided to supply the demands of farmers for credit as it is that the banking and currency systems be reformed in the interest of general business. Therefore we recommend and urge an authoritative investigation of agricultural credit societies and corporations in other countries and the passage of State and Federal laws for the establishment and capable supervision of organizations having for their purpose the loaning of funds to farmers.

The national Progressive Party made these promises on this subject in its platform adopted in Chicago on August 7, 1912:

The development and prosperity of country life are as important to the people who live in the cities as they are to the farmers. Increase or prosperity on the farm will favorably affect the cost of living, and promote the interests of all who dwell in the country, and all who depend upon its products for clothing, shelter, and food. We pledge our party to foster the development of agricultural credit and co-operation, the teaching of agriculture in schools, agriculture-college extension, the use of mechanical power on the farm, and to reestablish the country life commission, thus bringing the benefits of better farming, better business, and better living within their reach.

President Wilson, alive to the demand that was being made by the farmers throughout the country for a lower rate of interest for farm credits, devoted a considerable part of the message he delivered to the joint session of the House and Senate on December 21, 1913, at the beginning of the second session of the Sixty-third Congress to this subject. Speaking to the Members of the House and Senate, he said:

In pursuance of my constitutional duty to give to the Congress information of the state of the Union, I take the liberty of addressing you

on several matters which ought, as it seems to me, particularly engage the attention of your honorable bodies, as of all who study the welfare and progress of this Nation.

Then, after stating the situation in Mexico and his views as to Victoriano Huerta, and after commenting on the bill for the Federal reserve act then before the Congress, he continued:

I present to you, in addition, the urgent necessity that special provision be made also for facilitating the credits needed by the farmers of the country. The pending currency bill does the farmers a great service. It puts them upon an equal footing with other business men and masters of enterprise, as it should; and upon its passage they will find themselves quit of many of the difficulties which now hamper them in the field of credit. The farmers, of course, ask and should be given no special privilege, such as extending to them the credit of the Government itself. What they need and should obtain in legislation which will make their own abundant and substantial credit resources available as a foundation for joint, concerted local action in their own behalf in getting the capital they must use. It is to this we should now address ourselves.

It has, singularly enough, come to pass that we have allowed the industry of our farms to lag behind the other activities of the country in its development. I need not stop to tell you how fundamental to the life of the Nation is the production of its food. Our thoughts may ordinarily be concentrated upon the cities and the hives of industry, upon the cries of the crowded market place and the clangor of the factory, but it is from the quiet interspaces of the open valleys and the free hill-sides that we draw the sources of life and of prosperity, from the farm and the ranch, from the forest and the mine. Without these every street would be silent, every office deserted, every factory fallen into disrepair. And yet the farmer does not stand upon the same footing with the forester and the miner in the market of credit. He is the servant of the seasons. Nature determines how long he must wait for his crops, and will not be hurried in her processes. He may give his note, but the season of its maturity depends upon the season when his crop matures, lies at the gates of the market where his products are sold. And the security he gives is of a character not known in the broker's office or as familiarly as it might be on the counter of the banker.

Nearly four years have passed since the party now in full control of the legislative and executive branches of the Government declared that the question of financing the farmer was of "equal importance with currency reform." The interest of those engaged in commercial pursuits was taken care of by the Federal reserve act passed nearly two and one-half years ago. Since then Congress has been in session from December 23, 1913, to October 24, 1914, and from December, 1914, to March 4, 1915, and from December 7, 1915, to this date—more than 20 months in all—and still nothing final has been done to provide a proper and adequate system for financing the farmer.

Gentlemen of the House who have followed this subject closely will recall that two years ago at about this time of the year it was stated by different members of the Democratic side that Representative UNDERWOOD, then the floor leader of your party, had agreed to permit one of the rural-credit bills before the Committee on Banking and Currency to be reported out and to be taken up for consideration in the House. This promise, if made, was not kept.

The long summer months of 1914 dragged on, but every effort to bring the question of rural credits on the floor of the House was turned aside by the powers in control of the majority of the House.

The real friends of rural-credit legislation in the House were again, at the beginning of the third session of the Sixty-third Congress, in December, 1914, encouraged to believe that during the session a rural-credit bill would be reported by the Banking and Currency Committee and would be taken up in the House and fairly considered. This was, as you know, not permitted by those in control of the House. But what really took place? In the closing days of the session a combination of the rural-credit bills advocated by Representative Bulkley and Representative Moss was by action of the House added as an amendment to the Agricultural appropriation bill. The Members in the House opposed to any rural-credit legislation and those supporting President Wilson in his opposition to Federal rural-credit legislation embracing the principle of Government aid for the system combined forces and succeeded in having the Agricultural bill, with the amendment for rural-credit legislation sent to a conference committee of the House and Senate.

The conferees, as they were expected to do, quickly and skillfully gave the coup de mort to the amendment for a rural-credit system and brought in as a substitute a provision for the appointment of a joint committee of the House and Senate to investigate the subject of rural credit and report to Congress not later than January 1, 1916, a bill or bills for the establishment of a system of rural credits adapted to American needs and conditions. This committee made its report on January 4, 1916, in which it proposed a bill for a system of land-mortgage credits. No report has as yet been made by the joint committee on the subject of personal rural credit.

The report and recommendations of the joint committee of the House and Senate on land-mortgage credits was, on January 4, referred to the Banking and Currency Committee and

on the same day Representative Moss introduced in the House his bill (H. R. 6383), which was the legislation recommended by the joint committee, and Senator HOLLIS introduced the same bill in the Senate, being S. 2986.

Since January 4 the House Committee on Banking and Currency has from time to time considered the rural-credit bills that have been referred to it, and while I understand on the best of authority that a majority of the committee have decided to report out the bill introduced by Representative Moss, no report has yet been made to the House.

I can conceive of no good reason why if it is the honest intention of the majority in the House to enact a really helpful and practical system of rural credit for the farmers of this country that one of the bills referred to the Banking and Currency Committee has not long before this been reported to the House.

On February 9 I introduced this House resolution No. 135:

[In the House of Representatives Feb. 9, 1916.]

Mr. NORTON submitted the following resolution, which was referred to the Committee on Rules and ordered to be printed.

Whereas a joint committee of the Senate and House of Representatives, by a provision in the Agricultural appropriation bill approved March 4, 1915, was constituted, charged with the duty of preparing a report to the Sixty-fourth Congress on or before January 1, 1916, a bill or bills providing for the establishment of a system of rural credits adapted to American needs and conditions; and

Whereas the said joint committee of the Senate and the House of Representatives so constituted and authorized made to the House on January 4, 1916, and in said report recommended a bill for land-mortgage loans; and

Whereas the report and recommendations of said joint committee on rural credits was, on January 4, 1916, referred to the Committee on Banking and Currency; and

Whereas the bill, H. R. 6383, introduced in the House on January 4, 1916, and which was referred to the Committee on Banking and Currency on said date, embraces the recommendations of said joint committee on rural credits; and

Whereas the Banking and Currency Committee has had before it for consideration since December 6, 1915, the bill (H. R. 391) providing for the establishment of a farm-credit bureau to reduce the interest on farm mortgages and to encourage agriculture and the ownership of farm homes; and

Whereas the great need for the immediate enactment of legislation providing for a rural-credits system in the United States is generally recognized: Therefore be it

Resolved, That the Banking and Currency Committee be discharged from further consideration of the bills H. R. 391 and H. R. 6383 and the report of the joint committee of the Senate and House of Representatives on rural credits, and that the bills H. R. 391 and H. R. 6383 be placed upon the Union Calendar of the House and be given a privileged status in the House under the rules of the House—

calling attention to the failure of the Banking and Currency Committee to report to the House any of the bills introduced on the subject of rural credits and proposing that the Committee on Banking and Currency be discharged from further consideration of the bill H. R. 6383, introduced on January 4 by Representative Moss and the bill H. R. 391 which I introduced on this subject on December 7.

It discourages one and makes one grow sick at heart to observe with what indifference this great needed legislation is treated by the recognized leaders of the Congress and by this administration. Men who might ordinarily be expected to give assistance to this legislation oppose it and seem unmindful of the fact that the agricultural industry is vastly more important to the welfare of this country than any other industry.

As I read history, and as I study the causes of the rise and fall of nations, I am impressed with the fact that there is no subject of legislation more important for this Congress to consider or for any legislative body to consider than legislation which will assist in making life on the farm and in the country more profitable and more attractive and which will in the present and in future generations turn the strongest current of population to the country rather than to the city.

To my mind, one of the most dangerous tendencies of our social and economic systems, as disclosed by the last census taken in this United States, in 1910, was the fact that the population in our cities was increasing at a much more rapid rate than the population in our rural communities. The stability of our Government, the perpetuity of its free institutions, and the health, happiness, and morality of our people will be better assured if a reversal of this trend of our population is brought about. Everyone knows that it is in the cities where crimes are bred and fostered and where the very hotbeds of immorality exist. It is out in the smaller cities and the free air and sunshine of the country that patriotism and good citizenship expand and reach their highest development.

The time has struck in this country when the actual necessities of the case make it imperative that we do something here and now to prevent a decreasing rural population in this country.

We marvel at the wonderful national strength and power that Germany has demonstrated to the world during the past few

years, but at the same time let us not forget, as Mr. David Lubin has aptly said:

"The great strength of the German Empire does not come from the "goose step" of her soldiers nor from her Krupp guns; it comes as a direct and an indirect result of her Landwirtschaftsrat system for the scientific distribution of her agricultural products, of the food products of Germany, all of which is reinforced by her effective and efficient rural-credit system.

Thus far in this Congress nothing has been done to better agricultural conditions in this country. On the other hand, the majority of this House has found time to pass a Post Office appropriation bill, giving increased salaries to many already well paid city Government employees; it has added an amendment to the Post Office appropriation bill, hamstringing the Parcel Post System in its service to rural communities; it has followed the cry of the Washington newspapers and has decided against requiring clerks in the Government service in Washington to work eight hours a day, and has decided that seven and a half hours a day is all the length of time that shall be required for a day's work for a clerk in the Government service in Washington; and it is now being proposed to soon take up the time of the House with the consideration of a bill to pension all clerks and other employees of the Government service who have been in the service 30 or more years.

Again let me say that I hope the promises for legislation in the interest of the farmers of the Nation as pictured by the gentleman from South Carolina [Mr. LEVER] may be fulfilled by this Congress. But, in the light of what has already been done in this Congress, the old excuse that there has not been time to consider rural-credit legislation will not be accepted and should not be accepted.

During this Congress I have from time to time made inquiry of members of the Banking and Currency Committee as to when one of the rural-credit bills before this committee would be reported to the House and have urged the importance of taking this subject of legislation up in the House early in the session. I do not believe I am betraying any confidences when I say that one of the most prominent Democratic members of the committee assured me several weeks ago that an agreement had been reached as to when rural-credit legislation would be taken up, and the leader of the majority of the House, the gentleman from North Carolina [Mr. KITCHIN], had promised him that the rural-credit bill favored by the Banking and Currency Committee would be permitted to be called up some time in March—that is, last month. That time has long since passed. No rural-credit bill has been called up in the House, and none has even been reported to the House by the Banking and Currency Committee.

I know something of the character of the bill that it is generally understood has been agreed upon to be reported by the committee, and, although I listened to the explanation given a few days ago by the chairman of the Committee on Banking and Currency, the gentleman from Virginia [Mr. GLASS], I can not find any good reason why a bill should not have been reported before this time, so that both the report and the bill might be carefully studied by all Members of the House. I trust that all friends, the real friends, of rural credit legislation will use their efforts to have one of the bills now before the Banking and Currency Committee reported out and taken up in the House for consideration without further delay.

Mr. HAUGEN. Mr. Chairman, will the gentleman yield?

Mr. NORTON. Certainly; I yield to the gentleman.

Mr. HAUGEN. Does the gentleman have in mind the bill reported by the other body at the other end of the Capitol?

Mr. NORTON. Yes; I have in mind the bill that has been reported to the Senate. I am well acquainted with its provisions; but it has not been considered on the floor of the Senate, and I believe that unless we take up within a very short time in this House one of the bills that has been introduced on this subject and consider it and pass it in some reasonably good form this Congress will not enact any rural-credit legislation. We can not reasonably expect that anything will be done with a great subject of this kind during the short session of Congress to be held beginning next December.

Mr. HAUGEN. I would like to inquire of the gentleman what is the urgent need of passing the bill? What has the gentleman in mind? Is it the soft berths provided for at the public crib?

Mr. NORTON. I will say to the gentleman I have in mind the highest welfare of my country and the urgent and distressing needs of a large majority of the 6,500,000 farmers of this country. [Applause.] I have in mind the fact that to-day the farmers of this country are paying an annual rate of about 8½ per cent interest on \$6,000,000,000 of farm mortgages and personal credits. I have in mind that this is a highly exorbitant

rate of interest, that can be reduced one-half by a sound rural-credit system.

Mr. HAUGEN. Will the gentleman permit just one more question?

Mr. NORTON. I shall be pleased to if the gentleman will permit me to complete my reply to his first interrogatory.

Mr. HAUGEN. Certainly.

Mr. NORTON. I have in mind that the farming industry is the most important industry in this country. I have in mind that the value of farm property in these United States exceeds \$40,000,000,000, and I have in mind that the valuation of railroad property in the United States is about \$16,000,000,000, and on a funded debt of about \$10,000,000,000 the railroads are paying interest at the rate of from 3 to 4 per cent, while the farmers of the country on their debt of \$6,000,000,000 are paying more than twice this rate. I have in mind that while I do not approve of the general principles of the bill that has been reported to the Senate, or of the bill that is proposed to be reported to this House by the Committee on Banking and Currency of the House, I do believe that, with all their defects, if either of those bills was passed it would result in its operation in reducing the interest rate that farmers are now paying on \$3,000,000,000 of farm-mortgage loans at least 2½ per cent. This would mean a yearly saving to the farmers of the country of \$75,000,000. This legislation would give us something from which to work. It would be a long step in advance of having no legislation at all on the subject.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. HAUGEN. I yield to the gentleman one more minute for the purpose of asking him this question: In the gentleman's opinion does the bill referred to supply the need?

Mr. NORTON. I will say to the gentleman that the bill in the form in which I understand it is to be reported to the House does not. Nevertheless, I want this House to consider and take action upon some rural-credit bill. We can do nothing with this subject unless the Banking and Currency Committee or the Rules Committee brings before the House a bill pertaining to the subject of rural credits. It wrings my very heart as I think of the heavy and unjust interest burdens that are borne by thousands of honest, hard-working American farmers. I make this appeal to you, gentlemen, because I know and have felt their needs. This Congress will have failed in one of its highest duties to the country if it does not enact legislation for a rural-credit system. [Applause.]

Mr. HAUGEN. I yield 20 minutes to the gentleman from Maine [Mr. GUERNSEY].

Mr. GUERNSEY. Mr. Chairman, I am interested in the agricultural subjects which are dealt with by this bill, as I represent a very large agricultural district. One county in my district probably raises more Irish potatoes than any other county in the United States. But this bill deals with other subjects besides agriculture. It deals with forestry subjects; and in that connection I wish to call the attention of the House to some phases of the legislation now pending.

In 1911 the Congress of the United States committed the Federal Government to a wise policy—that of establishing national forest reserves in the East. The policy was inaugurated after years of effort, and was upheld by a powerful public sentiment among the great population of the Eastern States. So important was it that means should be taken to preserve and increase the remnant of the once vast forests of the Atlantic seaboard in order to continue and maintain the flow of the rivers that industry dependent upon them should not cease and public health should not suffer, that it was not believed that the policy once adopted would ever be abandoned by Congress. Nevertheless, I have examined the provisions of the appropriation bill now pending before the House in vain for provisions to continue the acquisition of forest-reserve lands in the Eastern States, although the bill provides many millions of dollars for forest reserves and national forests in the West and even in far-away Alaska, far from the great eastern centers of population that contribute through taxation toward the millions herein appropriated for western purposes.

I do not question the wisdom of a dollar of the large sums set aside for these western forest lands. The expenditures, in my opinion, are fully justified. This is a great country, with a future that no man can foretell, but I do most emphatically question the desertion of eastern forest projects, which by the report of the National Forest Reservation Commission up to the close of the fiscal year ending June 30, 1915, represent 1,030,466 acres that had been approved for purchase and surveys completed. Of this amount 770,692 acres had been fully examined

as to title, and title to 348,275 acres had been acquired by the United States. All lands up to June 30, 1915, that had been approved for purchase, including those that had been acquired, amounted to 1,317,551 acres.

Obviously, large sums expended in examination of surveys and title examination will be lost to the Government by the abandonment of these projects now. The expenditure of the Government for surveys, appraisals, and title examinations up to June 30, 1915, amounted to \$743,112.60, or 56 cents per acre. In addition to the cost of the preliminary steps, \$6,885,901.30 had been spent in payment of lands. This was at the average cost of \$5.22 per acre.

Briefly I will call attention to the location of the eastern forest-reserve lands purchased or contemplated for purchase. In the State of Georgia 96,977 acres had been approved for purchase up to June 30, 1915, and of 35,174 acres the title had been acquired.

In the State of North Carolina 269,883 acres had been approved for purchase and 69,507 acres acquired.

In the State of South Carolina 23,064 acres had been approved but none acquired.

In the State of Tennessee 267,843 acres had been approved and 72,930 acres acquired.

In the State of Virginia 294,540 acres had been approved and 46,409 acres acquired.

In the State of West Virginia 1,317,551 acres had been approved and 348,275 acres acquired.

In the State of New Hampshire 256,467 acres had been approved for purchase and 106,112 acres acquired.

In the western part of the State of Maine, on the watershed of the Androscoggin, something over 81,000 acres had been designated for examination by the National Forest Reservation Commission.

THREE MILLION UNUSED.

Failure of Congress to provide money to continue these national undertakings in the East can hardly be excused on the ground of other pressing national demands, as Congress at least should make available by reappropriation the \$3,000,000 in the Treasury which were set aside for this work, but which has never been drawn, for this reason: Under the act of Congress of March 1, 1911, \$1,000,000 were set aside for eastern forest reserves for the fiscal year that began June 30, 1910, and \$2,000,000 for the fiscal year 1911, but those years passed before the commission was ready to call upon the Treasury for the money, owing to the careful and conservative manner in which the commission was proceeding in acquiring lands. As a result the \$3,000,000 reverted to the Treasury.

The refusal of Congress to make available this money that had been previously appropriated amounts to a repudiation of governmental obligations that Congress entered into with the people in 1911.

I want to say here that I have every reason to believe that the distinguished chairman of the Committee on Agriculture, as well as many of the members of that committee, believe that Congress is in honor bound to keep those obligations, and are not in any way in sympathy with the discontinuance of Government eastern forestry undertakings.

EARLIER FOLLY.

The people in the Eastern States, which is the older settled part of the United States, have been taught by hard experience what the destruction of our forests mean, and to-day they look back in amazement and in deep regret upon the short-sighted folly of the earlier authorities of those States who disposed of State holdings in immensely valuable virgin timberlands to the speculators of the earlier days at prices as low as a shilling an acre and, in some instances, at even a lower figure. The authorities in those days seemed to consider it a wise policy to get rid of the "woods" as fast as possible.

The only justification that I have heard advanced for the discontinuance of the eastern forest policy, inaugurated in 1911, is that it comes within the administration's order to cut all expenditures; but is this the place in which to make a cut? I believe not. Millions are being appropriated by this House weekly for objects that begin to disappear from the start. Forest-reserve purchases begin to increase from the start. Ten years ago, when the agitation was first started, lands could have been acquired at from one-third to one-half what they can be purchased for to-day. The lands that have been acquired would cost more to-day and still more to-morrow. Timberland values are increasing in this country constantly, and will continue to increase as the forests are reduced by the saw and the ax in responding to the ever-increasing demands upon them.

The chief justification for the passage of the \$40,000,000 river and harbor bill by this House within a few days was that it took care of projects that are under way. The eastern forest-reserve lands are projects that are under way. Evidences of that fact are found in the report of the National Forest Reservation Commission, 1915, House Document No. 130, Sixty-fourth Congress, first session.

The commission states in this report that from two to three times the amount of forest lands already approved for purchase should be acquired before the undertaking is complete. They place the maximum amount to be acquired in the eastern forest reserves at a little under 4,000,000 acres, while the amount approved for purchase to date is a little over 1,300,000 acres, and their judgment is borne out by hundreds of men with expert knowledge of the situation backed up by the opinion of those interested in the movement that brought the matter before Congress.

RETURN TO THE TREASURY.

The creation of eastern forest reserves is not a new matter. The demand for them started more than 10 years ago and the movement has been on the increase since. Unlike some other undertakings of the Government, every dollar invested in eastern forest lands will increase in value and be returned to the Treasury, all in addition to the chief purposes of the undertaking, and, what is more, the States in which these lands are acquired will not in the end lose through being deprived of taxable property, for the reason that under the Weeks law they receive 35 per cent of the net income derived from the lands. The wisdom of the policy can not be questioned.

EUROPEAN NATIONS.

European nations have long protected their forests by regulating the cut and by other methods conserve timber growth in the interest of their people. Not only have they conserved their forest lands, but they have gone to great expense in reforesting large areas.

Every country and every nation that has failed to care and maintain its forests has been impoverished through such failure. The millions of Europe, after centuries of experience, recognize the importance of protecting the forests as a method of regulating stream flow, and on the regulation of stream flow the value of our water powers is dependent. Each passing year will find us more and more dependent upon water power. Each year we are reducing our available supply of fuel found within this old earth.

We are encroaching on the stores of coal and exhausting the reservoirs of oil, bringing us nearer to the day when we shall have to look to water power for heat as well as lighting and propelling force.

If this Congress passes into history with a record of having abandoned the policy of acquiring national forest reserve lands in the East out of the fast-disappearing remnant of such lands, it should and will bring down upon it the everlasting condemnation of the generations yet to come.

I will insert at this point in my remarks an extract from the annual report of the National Forest Reservation Commission for 1915, above referred to, as follows:

The wisdom of the Government's acquiring and administering extensive bodies of forest land at the headwaters of the great navigable rivers has become entirely clear. Far-reaching good will result in safeguarding the streams from erratic flow and in protecting the watersheds from destructive erosion, to which they are subject when unwisely cleared. A basis will be afforded for permanent industries in regions which otherwise are in danger of ceasing to be productive and of becoming a menace to the navigable rivers and to the communities situated upon them.

The appropriations which were made have been sufficient to start the work and make very substantial progress. Through the care exercised in making purchases the lands acquired are so well situated for administration and use that even should appropriations cease considerable good would be accomplished. But the program should not stop at this point. It should go further. However, the commission does not look upon the program as requiring expenditures through a long period of time, but rather through only a limited number of years.

Renewing its recommendation of the last year, it is the judgment of this commission that the work can best be done under appropriations covering periods of five years each, the appropriations becoming available annually and remaining available until expended, as is now the case. Experience has shown that it is impracticable to attempt to do this work under appropriations which expire with the fiscal year. It is also of the utmost importance that appropriations be continued through periods of not less than five years. When the work was begun a force of timber cruisers, title examiners, and surveyors had to be assembled and trained, a task which required two years. It would be most unbusinesslike to have to disband this force on account of a gap in the appropriations. If purchases were suspended, it would also require much time and expense to build up a new force and get under way again the negotiations that would have to be broken off. Many of the cruises and examinations which have been made and which had not resulted in purchases would have to be made over again and the intimate touch with the land situation which is now enabling purchases to go forward smoothly would be lost. From every point of view it is highly desirable that appropriations continue without a break.

It is again emphasized that the Congress establish this project upon the basis of an appropriation of \$11,000,000. One million dollars appro-

prated for the year 1910 never became available at all. Instead of hastening into purchases in order to utilize the appropriation for the year 1911, which would have been unbusinesslike and would have resulted in loss to the Government, the commission adopted the conservative policy of making purchases only after full information had been secured in regard to each tract and reasonable prices had been obtained. By so doing it established the work upon a sound basis, but nearly all the \$2,000,000 appropriated for the year 1911 reverted to the Treasury. These appropriations which were not utilized ought to be reapportioned.

In the judgment of the members of the commission, the work should be carried forward in a steady, systematic way. Since the existing appropriations ceased with the fiscal year 1915, it is recommended that action be taken by the Congress during the present session to continue the appropriations at the rate of \$2,000,000 per year from the fiscal year 1917 to the fiscal year 1921, inclusive, and that it make all the appropriations available until expended.

In the discussion of forest reserves for the East I have made some reference to the national forests of the West. They number 152 and include vast areas. They are administered in the public interest. The merchantable trees are cut according to scientific foresters. The smaller trees are conserved and allowed to grow until of proper size before being cut, and the forests are thereby perpetuated.

NATIONAL PARKS.

In addition to the national forests of the West, the Federal Government has set aside for the preservation of natural scenery, as well as conservation, great sections of wild country as national parks. I will mention them in the order of their erection.

In 1832 in Arkansas a national park was established which included 46 hot springs, covering an area of 1½ square miles.

In 1872 the Yellowstone National Park in Wyoming, the greatest of all our national parks, was established, and contains 3,348 square miles, and it is said to contain more geysers than all the rest of the world together. Petrified forests, the Grand Canyon of the Yellowstone, lakes and streams, and a vast wilderness, which forms a retreat for the wild life of the country, which swarms with elk, moose, deer, antelopes, and bison, as well as birds and fowls of the air. In this place of safety for wild life all live together in harmony with nature and with man without fear of being disturbed or injured, demonstrating that wild animal life is dangerous only when pursued by man as game or an enemy.

In 1890 the national park of the Yosemite in California came into existence, and it includes the remarkable Yosemite Valley, which is described as a crack in granite mountains 7 miles long and less than a mile wide. Some of its snow-topped mountains rise to a height of 2½ miles.

In 1890 the Sequoia National Park was erected, and contains 237 square miles, and it also contains the greatest trees in the world, thousands of years old, many of them reaching to a height of nearly 300 feet.

The same year the General Grant National Park, in the State of California, was established. It contains 4 square miles, but, with the park previously mentioned, is said to contain 12,000 monster trees more than 10 feet in diameter.

In 1892 the Casa Grande Ruin of Arizona, containing prehistoric Indian ruins, was set aside as a national park.

Next there came into existence, in 1899, in the State of Washington, Mount Rainier Park, with an area of 324 square miles.

In 1902 Crater Lake National Park, in southwestern Oregon, containing 245 square miles, was set aside.

In 1903 and 1904, in South and North Dakota, two parks were set aside, called Wind Cave and Sullys Hill, respectively.

In 1906 Mesa Verde Park, in Colorado, containing 77 square miles, was established by the Federal Government.

In 1906, in Southern Oklahoma, the Platt National Park was brought into existence, and in 1910 the great Glacier Park, of Montana, containing 1,534 square miles, with more than 250 glacier-fed lakes, was set aside.

The latest park to be created in the West was in 1915, when the Rocky Mountain Park, in Colorado, containing 353 square miles, was established by Congress.

These great parks and forest reserves, lying west of the Mississippi River, are serving now, as they will continue to serve, purposes so useful that none will question their continuance so long as this Government stands; but their very number and the importance attached to them by our Government and the people as a whole adds emphasis to conditions that exist in that section of our country that lies east of the Mississippi River and within the bounds of which live two-thirds of the population of the Republic, a condition as to population that will always prevail.

The Atlantic seaboard will always be the most populous, as the commerce of the world will continue for all time on the Atlantic.

East of the Mississippi River there is not a single national park that the millions in the Eastern States can visit and

enjoy—a condition that ought not to be continued, and one that Congress can remedy.

THE MOUNT KATAHDIN REGION.

In a bill that I presented in the last Congress, and will reintroduce in this, it is proposed that legislation be enacted to create a national forest reserve in the Mount Katahdin region in the State of Maine, to protect the stream flow of two of Maine's greatest rivers—the Kennebec and Penobscot—and in turn maintain great water powers, developed and undeveloped, which, if fully harnessed, would turn all the machinery of all the New England States; and out of the forest reserve acquired by the Federal Government that there be created a Mount Katahdin national park, as within this region there arises Maine's greatest and most majestic mountain, standing by itself in a wonderfully wild country, presenting the most striking scenic features of the East, the great Maine forest stretching away on every side as far as the eye can see, broken only by numberless enchanting lakes which feed swift-moving streams.

It is in such a region that Mount Katahdin rears its towering peaks more than 5,000 feet above the sea. Around its northerly base flows the Penobscot River on its way to the sea, and to the southwest of the mountain lies the largest lake in New England, Moosehead, the source of the Kennebec.

In the region of Mount Katahdin there lies the greatest natural fish and game preserve in North America east of the Mississippi. This remarkable region is within easy access to the people of eastern United States. It may not contain curative hot springs, but it has a life-giving atmosphere that has long acted as a magnet to the health and pleasure-seeking people of the Nation. It may not equal the Yellowstone in geysers, canyons, and petrified forests, but it has fascinating streams, deep gorges, and the fir and the pine. It may not possess the world-famed beauty features of the Yosemite, but there are those who contend that it possesses features equally as attractive.

The importance of Congress taking steps to save the Mount Katahdin region to the people of the United States can not be overstated. Once this forest is removed, an asset of great national value will be gone, probably for all time.

The Mount Katahdin region as a national park would provide a retreat for the wild life of the eastern section of our country, and would insure a place of safety where animal and bird life would propagate their species under natural conditions and insure the perpetuation of such life not only within the park but to the entire eastern country.

As a national park it would not only benefit wild life in securing to it a place of freedom from the hunter's gun but mankind as well. Thousands of our eastern citizens would like to go into the Maine woods and enjoy for a season out of door and camp life but for the fear of the hunter's gun which seems to point with unerring aim when a human being is mistaken for game.

During the past 10 years 110 persons have been fatally shot in the hunting season, and 114 shot but not killed, according to the official figures of the commissioners of inland fisheries and game of Maine, which I will incorporate in detail below:

MEMORANDUM OF HUNTING ACCIDENTS FOR THE YEARS 1906 TO 1915, INCLUSIVE

1906.

Two persons shot and killed; mistaken for deer.
One person shot and killed; mistaken for bear.
No record of nonfatal accidents this year.

1907.

Three persons accidentally shot and killed; none mistaken for deer this year.
No record of nonfatal accidents this year.

1908.

Two persons shot and killed; mistaken for deer.
Ten persons accidentally shot and killed.
No record of nonfatal accidents this year.

1909.

Four persons shot and killed; mistaken for deer.
Two persons shot; mistaken for deer, not fatal.
Nine persons accidentally shot and killed.
Sixteen persons accidentally shot; not fatal.

1910.

Two persons shot and killed; mistaken for deer.
Two persons shot; mistaken for deer, not fatal.
Four persons accidentally shot and killed.
Nine persons accidentally shot; not fatal.

1911.

Two persons shot and killed; mistaken for deer.
Two persons shot; mistaken for deer, not fatal.
Eleven persons shot accidentally and killed.
Fourteen persons shot accidentally; not fatal.

1912.

Four persons shot and killed; mistaken for deer.
Three persons shot; mistaken for deer; not fatal.
Thirteen persons shot accidentally and killed.
Ten persons shot accidentally; not fatal.

1913.

Five persons shot and killed; mistaken for deer.
One person shot and killed; mistaken for a mink.
Ten persons accidentally shot and killed.
Fourteen persons accidentally shot; not fatal.

1914.

Six persons shot and killed; mistaken for deer.
One person shot and killed; mistaken for a rabbit.
Eight persons shot accidentally and killed.
Twenty-three persons shot accidentally; not fatal.

1915.

Six persons shot and killed; mistaken for deer.
One person shot; mistaken for deer; not fatal.
Six persons accidentally shot and killed.
Eighteen persons accidentally shot; not fatal.

In calling attention to the danger from the hunter's gun as a reason for setting aside a section of wild country as a national park that would be free from such danger, I am not speaking in the interest of Maine people alone, but in the interest of the people of all the Eastern States, as a multitude from these States go to Maine annually for recreation and health, which can only be obtained through the freedom and enjoyment of out-of-door life.

The State of Maine for months in summer and fall, due to its exhilarating climate, inland lakes, forests, and its extended, picturesque coast has become the playground of the Nation. As our country develops the demand upon Maine as a place for recreation will rapidly increase, and the Nation may well consider that it has certain duties that it ought to fulfill to secure for the people the fullest enjoyment and advantages of this American Switzerland.

A national park in the Mount Katahdin region would be a long step taken by the Federal Government to secure to the people for all time the advantages I have mentioned, and such a park once made accessible through the development of park roads and trails would, in my judgment, be visited and enjoyed annually by thousands of our citizens.

The Legislature of Maine has memorialized Congress in the interest of this project. It has the indorsement of a very large number of organizations throughout New England. It has the most hearty support of the New England press, and, in addition, individuals not only in New England but in other Eastern States have expressed their enthusiastic support in favor of a Mount Katahdin National Park.

Mr. LEVER. Mr. Chairman, 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. HAMLIN, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 12717) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1917, and had come to no resolution thereon.

MONUMENT AT COWPENS BATTLE GROUND, S. C.

The SPEAKER. The bill (H. R. 9425) providing for the erection of a monument at Cowpens battle ground, Cherokee County, S. C., commemorative of Gen. Daniel Morgan and those who participated in the Battle of Cowpens on the 17th day of January, 1781, was by some mistake referred to the Committee on Public Buildings and Grounds instead of the Committee on the Library.

Mr. FINLEY. Mr. Speaker, I ask unanimous consent that it be referred to the Committee on the Library.

The SPEAKER. Without objection, it will be so ordered.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. 3723. An act providing for the holding of terms of the district court for the southern division of the western district of the State of Washington at Aberdeen; and—

S. 5466. An act to open abandoned military reservations in the State of Nevada to homestead entry and desert-land entry, and to amend an act entitled "An act to open abandoned military reservations in the State of Nevada to homestead entry," approved October 1, 1890.

SENATE BILLS REFERRED.

Under clause 2 of Rule XXIV, Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 3723. An act providing for the holding of terms of the district court for the southern division of the western district of

the State of Washington at Aberdeen; to the Committee on the Judiciary.

S. 5466. An act to open abandoned military reservations in the State of Nevada to homestead entry and desert-land entry, and to amend an act entitled "An act to open abandoned military reservations in the State of Nevada to homestead entry," approved October 1, 1890; to the Committee on the Public Lands.

ENROLLED BILLS SIGNED.

The SPEAKER announced his signature to enrolled bills of the following titles:

S. 4399. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent relatives of such soldiers and sailors;

S. 3984. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent relatives of such soldiers and sailors; and

S. 1424. An act incorporating the American Academy of Arts and Letters.

JOINT RESOLUTION AND ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States, for his approval, the following joint resolution and enrolled bills:

H. J. Res. 171. Joint resolution to continue in effect the provisions of the act of March 9, 1906;

H. R. 9923. An act granting the consent of Congress to the county of Mitchell, or to the county of Baker, both of the State of Georgia, acting jointly or separately, and their successors and assigns, to construct a bridge across the Flint River; and

H. R. 10139. An act to authorize the city of Fairmont to construct and operate a bridge across the Monongahela River at or near the city of Fairmont, in the State of West Virginia.

HOUR OF MEETING TO-MORROW.

Mr. LEVER. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock a. m. to-morrow.

The SPEAKER. The gentleman from South Carolina asks unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock a. m. to-morrow. Is there objection?

There was no objection.

ADJOURNMENT.

Mr. LEVER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 56 minutes p. m.) the House adjourned until to-morrow Friday, April 14, 1916, at 11 o'clock a. m.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills were severally reported from committees, delivered to the Clerk, and referred to the several committees therein named, as follows:

Mr. MAYS, from the Committee on the Public Lands, to which was referred the bill (S. 36) to authorize the Secretary of the Interior to issue patents for certain lands to the town of Duchesne, Utah, reported the same with amendment, accompanied by a report (No. 537), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

He also, from the same committee, to which was referred the bill (S. 3764) to consolidate certain forest lands in the Florida National Forest, reported the same without amendment, accompanied by a report (No. 539), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. OGLESBY, from the Committee on Patents, to which was referred the bill (H. R. 12481) granting an extension of patent to the United Daughters of the Confederacy, reported the same with amendment, accompanied by a report (No. 538), which said bill and report were referred to the House Calendar.

Mr. TAYLOR of Colorado, from the Committee on the Public Lands, to which was referred the bill (H. R. 21), authorizing the city of Salida, Colo., to purchase certain public lands for public park purposes, reported the same with amendment, accompanied by a report (No. 541), 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 were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. VINSON, from the Committee on Pensions, to which was referred sundry bills of the House, reported in lieu thereof the bill (H. R. 14576) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors, accompanied by a report (No. 534); which said bill and report were referred to the Private Calendar.

Mr. OGLESBY, from the Committee on Patents, to which was referred the bill (S. 4889) to permanently renew patent No. 21053, reported the same with amendment, accompanied by a report (No. 535); which said bill and report were referred to the Private Calendar.

Mr. GANDY, from the Committee on the Public Lands, to which was referred the bill (H. R. 11286) for the issuance of a patent for certain Government land to Benjamin F. Robinson and John Dows, reported the same with amendment, accompanied by a report (No. 536); which said bill and report were referred to the Private Calendar.

Mr. MAYS, from the Committee on the Public Lands, to which was referred the bill (S. 32) for the relief of William G. Williams, sr., reported the same without amendment, accompanied by a report (No. 540); which said bill and report were referred to the Private Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills were introduced and severally referred as follows:

By Mr. FAIRCHILD: A bill (H. R. 14577) to amend paragraph 207 of the act approved October 3, 1913, entitled "An act to reduce tariff duties and to provide revenue for the Government, and for other purposes"; to the Committee on Ways and Means.

By Mr. STOUT: A bill (H. R. 14578) authorizing the Secretary of War to extend the lease issued under the act of August 23, 1912, entitled "An act authorizing the Secretary of War to lease to the Chicago, Milwaukee & Puget Sound Railway Co. a tract of land in the Fort Keogh Military Reservation, in the State of Montana, and for a right of way thereto for the removal of gravel and ballast material"; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS.

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

By Mr. VINSON: A bill (H. R. 14576) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors; to the Committee of the Whole House.

By Mr. ALEXANDER: A bill (H. R. 14579) granting a pension to Arminda J. Osborn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14580) granting an increase of pension to Ella R. Brown; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14581) granting an increase of pension to Sarah E. Overman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14582) granting a pension to Allie Hicks, helpless child of Francis M. Hicks; to the Committee on Invalid Pensions.

By Mr. BACHARACH: A bill (H. R. 14583) granting a pension to William W. Faunce; to the Committee on Pensions.

By Mr. BELL: A bill (H. R. 14584) for the relief of the State of Georgia; to the Committee on Claims.

By Mr. BURKE: A bill (H. R. 14585) granting an increase of pension to Mathias Regner; to the Committee on Invalid Pensions.

By Mr. DOOLITTLE: A bill (H. R. 14586) granting an increase of pension to George W. Stoops; to the Committee on Invalid Pensions.

By Mr. DRUKKER: A bill (H. R. 14587) granting a pension to Mildred F. Keiler; to the Committee on Pensions.

By Mr. DYER: A bill (H. R. 14588) authorizing the President to appoint Archibald Grymes Hutchinson a first lieutenant of Infantry, and for other purposes; to the Committee on Military Affairs.

By Mr. EDMONDS: A bill (H. R. 14589) for the relief of Charles Tomkins; to the Committee on Military Affairs.

By Mr. ELSTON: A bill (H. R. 14590) granting a pension to Margaret F. La Blanc; to the Committee on Invalid Pensions.

By Mr. HAYDEN: A bill (H. R. 14591) granting a pension to Hood Sikes; to the Committee on Pensions.

By Mr. HENSLEY: A bill (H. R. 14592) granting an increase of pension to Mary E. Danley; to the Committee on Invalid Pensions.

By Mr. HUTCHINSON: A bill (H. R. 14593) granting a pension to Louis Coutier; to the Committee on Invalid Pensions.

By Mr. LAFEAN: A bill (H. R. 14594) granting an increase of pension to Henry C. Brant; to the Committee on Pensions.

Also, a bill (H. R. 14595) granting an increase of pension to Eliza H. Hector; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14596) granting an increase of pension to Mary A. Brady; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14597) granting an increase of pension to Samuel Saylor; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14598) granting an increase of pension to Franklin Deal; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14599) granting an increase of pension to Olive E. Campbell; to the Committee on Pensions.

By Mr. MCGILLICUDDY: A bill (H. R. 14600) granting a pension to Dora E. Davis; to the Committee on Invalid Pensions.

By Mr. MILLER of Pennsylvania: A bill (H. R. 14601) for the relief of Mrs. Alice May Robinson; to the Committee on Claims.

By Mr. MOON: A bill (H. R. 14602) granting an increase of pension to Harriet E. Corby; to the Committee on Invalid Pensions.

By Mr. NEELY: A bill (H. R. 14603) granting an increase of pension to Charles E. Watts; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14604) granting an increase of pension to John M. Millan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14605) granting an increase of pension to Allie M. Kirkwood; to the Committee on Pensions.

By Mr. ROWE: A bill (H. R. 14606) granting an increase of pension to Augustus B. Tickner; to the Committee on Invalid Pensions.

By Mr. RUSSELL of Missouri: A bill (H. R. 14607) granting an increase of pension to F. M. Harris; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14608) granting a pension to Thomas P. Pope; to the Committee on Pensions.

By Mr. SWEET: A bill (H. R. 14609) granting an increase of pension to Lewis H. Lake; to the Committee on Invalid Pensions.

By Mr. TINKHAM: A bill (H. R. 14610) granting a pension to Celestia Watkins; to the Committee on Invalid Pensions.

By Mr. WARD: A bill (H. R. 14611) granting an increase of pension to Mary M. Crosby; to the Committee on Invalid Pensions.

By Mr. WINGO: A bill (H. R. 14612) granting an increase of pension to James H. Couch; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14613) granting an increase of pension to Ezra Rodgers; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14614) granting a pension to Mrs. A. M. Hughes; 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:

By Mr. ALMON: Petition of C. A. Wilson and other residents of Huntsville, Ala., asking that House bill 6468, to amend the postal laws, and also House bill 491, with the same title, or any other like measure, be not passed; to the Committee on the Post Office and Post Roads.

By Mr. ASHBROOK: Evidence to accompany House bill 13725, for relief of Thomas Adams; to the Committee on Invalid Pensions.

By Mr. BACHARACH: Memorial of New York Young Republican Club of New York City, in re coast fortifications; to the Committee on Military Affairs.

Also, petition of 451 people of Moorestown; St. Pauls Methodist Episcopal Church of 992 people, of Altantic; Young People's Baptist Union of Florence, all in the State of New Jersey, favoring national prohibition; to the Committee on the Judiciary.

Also, memorial of New York Young Republican Clubs, of New York City, in re Clarke Philippine amendment; to the Committee on Insular Affairs.

Also, petition of sundry citizens of Bridgeton, N. J., in re House bills 491 and 6468; to the Committee on the Post Office and Post Roads.

Also, memorial of Chamber of Commerce of the United States, in re industrial efficiency; to the Committee on Appropriations.

Also, memorial of Chamber of Commerce of the United States, in re dumping legislation; to the Committee on Interstate and Foreign Commerce.

By Mr. BAILEY: Memorial of Bedford Grange, No. 619, of Pennsylvania, on preparedness; to the Committee on Military Affairs.

Also, memorial of Bedford Grange, No. 619, of Pennsylvania, on postalizing the wires; to the Committee on the Post Office and Post Roads.

Also, petition of sundry citizens of Altoona, Pa., opposing House bills 491 and 6468; to the Committee on the Post Office and Post Roads.

By Mr. BURKE: Petition of H. E. Wendorf and 30 other citizens, of Lake Mills, Wis., protesting against the passage of House bills 491 and 6468; to the Committee on the Post Office and Post Roads.

Also, petitions of 48 citizens of Portage, Wis., protesting against the passage of House bills 491 and 6468, to amend the postal laws; to the Committee on the Post Office and Post Roads.

By Mr. DALE of New York: Memorial of Army and Navy Union of the United States of America, favoring raising salaries in classified civil service; to the Committee on Reform in the Civil Service.

Also, petition of W. J. O'Meara, of Brooklyn, N. Y., in re Army organization; to the Committee on Military Affairs.

Also, memorial of Fifth Avenue Association on National Defense, favoring adequate preparedness; to the Committee on Military Affairs.

Also, memorial of Illinois Publishing Co., in re foreign relations; to the Committee on Foreign Affairs.

By Mr. DYER: Memorial of the national workmen's committee on Jewish rights; to the Committee on Foreign Affairs.

Also, memorial of Southwestern Millers' League, favoring adequate merchant marine; to the Committee on the Merchant Marine and Fisheries.

Also, memorial of New York Young Men's Republican Club, against Clarke amendment, relative to withdrawal of United States from Philippine Islands; to the Committee on Insular Affairs.

Also, memorial of New York Young Men's Republican Club, against the Hay bill and favoring a larger Army; to the Committee on Military Affairs.

By Mr. EAGAN: Memorial of congregation of the First Presbyterian Church of Jersey City, N. J., favoring legislation to prohibit the exportation of alcoholic beverages to Africa; to the Committee on Interstate and Foreign Commerce.

By Mr. ELSTON: Petition of Mrs. Rose Harvey and other citizens of Alameda County, protesting against House bills 4668 and 491; to the Committee on the Post Office and Post Roads.

By Mr. ESCH: Petition of citizens of Greenwood, Wis., favoring national prohibition; to the Committee on the Judiciary.

By Mr. FULLER: Petition of Tuthill Spring Co., of Chicago, Ill., favoring 1-cent letter postage; to the Committee on the Post Office and Post Roads.

Also, petition of citizens of Streator, Ill., against bills to amend postal laws; to the Committee on the Post Office and Post Roads.

By Mr. GALLIVAN: Memorial of Fifth Avenue Association on National Defense, in re preparedness; to the Committee on Military Affairs.

By Mr. GORDON: Petition of Rev. Paul Schwan and 14 other Lutheran ministers of Cleveland, Ohio, protesting against the enactment of House bills 6468 and 491; to the Committee on the Post Office and Post Roads.

By Mr. HOLLINGSWORTH: Memorial of J. Easton McGowan, of Steubenville, Ohio, favoring naval program recommended by naval board of the Navy; to the Committee on Naval Affairs.

By Mr. HOWELL: Petition of Young People's Society of Christian Endeavor of Milford, Utah, favoring Federal censorship of motion pictures; to the Committee on Education.

Also, petition of Young People's Society of Christian Endeavor of Milford, Utah, favoring prohibition in the District of Columbia; to the Committee on the District of Columbia.

By Mr. HUMPHREY of Washington: Petition of Overton T. Stephens and 13 citizens of Seattle, Wash., favoring national prohibition; to the Committee on the Judiciary.

By Mr. JOHNSON of Washington: Petition of 41 citizens of Vancouver, Wash., opposing House bills 491 and 6468; to the Committee on the Post Office and Post Roads.

Also, petition of 41 citizens of Battle Ground, Wash., opposing House bill 652; to the Committee on the District of Columbia.

Also, petition of 51 citizens of Battle Ground, Wash., opposing House bills 491 and 6468; to the Committee on the Post Office and Post Roads.

By Mr. LOUD: Petition of J. L. Murphy and 25 other citizens of Hope, Mich., favoring national prohibition; to the Committee on the Judiciary.

By Mr. McARTHUR: Petition of Young Men's Forum of Portland, Oreg., favoring Federal censorship of motion pictures; to the Committee on Education.

By Mr. McFADDEN: Resolutions adopted by the Constant Workers' Bible Class, Baptist Young People's Society, the Helpers' Class, Women's Baptist Missionary Society, Woman's Christian Temperance Union, and Men's Original Bible Class of the Baptist Church, all of Factoryville, Wyoming County, Pa., favoring national constitutional prohibition; to the Committee on the Judiciary.

By Mr. MEEKER: Petitions of 135 citizens of St. Louis, Mo., against bills to amend the postal laws; to the Committee on the Post Office and Post Roads.

By Mr. PETERS: Petitions of citizens of Lubec and Methodist Episcopal Church of Mount Vernon, Me., favoring national prohibition; to the Committee on the Judiciary.

Also, memorial of Mount Vernon, Me., Methodist Episcopal Church, urging against preparedness; to the Committee on Military Affairs.

By Mr. RANDALL: Petitions of sundry citizens and organizations of the State of California and First Free Baptist Christian Endeavor Society, of Boston, Mass., favoring national prohibition; to the Committee on the Judiciary.

By Mr. ROGERS: Petitions of 80 people of Reading and 40 people of Reading, favoring national prohibition; to the Committee on the Judiciary.

By Mr. ROWE: Memorial of the International Council for Patriotic Service, against polygamy in the United States; to the Committee on the Judiciary.

Also, petition of Thomas W. Sanner, of Brooklyn, N. Y., favoring House bill 13671, for the benefit of headquarters and quartermasters' clerks of the United States Army at large; to the Committee on Military Affairs.

Also, memorial of Fort Greene Chapter, Daughters of the American Revolution, Brooklyn, N. Y., favoring preparedness; to the Committee on Military Affairs.

Also, petition of sundry citizens of New York, favoring Stevens standard-price bill; to the Committee on Interstate and Foreign Commerce.

By Mr. SCHALL: Petition of sundry citizens of Minneapolis, Minn., favoring national prohibition; to the Committee on the Judiciary.

By Mr. SNYDER: Memorial of Camden (N. Y.) Chapter, Daughters of the American Revolution, favoring the establishment of a national park on the Oriskany battle field; to the Committee on Military Affairs.

Also, memorial of Rome (N. Y.) Chamber of Commerce, favoring a relocation of the proposed power site in the District of Columbia; to the Committee on the District of Columbia.

Also, memorial of Utica (N. Y.) Chamber of Commerce and the Utica Automobile Association, favoring the creation of a national park on the battle field of Oriskany; to the Committee on Military Affairs.

Also, petition of various residents of Camden, N. Y., opposing legislation barring the use of the mails to certain publications; to the Committee on the Post Office and Post Roads.

Also, memorial of the Rome (N. Y.) Chamber of Commerce, favoring increased appropriations for the Consular Service; to the Committee on Foreign Affairs.

By Mr. STINESS: Petition of Manton Baptist Church, of Johnston, R. I., favoring national prohibition; to the Committee on the Judiciary.

By Mr. TIMBERLAKE: Petitions of sixth district of the Woman's Christian Temperance Union of Colorado; churches in Larimer, Washington, and El Paso Counties, Colo., in support of pending prohibition legislation; to the Committee on Alcoholic Liquor Traffic.

Also, memorial of Progressive Rural League of Lincoln County, Colo., protesting against any weight limit on mailable parcels; to the Committee on the Post Office and Post Roads.

Also, petition of citizens of Karval and Wezel, Colo., urging action on Federal farm-loan measures now pending; to the Committee on Agriculture.

By Mr. WALSH: Petition of Methodist Baptist Union Congregation, of Osterville; Osterville Woman's Christian Temperance Union, of Osterville; and Wesley Methodist Episcopal Church, of New Bedford, all in the State of Massachusetts, favoring national constitutional prohibition; to the Committee on the Judiciary.

Also, petition of Major How Women's Relief Corps, No. 96, Department of Massachusetts, by Carrie E. Elliott, its secretary, favoring passage of so-called Ashbrook widows' pension bill, House bill 11707; to the Committee on Invalid Pensions.

Also, petition of Special Aid Society for American Preparedness, Cohasset, Mass., by George W. Collier and four others, favoring adequate appropriations for increasing the Army and Navy; to the Committee on Appropriations.

Also, petition of Special Aid Society for American Preparedness, Cohasset, Mass., by Benjamin F. Crane and 25 others, favoring adequate appropriations for increasing the Army and Navy; to the Committee on Appropriations.

Also, petition of Special Aid Society for American Preparedness, Cohasset, Mass., by H. B. Pennell and 12 others, favoring adequate appropriations for increasing the Army and Navy; to the Committee on Appropriations.

Also, petition of Special Aid Society for American Preparedness, Cohasset, Mass., by Joseph St. John and 40 others, favoring adequate appropriations for increasing the Army and Navy; to the Committee on Appropriations.

By Mr. WILLIAMS of Ohio: Petition of Brotherhood Bible Class of Kenmore and Congregational Church, of Atwater, Ohio, favoring national prohibition; to the Committee on the Judiciary.

By Mr. WINGO: Petition of citizens of Miller County, Ark., against preparedness; to the Committee on Military Affairs.

Also, petition of sundry citizens and organizations of Miller County, Ark., favoring national prohibition; to the Committee on the Judiciary.

By Mr. WINSLOW: Petition of residents of Worcester, Mass., against bills to empower the Postmaster General to bar certain publications from the mails; to the Committee on the Post Office and Post Roads.

SENATE.

FRIDAY, April 14, 1916.

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we thank Thee for the permanency and changelessness of Thy love and power and grace. Thou dost lead us by paths that we do not know. Thou dost sustain us through providences that we can not understand. In the midst of problems unsolved in each new day we come to the tasks of the day. We bless Thee that the changeless force of life is Thy changeless love and Thy changeless grace, and we lift our hearts to Thee that we may be sure that God is leading us on, and at every step of the way Thou art unfolding to us the riches of Thy grace in Christ Jesus. Hear us in this prayer. Fit our hearts and minds for the duties of this day. For Christ's sake. Amen.

The Secretary proceeded to read the Journal of the proceedings of the legislative day of Wednesday, April 12, 1916, when, on request of Mr. CHAMBERLAIN, and by unanimous consent, the further reading was dispensed with and the Journal was approved.

PRESIDENTIAL APPROVALS.

A message from the President of the United States, by Mr. Sharkey, one of his secretaries, announced that the President had approved and signed the following acts and joint resolution: On April 11, 1916:

S. 585. An act conferring jurisdiction on the Court of Claims to hear, determine, and render judgment in claims of the Sisseton and Wahpeton Bands of Sioux Indians against the United States;

S. 922. An act for the relief of Mary E. Nicolson;

S. 1809. An act to create an additional judge in the district of New Jersey;

S. 3391. An act to amend an act entitled "An act for the relief of Indians occupying railroad lands in Arizona, New Mexico, or California," approved March 4, 1913;

S. 3977. An act to authorize the Shamokin, Sunbury & Lewisburg Railroad Co., its lessees, successors, and assigns, to construct a bridge across the Susquehanna River from the borough of Sunbury, Northumberland County, Pa., to Monroe Township, Snyder County, Pa.;