Mr. RAYBURN, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (S. 6031) authorizing the Board of Trade of Texarkana, Ark.-Tex., to construct a bridge across Sulphur River at or near Pace's ferry, between the counties of Bowie and Cass, in the State of Texas, reported the same with amendment, accompanied by a report (No. 1005), which said bill and report were referred to the House Calendar.

Mr. STEPHENS of Nebraska, from the Committee on Interstate and Foreign Commerce, to which was referred the resolution (H. Res. 571) requesting the Secretary of Commerce to report to the House all facts and information in his possession concerning the prices paid for wheat to the producer thereof in the State of Kansas and the prices at which said wheat is sold for export by dealers, concerns, and exporters at Kansas City, Mo., and how such prices are fixed and determined, reported the same with amendment, accompanied by a report (No. 1006), which said bill and report were referred to the House Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. PARK: A bill (H. R. 18010) making copy of schedule of rates filed by carriers with the Interstate Commerce Commission admissible as primary evidence; to the Committee on the Judiciary.

By Mr. BRITTEN: A bill (H. R. 18011) to provide for the establishment of an additional life-saving station at Chicago, Ill.; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS.

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

By Mr. ALLEN: A bill (H. R. 18012) granting an increase of pension to Anna M. Goeller; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18013) granting an increase of pension to Matilda Frank; to the Committee on Invalid Pensions.

By Mr. BRUMBAUGH: A bill (H. R. 18014) to correct the military record of Cornelius Hardin; to the Committee on Military Affairs.

By Mr. CANTOR: A bill (H. R. 18015) granting a pension to James Tucker; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18016) granting an increase of pension to Alexander R. Olds; to the Committee on Invalid Pensions.

By Mr. COLLIER: A bill (H. R. 18017) for the relief of Maria Elizabeth Burnett; to the Committee on War Claims.

By Mr. HELM: A bill (H. R. 18018) for the relief of Jesse P. Riffe; to the Committee on War Claims.

Also, a bill (H. R. 18019) for the relief of John H. Engleman, administrator of the estate of John Engleman, deceased; to the Committee on War Claims.

By Mr. HUMPHREY of Washington: A bill (H. R. 18020) granting an increase of pension to George W. Hill; to the Committee on Invalid Pensions.

By Mr. LEE of Pennsylvania: A bill (H. R. 18021) granting an increase of pension to Henry M. Seitzinger; to the Committee on Invalid Pensions.

By Mr. LOBECK: A bill (H. R. 18022) reinstating J. I. Boyle to his former rank and grade in the United States Army; to the Committee on Military Affairs.

By Mr. SMITH of Minnesota: A bill (H. R. 18023) granting an increase of pension to Conrad H. Rowe; to the Committee on Pensions.

By Mr. TAGGART: A bill (H. R. 18024) granting a pension to Celinda B. Coon; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18025) granting a pension to Jane Calafer; to the Committee on Invalid Pensions.

By Mr. TOWNSEND: A bill (H. R. 18026) granting an increase of pension to William H. Cook; to the Committee on Invalid Pensions.

By Mr. WINGO: A bill (H. R. 18027) for the relief of John M. Henley; to the Committee on the Public Lands.

By Mr. WHITE: A bill (H. R. 18028) granting a pension to Marion Gregory; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18029) granting an increase of pension to James M. Cooke; to the Committee on Invalid Pensions.

PETITIONS, ETC.

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

By the SPEAKER (by request): Petition of the Kansas Investment Co., of Ness City, Kans., favoring national prohibition; to the Committee on Rules.

By Mr. BARTHOLDT: Petition of a number of citizens of St. Louis, Mo., in favor of nation-wide prohibition; to the Committee on Rules.

Also, petition of Southwestern Missouri Millers' Club, in favor of 1-cent postage; to the Committee on the Post Office and Post Roads.

Also, petition of 59 citizens of St. Louis, Mo., protesting against nation-wide prohibition; to the Committee on Rules.

Also, petitions of 29 citizens of St. Louis County, Mo., in favor of House bill 5308, to tax mail-order houses; to the Committee on Ways and Means.

By Mr. BATHRICK: Memorial of Headquarters Richard Allen Post, No. 65, Grand Army of the Republic, of Elyria, Ohio, favoring appropriation for reunion of veterans at Vicksburg, Miss., in 1915; to the Committee on Appropriations.

By Mr. CARY: Petition of Wisconsin Retail Jewelers' Association, favoring the Stevens bill (H. R. 13305) relative to fixed selling price; to the Committee on Interstate and Foreign Commerce.

By Mr. CONNELLY of Kansas: Petitions for the Sheppard-Hobson amendment, as follows: Wallace County, Kans., 14 names; Lucas, Kans., 326 names; Norton County, Kans., 16 names; Formoso, Kans., 21 names; and Kanorado, Kans., 20 names; to the Committee on Rules.

By Mr. FOSTER: Petitions of citizens of Farina; members of Olney District Epworth League; Beulah Church, of Sumner; citizens of Walnut Hill; Grand C. E. of Robinson; Otterbein United Brethren Sunday School; citizens of Odin, Marion County; members of Sunday school of Kell; and 100 people of Kinmundy, all of the State of Illinois, favoring national prohibition; to the Committee on Rules.

By Mr. KONOP: Petitions of 300 citizens of Detroit Harbor and St. Paul's Methodist congregation of Green Bay, Wis., favoring national prohibition; to the Committee on Rules.

Also, petitions of B. Emfry and others, of Beaver, Wis., protesting against national prohibition; to the Committee on Rules.

By Mr. KORBLY: Petition of sundry citizens of Indianapolis, Ind., protesting against national prohibition; to the Committee on Rules.

By Mr. MAGUIRE of Nebraska: Memorial of Smith Cavit Post, No. 299, Grand Army of the Republic, Department of Nebraska, favoring appropriation for reunion of veterans at Vicksburg, Miss.; to the Committee on Appropriations.

By Mr. RUPLEY: Petition of Merchants and Manufacturers' Association, Philadelphia, and Chamber of Commerce, Pittsburgh, Pa., favoring postponement of trust legislation; to the Committee on the Judiciary.

Also, petition of Patriotic Order Sons of America, of Lebanon County, Pa., against any change in United States flag; to the Committee on Military Affairs.

Also, petition of Western Society of Engineers, Chicago, Ill., relative to H. R. 13457, providing for a more equitable distribution of topographic surveys, etc.; to the Committee on Expenditures in the Interior Department.

By Mr. WEAVER: Petition of representatives of four Young People's Societies of Vinita, Okla., favoring national prohibition; to the Committee on Rules.

By Mr. WHITE: Petition of A. N. Klein, J. B. Clark, and 34 others of Marietta, Ohio, protesting against national prohibition; to the Committee on Rules.

SENATE.

THURSDAY, *July 23, 1914.*

The Senate met at 12 o'clock m.

Rev. J. L. Kibler, D. D., of the city of Washington, offered the following prayer:

O Lord God of hosts, we thank Thee that we are called to serve in the army that is marching forward battling for the right. We thank Thee for our great Leader who bids us follow Him on to honor and to victory. We can not doubt the issues while Thou art leading the way. May we be true to Thee. May we be loyal to our great Commander; and, being inspired by the righteousness of our cause, may we be valiant in service. May we have courage, therefore, to meet all the demands that may be upon us this day. We ask it in the name of Christ, our Lord. Amen.

The Secretary proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. NEWLANDS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House agrees to the report of

the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 17041) making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1915, and for other purposes; recedes from its disagreement to the amendment of the Senate numbered 145 to the bill and agrees to the same; further insists upon its disagreement to the amendments of the Senate numbered 44, 45, 91, 92, 138, and 146; agrees to the further conference asked for by the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. FITZGERALD, Mr. SHERLEY, and Mr. MONDELL managers at the conference on the part of the House.

The message also announced that the House had passed a bill (H. R. 12919) to amend an act entitled "An act to provide for an enlarged homestead," in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED.

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

S. 485. An act to amend section 1 of an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911;

S. 785. An act to relinquish, release, and quitclaim all right, title, and interest of the United States of America in and to certain lands in the State of Mississippi;

S. 1087. An act authorizing the exchange of certain lands within the Fishlake National Forest, Utah;

S. 5316. An act authorizing the survey and sale of certain lands in Coconino County, Ariz., to the occupants thereof;

S. 5462. An act to authorize the county of Barry, State of Missouri, to construct a bridge across the White River in Barry County, Mo., at or near a point known as Goldens Ferry;

S. 5957. An act to authorize the Frost-Johnson Lumber Co. to construct a bridge across the Sabine River in the States of Louisiana and Texas, about 2 miles west of Hunter, La.;

H. R. 8660. An act to amend section 4 of an act entitled "An act granting a franchise for the construction, maintenance, and operation of a street railway system in the district of South Hilo, county of Hawaii, Territory of Hawaii," approved August 1, 1912; and

H. R. 15320. An act authorizing the Secretary of the Treasury to disregard section 33 of the public buildings act of March 4, 1913, as to site at Owego, N. Y.

PETITIONS AND MEMORIALS.

Mr. THORNTON presented petitions of sundry citizens of Wadesboro and Ponchatoula, in the State of Louisiana, praying for national prohibition, which were referred to the Committee on the Judiciary.

Mr. HITCHCOCK presented a telegram in the nature of a petition from Overland Lodge, No. 123, Brotherhood of Locomotive Firemen and Enginemen, of Omaha, Nebr., and a petition of Local Lodge No. 623, Brotherhood of Locomotive Firemen and Enginemen, of Alliance, Nebr., praying for the enactment of the so-called antitrust legislation, which were referred to the Committee on the Judiciary.

He also presented petitions of the Lincoln Camp of Gideons, of Lincoln, Nebr., and of the Christian Endeavor Society of Hastings, Nebr., praying for national prohibition, which were referred to the Committee on the Judiciary.

Mr. GALLINGER presented the petitions of Charles D. Steele and W. J. Delaney, of Manchester, N. H., praying for national prohibition, which were referred to the Committee on the Judiciary.

Mr. SMITH of Arizona presented a petition of the Chamber of Commerce of Los Angeles, Cal., praying for the enactment of legislation for the regulation of the water power of the country, which was referred to the Committee on Commerce.

Mr. BRANDEGEE presented petitions of sundry labor organizations of the State of Connecticut, praying for the enactment of the so-called antitrust legislation, which were referred to the Committee on the Judiciary.

He also presented a memorial of the German-American Alliance of Hartford, Conn., remonstrating against national prohibition, which was referred to the Committee on the Judiciary.

He also presented a petition of Local Union, No. 30, International Association of Machinists, of Bridgeport, Conn., praying for the enactment of legislation to further restrict immigration, which was ordered to lie on the table.

Mr. JONES. I have received telegrams in the nature of petitions—one is from 2,400 members of the First Methodist Episcopal Church of Seattle, another from a mass meeting of citizens at the University Methodist Episcopal Church, of Seattle, another from a mass meeting of citizens at Monroe, and another from a mass meeting of citizens at Edwall, all in the State of Washington—praying Congress to submit the amendment prohibiting the importation, manufacture, and sale of intoxicating liquors. I ask that the telegrams may be referred to the Committee on the Judiciary.

The VICE PRESIDENT. The telegrams will be received and referred to the Committee on the Judiciary.

Mr. JONES. I have a telegram in the nature of a petition adopted at a mass meeting of citizens at Montesano, Wash., which I ask may be read.

There being no objection, the telegram was read and referred to the Committee on the Judiciary, as follows:

[Telegram.]

MONTESANO, WASH., *June 28, 1914.*

Senator WESLEY L. JONES,
United States Senate, Washington, D. C.:

Mass meeting of citizens petition Congress to submit amendment prohibiting importation, manufacture, and sale of intoxicating liquors. Over a hundred thousand names were signed to the initiative petition in this State—evidence that the majority of the people you represent favor this amendment.

R. M. GIBSON, *Chairman.*
MARY PHILL SUTHERLAND, *Secretary.*

Mr. JONES presented petitions of sundry citizens of the State of Washington, praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented memorials of sundry citizens of the State of Washington, remonstrating against national prohibition, which were referred to the Committee on the Judiciary.

Mr. KERN presented a petition of the United Mine Workers' Local Union of Petersburg, Ind., and a petition of the Typographical Union of Gary, Ind., praying for the enactment of the so-called Clayton antitrust bill, which were ordered to lie on the table.

He also presented memorials of sundry citizens of Decatur County, Ind., remonstrating against national prohibition, which were referred to the Committee on the Judiciary.

Mr. BURLEIGH presented resolutions adopted by the Knox County Board of Underwriters at a special meeting held at Rockland, Me., favoring the enactment of legislation to prohibit the use of the mails to insurance companies soliciting business in States where they are not authorized by the State to conduct business therein, which were referred to the Committee on Post Offices and Post Roads.

He also presented a resolution adopted by the Department of Maine, Grand Army of the Republic, favoring an amendment to the so-called widows' pension laws to make eligible for pension those who married subsequent to June 27, 1890, which was ordered to lie on the table.

Mr. WALSH. I present a memorial, which I send to the desk and ask to have read.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read it.

The memorial was read and referred to the Committee on the Judiciary, as follows:

To the Members of the honorable body of the United States Senate and the House of Representatives of the United States of America:

Your petitioners respectfully represent and present the hereinafter described petition and resolution, to wit:

That whereas we, St. Paul's Methodist Episcopal Brotherhood, of the city of Helena, on the 8th day of June, 1914, duly and unanimously passed a resolution indorsing the full text of the prohibition resolution and petition delivered to Congress by the Anti-Saloon League committee of one thousand, at Washington, December 10, 1913.

That we recognize that the saloon is highly injurious and debauching to American citizenship; that the ruin caused by war, famine, and pestilence is a vanishing factor as compared with the deluge of damnation wrought every 365 days of every year in the past and present centuries.

That we recognize and realize the oncoming and irresistible avalanche of the prohibition wave under the awakening pulse of a public conscience, similar to that sentiment of 1865 which would accept no defeat for abolition of human slavery; that we recognize and realize, in view of the rapidly increasing prohibition sentiment in the State of Montana and in all other States, that the sagacious, longheaded, and wise politician—observing the liquor "handwriting on the wall"—acts prudently by henceforth allying himself with the dominant sober and better elements in the United States: Now, therefore, be it

Resolved, And your petitioners pray, that said petition and resolution as proposed, praying for a constitutional prohibition amendment to the Constitution of the United States, be passed by both Chambers of Congress when same is presented for your respectful consideration. We reaffirm our belief in the speedy overthrow and dethronement of King Alcohol and sincerely wish for a saloonless nation in 1920.

E. H. GUNDERSON,
Dean of Helena Law College.
H. A. DAVEE,
President.
O. B. TOMLIN,
Acting Secretary of Brotherhood.

RADIUM-BEARING ORES.

Mr. WALSH. Mr. President, lest we forget that the radium bill is still clamoring for recognition before this body, I send a petition to the desk and ask that it be read.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read it.

The Secretary read as follows:

SENATE BILL (S. 4405) TO ENCOURAGE RADIUM INDUSTRY.

NATURITA, COLO., *June 1, 1914.*

Hon. THOMAS J. WALSH,
Chairman Committee on Mines and Mining,
United States Senate, Washington, D. C.

SIR: Inasmuch as this bill, as reported by you from the Committee on Mines and Mining to the United States Senate on March 16, 1914, supplies a free, competitive market for carnotite ore, continues the application of the general laws in relation to mining lands except in unimportant details, and insures the development of the carnotite mining business under conditions highly favorable to persons having only limited amount of capital, we, the undersigned, who are engaged in the carnotite business, do hereby petition you to do everything that lies in your power to have the said bill passed by the Senate at the earliest possible moment.

A. R. RADER
(And others),
Bedrock, Colo.

The VICE PRESIDENT. The petition will lie on the table.

Mr. WALSH. I am sure the Senate will be interested in knowing the progress that has been made in connection with the interesting experiments being conducted by the Bureau of Mines at the reduction works in the city of Denver in the extraction of radium from carnotite ore. Accordingly, I send to the desk the following communication and ask that it may be read.

The VICE PRESIDENT. Is there objection?

Mr. SHAFROTH. What is the request?

Mr. WALSH. It is a communication from Dr. Charles L. Parsons, which I have just sent to the desk.

Mr. SHAFROTH. Oh, certainly; I do not object.

The VICE PRESIDENT. There being no objection, the Secretary will read the communication.

The Secretary read as follows:

DEPARTMENT OF THE INTERIOR,
BUREAU OF MINES,
July 9, 1914.

Hon. FRANKLIN K. LANE,
Secretary Department of the Interior.

MY DEAR MR. SECRETARY: In accordance with your verbal request, I take pleasure in giving you the results of my experience on my recent trip to the carnotite mining regions of Colorado.

It was my privilege to meet a number of mining men in Denver, Placerville, Redvale, Norwall, Naturita, Long Park, Paradox, Uranium, and other places, many of whom knowing that I was in that portion of the country sought me to ask for information as to how soon the Government would be prepared to purchase ores and enter into the active production of radium therefrom. Without a single exception, every independent miner and prospector was heartily in favor of the legislation now proposed in Congress, and expressed their sincere regret that they had been so seriously misled by early newspaper reports, which they understood to mean the actual withdrawal of lands.

Such men as Curran, Belisle, McCloud, Manning, and others, who were early misled, expressed their full approval of the proposals as now understood by them, and whether operating independent claims or connected with a company there was no opposition, so far as I was able to determine, except from those in control of the operations of the Standard Chemical Co.

Messrs. Kithil and Davis, employees of the Bureau of Mines, who are now in the Paradox region and who have covered a much greater portion of the field than it has been my lot to personally examine, reported to me that so far as they had been able to find out there is nothing but unanimous approval on the part of the miner and prospector of the proposed legislation.

In spite of the large number of prospectors who went into the field during the early part of the year, comparatively few new discoveries of importance have been made. This is quite in accord with my opinion expressed before the House committee, that new discoveries of ore would come slowly. While many hundreds of claims were staked, comparatively few have been shown to contain carnotite of commercial grade and quantity, and the carnotite situation appears to be controlled by some three or four companies. The chief control is in the hands of the Standard Chemical Co., of Pittsburgh.

In addition to the above, I can now definitely state that there remains no question as to the successful outcome of the plant operations of the National Radium Institute at Denver, now being carried on under a cooperative agreement by the technical staff of the Bureau of Mines. Some 30 tons of ore have already been worked up in the plant, and its operation has been proceeding with regularity and efficiency that exceeds even our somewhat sanguine expectations.

Yours, very respectfully, CHARLES L. PARSONS.

Mr. SHAFROTH. Mr. President, notwithstanding the papers that have been read, I have received a few petitions to the contrary, and I wish to put them in the RECORD at this time.

I wish to read what these petitioners say with relation to the radium bill:

We, the undersigned, prospectors, miners, teamsters, merchants, and other citizens of Montrose and San Miguel Counties, State of Colorado, do hereby emphatically deny that the sentiment as outlined in the letter of Mr. Charles F. Curran, under date of May 29, 1914, addressed to the Hon. THOMAS J. WALSH, chairman of the Mines and Mining Committee of the United States Senate, and the letter of Mr. Charles F. Curran, under date of May 29, 1914, addressed to the Hon. JOHN F. SHAFROTH, a member of the same committee, is representative of the views of the citizens of this district.

We are of the firm belief that individual miners and prospectors, together with private enterprise, will do more to develop the carnotite fields than can be done by the passage of Senate bill 4405, and that if the carnotite fields are permitted to remain as they are now they will be fully developed, and the results accruing therefrom will continue to very materially benefit our community.

We further believe that the contemplated legislation as outlined in Senate bill 4405 will prove a decided detriment to the mining and development of the carnotite industry instead of a benefit.

We therefore respectfully request that before final action is taken on this bill that you kindly give careful consideration to our petition.

That petition is signed by miners, whose signatures cover six or eight pages. Here is one signed by miners and citizens, whose signatures cover three or four pages. Here is another petition signed by three or four pages of miners. Then here is another signed by five or six pages of prospectors and miners. Another is signed by two pages of prospectors and miners, and another is signed by four pages of prospectors and miners.

Mr. President, as bearing on the radium bill which has been before the Senate, and to which the Senator from Montana has alluded several times in the morning hour, there is a dispatch from Berlin that ought to settle forever the proposition of enacting that bill into legislation. I desire to read it, so that it may go in as a part of my remarks:

GIVE UP USE OF RADIUM—GERMAN DOCTORS ABANDON IT IN CANCER CASES—TURN TO X-RAYS.

BERLIN, *July 16, 1914.*

Germany's greatest surgery specialists have abandoned the use of radium for the treatment of cancer, and are now confining themselves exclusively to the Röntgen rays.

Among them is Prof. Bumm, director of the women's clinic of the University of Berlin, who has just presented a number of women cured of cancer by the Röntgen method. The surgeon general of the German Army, Prof. Bier, who is also the head of the surgical faculty of the university here, is another who has renounced faith in radium.

The surgeons say patients are treated with apparent success by radium and discharged as either improved or cured, but shortly afterwards they reveal evidences of a return of the disease in other parts of the body.

The German doctors do not mean to assert that the Röntgen therapy is infallible. Positive success, on the contrary, is still remote, but they are satisfied that there is no longer any use in buying radium at exorbitant prices for cancer treatment.

I wish to call attention to a London dispatch of June 13 last, which states the results obtained at a London institute in 500 cases. It reads as follows:

FIFTY CURED BY RADIUM—INSTITUTE IN LONDON REPORTS UPON RESULTS OBTAINED IN 500 CASES.

LONDON, *June 13, 1914.*

Out of nearly 500 cases of malignant cancer treated by the Radium Institute during the year 1913, 50 are described in the annual report of the institute as apparently cured and 183 as "improved." In a number of cases the results are not yet noted.

The institute declines to treat operable cases, radium being used only as a last resort.

"Time only can show," the Lancet says, "if any of these satisfactory results are permanent, and not until some years have passed without fresh manifestations of the disease could even the most favorable cases be described as cured.

I hold in my hand, Mr. President, a number of clippings consisting of the action of various surgical and medical societies of the United States and of Europe relative to the curative qualities of radium. At the present time the opinion of, I might say, nine-tenths of the surgical and medical associations is that it is dangerous to use radium, that in effect it drives the poison into the system and it produces death in many instances.

I wish to call attention to the fact that about two months ago in the city of New York there assembled the American Society for the Control of Cancer, and in that association there were some of the leading, if not most of the leading, surgeons of the entire United States, and at that meeting Dr. Mayo, the celebrated surgeon of Rochester, Minn., who has a line of practice which extends all over the world, reported that not one case out of a hundred treated by radium was ever cured.

Mr. WALSH. Mr. President——

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

Mr. SHAFROTH. I do.

Mr. WALSH. I did not understand that this matter was up for discussion, but I interrupt the Senator to say that I have a telegram in my desk from Dr. Mayo denying that he ever made such a statement.

Mr. SHAFROTH. I have it here, if the Senator cares to see it.

Mr. WALSH. I shall be glad to see it at some time.

Mr. SHAFROTH. If that is the case, we will find what further there is that I have here. I wish to put into the RECORD a statement taken from the Washington Post of April 11 last, which is as follows:

FIND NO RADIUM CURE—SURGEONS SAY ONLY THE KNIFE WILL ARREST CANCER.

NEW YORK, *April 10.*

All hope of curing cancer by radium has been abandoned by some of the foremost surgeons and research workers of the country, who declared at to-night's meeting of the American Society for the Control of Cancer that the failures of radium outnumbered the cures 100 to 1.

That nothing is of avail against this most dreaded disease but the speedy use of the knife was the opinion advanced by Dr. William H.

Mayo, of Rochester, Minn. Operation is the only cure, but radium or ray treatment is in order as a temporary palliative, where operation is impossible, according to Dr. Francis G. Wood, director of cancer research at Columbia University. Another generation will be required to furnish knowledge on the real cause and actual nature of cancer, he said. Experiments for 35 centuries show that heredity plays only a small part, if any, in its appearance.

HOLD OUT NO HOPE.

It was expected that the members of the society would have something hopeful to report of their investigations. Instead, they admitted no progress and held out little hope. They united in saying they had discovered neither the cause nor the nature of cancer. Then they proved by statistics that cancer is on the increase.

That a change in the habits and customs may reduce the disease to some extent was a ray of hope held out by Dr. Mayo, who also said any cancer could be cured if operated upon in its early stages.

"If we could only tell how to avoid it, I would be glad because I am frank to admit that we do not know," he declared. He said the statement that the use of meat was one of the habits to be avoided in connection with cancer prevention had been wrongly attributed to him.

Mr. President, the Senator in charge of the unfinished business states to me that he will have to call for the regular order if I continue reading these articles. I wish to inform the Senate that I have quite a number here that are to the same force and effect, and explode the idea that radium is a specific for the cure of cancer.

Mr. SMITH of Arizona. Has the Senator noticed the decline in the price of radium?

Mr. SHAFROTH. I have not.

Mr. SMITH of Arizona. I understand it has declined from $120,000 to $80,000 a gram.

Mr. SHAFROTH. I am glad to hear it.

The VICE PRESIDENT. The petitions will lie on the table, the bill having been reported.

REPORTS OF COMMITTEES.

Mr. NEWLANDS. From the Committee on Interstate Commerce I report back favorably with amendments the bill (H. R. 16586) to amend section 20 of an act to regulate commerce, to prevent overissues of securities by carriers, and for other purposes. Later on I shall file a report (No. 706) of the committee to accompany the bill.

Mr. BRANDEGEE. Mr. President, I will say that while I joined with the committee in the favorable report on the bill just reported by the Senator from Nevada [Mr. NEWLANDS], there are many things in it which I think are vicious and to which I am greatly opposed. At the proper time I shall state my objections more at length.

The VICE PRESIDENT. The bill will be placed on the calendar.

Mr. CULBERSON, from the Committee on Public Buildings and Grounds, to which was referred the bill (S. 5630) for the erection of a public building at Dallas, Tex., reported it with amendments and submitted a report (No. 707) thereon.

Mr. MYERS, from the Committee on Public Lands, to which were referred the following bills, reported them each with amendments and submitted reports thereon:

S. 2692. A bill authorizing the Secretary of the Interior to sell all unsold lots in the town site of Plummer, Kootenai County, Idaho, and for other purposes (Rept. No. 708); and

S. 5701. A bill providing for the disposal of certain lands in block 32 in the city of Port Angeles, State of Washington (Rept. No. 709).

BIG SANDY RIVER BRIDGE, WEST VIRGINIA.

Mr. SHEPPARD. From the Committee on Commerce I report back favorably without amendment the bill (H. R. 17005) authorizing the fiscal court of Pike County, Ky., to construct a bridge across Tug Fork of the Big Sandy River at or near Williamson, W. Va., and I submit a report (No. 702) thereon. I call the attention of the Senator from Kentucky [Mr. CAMDEN] to the bill.

Mr. CAMDEN. I ask unanimous consent for the immediate consideration of the bill.

Mr. GALLINGER. Let the bill be read.

The Secretary read the bill.

Mr. BURTON. I did not understand over which fork of the Big Sandy River the bridge is to be constructed.

Mr. CAMDEN. Over the Tug Fork.

Mr. BURTON. I inquire what is the location of the proposed bridge and how far is it from the mouth of the Tug Fork?

The VICE PRESIDENT. The Secretary will read the portion of the bill describing the location of the proposed bridge.

The Secretary read as follows:

At a point suitable to the interests of navigation at or near the town of Williamson, in the county of Mingo, in the State of West Virginia.

Mr. BURTON. How far is it from the mouth of the Tug Fork?

Mr. CAMDEN. I do not know the exact distance.

Mr. BURTON. Is it above or below the lock and dam on that fork?

Mr. CAMDEN. It is above it.

Mr. CLARK of Wyoming. Mr. President, one question. I gather from the reading of the bill that it authorizes the construction by a county in Kentucky of a bridge over waters in West Virginia.

Mr. CAMDEN. The river separates the two States; it constitutes the boundary line.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

LANDS FOR SCHOOL PURPOSES, WASHINGTON.

Mr. MYERS. From the Committee on Public Lands I report back favorably, without amendment, the bill (S. 4146) granting certain lands to school district No. 44, Chelan County, Wash., and I submit a report (No. 705) thereon.

Mr. JONES. Mr. President, this bill provides for transferring a small tract of land to a school district in my State. It is a short bill, and I am satisfied will lead to no discussion. Therefore I ask unanimous consent for its present consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That there is hereby granted to school district No. 44, Chelan County, State of Washington, 1.77 acres in lot 3, section 13, township 27 north, range 16 east, Willamette meridian, more particularly described as follows: Beginning at the corner No. 1 of the tract of land to be described, which is a stone marked "S. H.—44," from which the quarter corner between sections 13 and 14, same township, bears north 450 feet, thence south 62 east 418 feet to corner No. 2, thence south 209 feet to corner No. 3, thence north 62 west 418 feet to corner No. 4, thence north 209 feet to corner No. 1, the place of beginning, being the same as now used and occupied by said district for public-school purposes, and the Secretary of the Interior is hereby authorized and directed to issue patent for said lands to said school district.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

ST. JOHN RIVER BRIDGE, MAINE.

Mr. SHEPPARD. From the Committee on Commerce I report back favorably, without amendment, the bill (H. R. 16579) to authorize the construction of a bridge across St. John River at Fort Kent, Me., and I submit a report (No. 703) thereon.

Mr. GALLINGER. Mr. President, I ask unanimous consent for the present consideration of the bill. It merely authorizes the construction of a bridge at Fort Kent, Me. It is a House bill, and I think it will take but a moment to dispose of it.

The VICE PRESIDENT. Is there objection to the request of the Senator from New Hampshire?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

ARKANSAS RIVER BRIDGE.

Mr. SHEPPARD. I report back favorably from the Committee on Commerce, without amendment, the bill (S. 6084) to grant the consent of Congress for the county of Pulaski, State of Arkansas, to construct a bridge across the Arkansas River between the cities of Little Rock and Argenta, Ark., and I submit a report (No. 704) thereon. The Senator from Arkansas [Mr. CLARKE], who is temporarily absent, is the introducer of this bill, and I ask unanimous consent for its consideration at the present time.

The VICE PRESIDENT. Is there any objection to the request of the Senator from Texas?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

BILLS INTRODUCED.

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

By Mr. KERN:

A bill (S. 6150) granting an increase of pension to Charles H. McCarty (with accompanying papers); to the Committee on Pensions.

By Mr. SMITH of Arizona:

A bill (S. 6151) granting title to the town of Florence, Ariz., to certain lands for cemetery purposes (with accompanying papers); to the Committee on Public Lands.

By Mr. NORRIS:

A bill (S. 6152) for the relief of Joseph Gorman; to the Committee on Military Affairs.

By Mr. JONES:

A bill (S. 6153) granting an increase of pension to William Lockwood; and

A bill (S. 6154) granting an increase of pension to James S. Wintermute (with accompanying papers); to the Committee on Pensions.

By Mr. BURLEIGH:

A bill (S. 6155) granting an increase of pension to Charles A. Holmes; to the Committee on Pensions.

By Mr. SHIVELY:

A bill (S. 6156) granting an increase of pension to George D. Carter;

A bill (S. 6157) granting an increase of pension to William Roseberry;

A bill (S. 6158) granting a pension to Reinhard Anschuetz; and

A bill (S. 6159) granting an increase of pension to Albert W. Dyer (with accompanying papers); to the Committee on Pensions.

THE TELEPOST.

The VICE PRESIDENT. Pursuant to Senate resolution 405 relative to an investigation and report upon the merits of the telepost and its use in connection with the Post Office Department, the Chair appoints as the committee on the part of the Senate Mr. BANKHEAD, Mr. LEA of Tennessee, Mr. CHAMBERLAIN, Mr. POINDEXTER, and Mr. KENYON.

ANALYSIS OF TRUST BILLS.

Mr. WORKS. Mr. President, in the course of some remarks made by me a few days ago on trust legislation I submitted an analysis or synopsis of the provisions of the three trust bills—two of them as they came over from the other House. Those two bills were then being considered by Senate committees. I also stated that when the changes were made I would notice the fact. There have been some changes made in those bills, some of which I think are quite important. I desire to have printed in the RECORD a revised synopsis or analysis of the bills as they are now before the Senate.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The matter referred to is as follows:

MEMORANDA OF PROVISIONS OF TRUST BILLS.

INTERSTATE TRADE COMMISSION BILL.

a. Federal trade commission of five members created.
b. Appointed by the President, by and with the advice of the Senate.
c. Term of office seven years.
d. Salaries, $10,000 a year each; secretary, $5,000; assistant secretary, $4,000; total, $59,000 a year.
e. Commission authorized to appoint attorneys, special agents, accountants, experts, examiners, and other employees, as many as Congress will appropriate money to pay.
f. Commission given power:
   1. To investigate any corporation or association doing an interstate-trade business whenever and as often as it pleases.
   2. To require any corporation to furnish any information it calls for at any time without limitation.
   3. To prescribe forms of annual reports from such corporations, and to compel the making of annual reports and special reports without limit and at any time.
   4. To make public the information it obtains.
   5. To prepare decrees in suits brought by the Attorney General.
   6. To investigate and determine whether decrees procured by the Attorney General are being carried out or are being violated and what, if any, other or additional decree is advisable.
   7. If it finds that anyone has violated the antitrust law, to report its findings and the evidence to the Attorney General with its recommendations.
   8. Have access to all books and papers of such business.
   9. To investigate trade conditions in other countries.
   10. To prevent unfair methods of competition.
   11. To hold hearings affecting any concern whenever it pleases, to determine whether its methods are unfair or not.
   12. If it finds they are unfair, to issue an order restraining and prohibiting the use of the same.
   13. If the order is not complied with, to bring an action to enforce compliance.
   14. To issue subpœnas, compel the attendance and testimony of witnesses, and production of evidence, and to administer oaths.

The bill imposes severe penalties for failure or neglect to comply with any of the orders of the commission.

THE CLAYTON BILL.

a. Forbids any person engaged in commerce to discriminate between different purchasers of commodities with the purpose or intent to thereby destroy or wrongfully injure the business of a competitor of either such purchaser or seller.
b. Forbids any person to lease or sell a commodity on condition or understanding that the lessor or purchaser shall not deal in the commodities of a competitor.
c. Makes decree or judgment in action by the United States under antitrust law prima facie evidence against defendants in action brought by other parties.
d. Authorizes suit in the Federal courts by any person injured by the violation of the antitrust laws without regard to the amount involved.
e. Fixes the time in which suits may be brought or indictments found for violations of the antitrust laws at six years, and the running of the statute is suspended during the pendency of an injunction suit by the United States.
f. Exempts labor, agricultural, and horticultural organizations instituted for the purpose of mutual help and lawfully carrying out the legitimate purposes of their organization, not only from the provisions of this act but of existing antitrust laws.
g. Forbids any corporation engaged in commerce to hold stock of another corporation so engaged, the effect of which is to eliminate or substantially lessen competition or create a monopoly.
h. Forbids a corporation to hold the stock of two or more corporations where such effect will result. This not to apply—
   (1) To corporations purchasing stock for investment or
   (2) To common carriers aiding in the construction of branch railroads feeders to its line.
i. Forbids any common carrier to purchase supplies or make contracts for construction or maintenance to the amount of $50,000 or more for any one year, where the two have interlocking directors, except upon competitive bidding.
j. Makes it unlawful to prevent or attempt to prevent anyone from bidding.
k Makes it the duty of the carrier to report the transaction of the purchase with all particulars to the Interstate Commerce Commission.
l. If the commission finds transaction to be in violation of the law, shall report the same to the Attorney General.
m. Every director and other officer of the carrier taking part in any transaction in violation of this section made personally liable.
n. Forbids any person to be a director in two or more corporations any one of which shall have capital, surplus, and undivided profits aggregating more than $1,000,000, where such corporations are or have been competitors in business.
o. Gives the person holding position of director in two or more corporations one year within which to sever his connection with all but one without liability.
p. Makes it a felony on the part of any director or officer of a common carrier to embezzle, steal, abstract, or misapply any of its moneys, funds, credits, securities, property, or assets.
q. Interstate Commerce Commission and Federal trade commission authorized to enforce the law.
r. Provides the procedure of the commissions in enforcing the act, and for the making of an order to cease such violation.
s. May, through district attorney, apply to district court to enforce the order.
t. Disobedience punished by fine or imprisonment, or both.
u. Appeal from the order allowed.
v. Suits under antitrust laws may be brought either in the district in which the corporation is an inhabitant or where it transacts business.
w. Subpœnas for witnesses in either civil or criminal actions may run into other districts.
x. Makes officer of corporation liable personally for any violation of the antitrust laws.
y. Suits in equity may be maintained in district courts to prevent violations of the law.
z. Gives private individuals the right to sue and have injunctive relief in the Federal courts.
aa. Requires notice and bond before issuing restraining order or injunction, and that such order shall set forth the reason for issuing it.
bb. That no restraining order or injunction shall be granted in action between employers and employees unless necessary to prevent irreparable injury to property or property rights.
cc. No such restraining order or injunction shall issue either—
   (1) To prohibit any persons, whether singly or in concert, from quitting work, or peaceably recommending, advising, or persuading others by peaceful means to do so.
   (2) Or from peacefully persuading any person to work or abstain from working.
   (3) Or from withholding their patronage from any party to such dispute, or from recommending or advising or persuading others by peaceful means so to do.
   (4) Or from paying or giving to or withholding from any person engaged in such dispute any strike benefits or other moneys or things of value.
   (5) Or from peacefully assembling in a lawful manner and for lawful purposes.
   (6) Or from doing any act or thing which might lawfully be done in the absence of such dispute by any party thereto.
dd. Nor shall any of the acts above mentioned be considered or held to be in violation of the antitrust laws.
ee. Provides that proceedings for contempt not committed in the presence of the court coming within the purview of the act may, upon demand of the accused, be tried by jury.
ff. Provides for appeal in contempt proceedings.
gg. Proceedings for contempt shall not be commenced after one year.
hh. Proceedings in contempt shall not be a bar to criminal prosecution.

BILL TO PREVENT OVERISSUES OF SECURITIES.

a. Authorizes the Interstate Commerce Commission to compel annual reports, under oath, by common carriers showing all the facts about its stock and securities, cost and value of its properties, franchises, and equipments, number of employees, their salaries, amounts expended for improvements each year, and how earnings and receipts, operating and other expenses, balance of profit and loss, and a complete exhibit of the carrier's financial operations each year, including an annual balance sheet, information in relation to rates or regulations concerning fares or freight, or agreements, arrangements, or contracts affecting the same, and the keeping of a uniform system of accounts and making of monthly and special reports on any subject the commission may require, including a balanced statement of its receipts on capital account including a balanced statement of its receipts on capital account and of the surplus of the income account accruing during the period covered, and all other financial transactions that may be called for.
b. The commission is given the power to investigate all financial transactions of the carriers and examine into the actual cost and value of property acquired by or services rendered to them.

c. The carrier may be required to disclose every interest, direct or indirect, of the directors, stockholders, officers, agents or attorneys, employees, receivers, or operating trustees of such carrier in any transaction under investigation.
d. In addition the commission may require the carrier to furnish any further statements of fact or evidence it pleases.
e. The commission may prescribe the forms of accounts and books to be kept by the carrier, and to keep any other is unlawful.
f. The commission is given the right of access to all books and papers in the hands of the carrier, its officers, stockholders, agents, attorneys, employees, receivers, or operating trustee, or anybody else that has had business transactions with the carrier, provided that all communications between attorney and client giving or seeking professional advice shall be deemed privileged.
g. Authorizes the appointment of special agents or inspectors, who are given the right to inspect, examine, and take copies of everything they can find. Forbids examiners to disclose what they discover.
h. Makes it a penal offense to refuse access of these special agents or inspectors to anything, punished by heavy forfeitures.
i. Makes it a penal offense to make any false entries or accounts, or any accounts other than those prescribed by the commission, or to fail to make any entry, or to make them full, true, or correct, or to destroy any account or entry, etc., under penalty of fine and imprisonment.
j. Courts authorized to issue writs of mandamus to compel compliance with requirements of the commission.
k. Special agents and examiners are authorized to administer oaths, examine witnesses, and receive evidence.
l. Requires issuance of receipt or bill of lading for goods shipped, but the same shall not relieve the carrier from any liability under the act. Makes carrier liable for full value of goods, notwithstanding limitation of value in receipt or bill of lading, except where goods are concealed from view.
Interstate Commerce Commission may establish rates dependent on value as stated in writing by shipper.
Preserves right of action of shipper under existing law.
Makes it unlawful for carrier to shorten period of giving notice of loss to less than 90 days or for filing claims to less than 4 months or for bringing suit to less than 2 years.
Carrier issuing receipt may recover amount it is compelled to pay from carrier on whose road loss occurred.
m. Makes it unlawful for any carrier to issue any certificates of stocks, bonds, or other evidence of indebtedness, or to assume any obligation or liability unless:
First. (a) It be for some purpose within its corporate powers and for the construction, extension, enlargement, betterment, or equipment of its railroad or use thereof, or the payment or refunding of valid indebtedness or the lawful acquisition of the property of another common carrier for the protection or improvement of its property heretofore acquired not connected with its business as a common carrier if such last-named expenditure will not injuriously affect the public interest nor impair its ability to perform its public duty as a common carrier.
(b) And then only when such issue is approved by the commission. None of the securities shall be used for any purposes other than those allowed by the commission. The commission may fix a minimum price at which the securities may be sold.
(c) The application for leave to issue shall be in the form prescribed by the commission, and includes:
1. The total amount of the issue and how authorized on behalf of the carrier.
2. The number and amount of all its securities outstanding.
3. The amount to be issued and whether to be sold, pledged, or held in the treasury, and the terms upon which they are to be disposed of and the consideration, etc.
4. The number and amount of its securities so authorized and not then to be issued.
5. If the issue is of shares of stock, the number, face value, whether common or preferred, and number already outstanding.
Second. The preferences or privileges granted to holders of any such securities, date of maturity, whether cumulative or not, etc.
Third. The purpose to which the proceeds are to be applied.
Fourth. If it is proposed to assume the obligation of any other person, natural or artificial, the financial condition of such other person, and the object of such assumption.
n. The application must be made under oath.
o. When securities pledged or held unincumbered shall subsequently be sold or otherwise disposed of, must file a certificate to that effect and give again all the information called for by subdivision c above, and anything else the commission requires.
p. On application for leave to issue securities the commission is required to give notice to the proper authority of the State in which the carrier operates, and such State representative is authorized to be heard.
q. The action of approval shall not be construed as a guaranty or any obligation on the part of the Government.
r. Notes maturing not more than two years after their date excepted from the provisions of the bill, but notice of their issuance must be given to the commission.
s. Commissioners must require periodical or special reports from all carriers issuing securities, including such notes.
t. The issue of securities not authorized as above may be enjoined.
u. And the issuance of them is made a penal offense on the part of the officers, agents, and attorneys of the carrier.
v. Being a director of two or more carriers without the consent of the commission prohibited under penalty.
w. Officer or director of the carrier prohibited from receiving any money or thing of value for or on account of the issuance of securities by the carrier.

RIVER AND HARBOR APPROPRIATIONS.

Mr. BURTON. I ask unanimous consent to have printed in the RECORD certain facts and figures pertinent to the pending river and harbor bill.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The matter referred to follows.

RIVER AND HARBOR BILL—STATISTICS RELATING TO RIVERS.

INSTANCES OF DIMINISHING TRAFFIC.

Lower Mississippi River—Commerce (receipts and shipments), 1901 to 1910.[1]

[Source: From reports of the Chief of Engineers, War Department.]

Section of river and year.	Grain and its products.	Cotton.	Cotton seed and its products.	Live stock.	Coal and coke.	Lumber.	Logs.
St. Louis and Cairo:	*Tons.*	*Tons.*	*Tons.*	*Tons.*	*Tons.*	*Tons.*	*Tons.*
1901	137,954	308	.....	31,981	80,950	94,704	37,600
1902	194,175	3,144	.....	46,458	110,090	130,595	77,089
1903	103,114	585	340	18,010	119,727	120,231	89,662
1904	72,497	471	1,481	16,266	108,955	38,510	65,990
1905	50,441	1,991	912	21,048	131,756	21,143	101,111
1906	28,858	1,177	673	11,542	170,830	10,765	120,113
1907	19,832	1,522	260	11,075	166,360	25,179	49,175
1908	12,589	1,697	765	9,872	190,397	3,882	87,070
1909	21,325	3,129	614	15,184	164,496	19,925	58,040
1910	16,981	972	982	6,581	113,673	5,786	44,555
Cairo and Memphis:							
1901	103,599	13,647	21,750	1,903	1,359,462	228,493	309,395
1902	91,593	50,315	23,813	536	1,289,830	287,294	386,977
1903	100,222	10,065	10,850	15,040	1,266,378	209,541	430,530
1904	8,782	15,455	12,064	618	1,250,476	192,481	503,465
1905	51,123	9,573	11,069	200	1,328,930	242,070	486,051
1906	4,551	10,903	13,288	.....	1,030,000	254,156	238,464
1907	5,771	11,905	9,276	.....	1,031,154	183,036	464,969
1908	4,321	11,620	16,249	130	920,783	119,256	369,190
1909	11,340	12,489	9,567	3,942	737,761	70,818	305,716
1910	15,669	13,815	8,276	3,780	508,696	72,880	335,662
Memphis and Vicksburg:							
1901	143,791	49,553	39,855	5,200	1,281,393	55,747	129,286
1902	119,197	55,075	37,175	14,719	1,218,046	124,763	175,409
1903	114,974	31,695	145,988	4,830	1,281,311	80,023	236,521
1904	16,017	87,581	52,757	3,966	1,077,093	76,357	630,226
1905	47,960	66,556	64,699	4,091	1,097,758	128,697	334,499
1906	33,000	64,906	60,525	3,236	842,513	462,486	288,250
1907	21,937	37,843	24,206	7,586	871,034	157,930	373,695
1908	14,069	30,469	33,665	7,023	857,895	104,867	116,748
1909	17,325	20,563	23,287	10,792	632,570	78,116	223,434
1910	20,295	20,770	26,743	11,791	392,561	59,378	187,950
Vicksburg and New Orleans:							
1901	112,314	71,925	60,936	2,954	1,225,970	37,359	.....
1902	102,544	64,774	80,973	4,814	1,220,057	49,350	52,433
1903	125,236	39,519	53,909	7,337	1,213,372	80,500	212,375
1904	23,878	46,997	63,901	4,858	1,020,500	25,358	133,638
1905	24,062	25,349	39,454	3,945	1,080,075	33,203	233,388
1906	24,298	53,239	25,224	3,358	832,410	67,720	184,501
1907	31,532	38,262	73,242	2,834	850,200	45,764	167,607
1908	34,272	30,207	35,620	3,111	801,596	19,243	169,974
1909	34,794	10,599	17,103	2,105	607,383	31,501	242,574
1910	28,470	6,578	10,339	1,846	364,559	14,903	71,538

Section of river and year.	Iron, steel, and metals.	Groceries and provisions.	Railroad crossties.[2]	Gravel, sand, and stone.	Oil.[3]	Miscellaneous and unclassified.	Total.
St. Louis and Cairo:	*Tons.*	*Tons.*	*Tons.*	*Tons.*	*Tons.*	*Tons.*	*Tons.*
1901	29,122	83,656	.....	.....	.....	67,573	563,848
1902	3,873	105,171	.....	.....	.....	280,859	951,454
1903	82,797	35,485	18,243	.....	.....	60,987	649,181
1904	1,400	18,581	.....	14,559	.....	93,574	386,486
1905	135	18,958	.....	.....	.....	69,526	417,021
1906	325	7,779	.....	37,800	.....	68,154	458,016
1907	739	2,100	.....	1,000	.....	55,025	332,267
1908	15,925	12,158	.....	14,550	.....	40,454	389,357
1909	4,999	11,247	.....	.....	478	19,147	318,584
1910	188	10,694	.....	45,314	35	43,998	289,759
Cairo and Memphis:							
1901	55,572	37,340	.....	.....	.....	175,141	2,306,302
1902	247,565	15,317	.....	.....	.....	155,121	2,548,331
1903	77,331	4,838	5,397	13,000	.....	107,070	2,250,260
1904	45,549	3,745	.....	29,700	.....	92,978	2,153,254
1905	55,153	4,844	.....	5,800	.....	43,550	2,238,363
1906	58,449	762	.....	21,300	.....	88,020	1,719,893
1907	28,422	2,517	.....	15,200	.....	83,496	1,835,746
1908	38,868	579	.....	25,560	25	44,077	1,550,659
1909	34,835	13,160	.....	16,830	2	15,603	1,232,093
1910	20,828	17,211	.....	21,481	.....	20,897	1,039,195
Memphis and Vicksburg:							
1901	32,851	74,221	.....	.....	.....	44,442	1,856,339
1902	51,052	47,289	.....	.....	.....	67,301	1,940,026
1903	44,369	31,191	3,131	10,000	.....	31,186	2,018,222
1904	16,246	28,739	.....	19,000	.....	32,016	2,040,598
1905	16,409	30,471	.....	19,338	.....	45,354	1,855,330
1906	35,898	32,507	.....	491,458	.....	41,122	2,355,901
1907	22,278	27,646	.....	72,660	4,234	40,357	1,661,406
1908	21,783	10,800	.....	25,540	4,781	24,582	1,252,222
1909	10,949	25,971	.....	541	2,746	24,743	1,071,037
1910	15,421	34,560	.....	186,516	2,222	22,179	980,388

[1] Through traffic passing two or more sections of the river is included in each section; and the sum of the traffic of the four sections would involve a considerable amount of duplication. On coal, also on oil, in the section below Vicksburg, there was a considerable increase in the traffic in 1912 over 1910.
[2] Included under "Miscellaneous and unclassified" after 1905.
[3] Included under "Miscellaneous and unclassified" prior to 1906.

Lower Mississippi River: Commerce (receipts and shipments) 1901 to 1910—Continued.

Section of river and year.	Iron, steel, and metals.	Groceries and provisions.	Railroad crossties.	Gravel, sand, and stone.	Oil.	Miscellaneous and unclassified.	Total.
Vicksburg and New Orleans:	*Tons.*	*Tons.*	*Tons.*	*Tons.*	*Tons.*	*Tons.*	*Tons.*
1901	31,272	154,877	.....	.....	.....	137,557	1,835,174
1902	51,714	193,099	.....	.....	.....	399,500	2,159,258
1903	52,891	157,540	.....	27,983	.....	187,030	2,207,692
1904	116,371	118,458	.....	377,415	.....	186,466	2,117,840
1905	24,062	86,833	.....	526,852	.....	382,932	2,462,974
1906	29,928	77,839	.....	858,572	.....	397,127	[1] 2,554,336
1907	16,235	60,042	.....	926,445	219,075	154,039	2,585,277
1908	20,333	100,005	.....	321,498	261,869	70,184	1,867,912
1909	10,294	60,659	.....	770,941	233,191	83,606	2,104,720
1910	9,707	58,941	.....	657,656	223,984	81,709	1,830,230

[1] Includes 440,860 passengers in local excursion traffic.

Mississippi River: Mouth of the Missouri to St. Paul, Minn.

[From reports of the Chief of Engineers, War Department.]

	Tonnage.
1885	5,607,196
1886	3,200,000
1887	3,500,000
1888	3,750,000
1889	3,500,000
1890	4,200,000
1891	3,300,000
1892	3,750,000
1893	3,200,000
1894	2,975,000
1895	3,000,000
1896	2,250,000
1897	3,200,000
1898	2,800,000
1899	2,900,000
1900	2,400,000
1901	2,125,000
1902	1,900,000
1903	[1] 4,545,129
1904	[1] 4,534,539
1905	[1] 4,089,318
1906	[1] 3,847,319
1908	2,581,857
1909	1,916,114
1910	1,836,035
1911	2,081,566
1912	1,830,294

[From reports of the Chief of Engineers, War Department, 1904, vol. 2, p. 2157, and 1913, vol. 2, p. 2385.]

	Tonnage.
Average tonnage for years 1877 to 1902, inclusive	4,615,376
Tonnage in 1912	1,830,294
Decrease	2,785,082

Shipments and receipts of freight at St. Louis by rail and specified rivers, 1890–1913.

[Compiled from the St. Louis Merchants' Exchange reports.]

SHIPMENTS.

Year.	Upper Mississippi River.	Lower Mississippi River.	Missouri River.	Ohio River.[2]	Total by river.	Total by rail.	Grand total.
	Tons.	*Tons.*	*Tons.*	*Tons.*	*Tons.*	*Tons.*	*Tons.*
1890	22,547	543,805	10,035	.....	601,862	5,270,850	5,872,712
1891	18,630	445,150	19,280	.....	512,930	5,216,228	5,729,158
1892	51,595	392,635	29,455	1,000	502,215	5,969,754	6,471,969
1893	54,230	342,785	12,775	.....	436,900	[3] 5,554,593	5,991,493
1894	52,190	281,635	4,075	.....	363,080	4,780,256	5,143,336
1895	30,780	241,155	5,505	.....	303,355	5,349,327	5,652,682
1896	31,510	508,960	1,355	.....	572,410	5,400,728	5,973,138
1897	36,225	406,315	.....	.....	469,365	6,137,265	6,606,630
1898	33,805	339,435	300	.....	399,583	7,079,319	7,478,902
1899	33,675	151,135	.....	.....	203,205	[3] 8,266,393	8,469,598
1900	36,675	187,385	1,225	.....	245,580	9,180,309	9,425,889
1901	23,392	158,493	7,185	.....	209,271	10,653,065	10,862,336
1902	23,130	174,517	4,840	.....	[3] 224,236	11,035,586	[3] 11,259,852
1903	44,855	146,498	2,345	.....	212,207	12,971,173	13,183,380
1904	21,775	46,320	2,020	.....	82,565	13,731,194	13,813,759
1905	25,730	35,295	4,705	.....	80,575	15,225,973	15,306,548
1906	36,000	34,905	3,565	.....	89,185	17,672,006	17,761,191
1907	25,155	35,550	3,095	14,700	78,500	18,295,416	18,874,916
1908	27,280	30,285	5,320	9,855	72,740	15,700,158	15,772,898
1909	16,695	21,140	.....	10,170	48,005	17,153,097	17,201,102
1910	12,510	24,815	.....	11,100	48,425	20,187,270	20,235,695
1911	11,270	38,150	415	17,630	67,465	17,974,337	18,041,802
1912	9,025	24,330	.....	9,940	43,295	20,368,613	20,411,908
1913	8,840	20,000	7,284	11,470	47,584	22,129,175	22,176,759

[1] The increase for these years is largely due to a larger tonnage in logs.
[2] From 1907 to 1913, inclusive, the tonnage given under the head of the Ohio River includes the Illinois, Cumberland, and Tennessee Rivers also.
[3] Corrected.

Shipments and receipts of freight at St. Louis, etc.—Continued.

RECEIPTS.

Year.	Upper Mississippi River.	Lower Mississippi River.	Missouri River.	Ohio River.[1]	Total by river.	Total by rail.	Grand total.
	Tons.	*Tons.*	*Tons.*	*Tons.*	*Tons.*	*Tons.*	*Tons.*
1890	128,960	222,075	21,350	102,500	663,730	9,969,291	10,633,021
1891	90,865	209,095	25,065	63,890	592,140	10,098,729	10,690,869
1892	135,435	212,545	13,065	96,930	687,200	11,229,005	11,916,205
1893	111,710	216,300	8,000	33,490	599,405	10,408,039	11,007,444
1894	111,400	219,195	5,480	35,375	583,510	9,512,910	10,096,420
1895	78,170	239,690	3,270	35,440	508,830	10,489,344	10,998,174
1896	61,165	345,105	1,245	62,640	671,765	10,763,116	11,434,881
1897	51,435	311,540	250	26,915	576,670	11,921,279	12,497,949
1898	33,910	311,915	790	37,130	506,585	12,962,850	13,469,435
1899	45,410	238,140	565	39,440	466,610	14,805,872	15,272,482
1900	50,070	274,445	2,725	2,700	512,010	15,375,441	15,887,451
1901	68,470	233,885	3,860	57,315	462,805	17,433,523	17,896,328
1902	38,005	248,905	6,030	59,890	416,920	18,060,800	18,477,729
1903	32,705	160,085	1,415	111,435	340,410	21,580,403	21,920,813
1904	25,405	132,585	2,685	102,400	295,370	23,319,871	23,615,241
1905	31,190	107,520	3,580	125,755	289,850	23,915,690	24,205,540
1906	31,140	106,670	2,485	160,120	327,670	27,292,617	27,620,287
1907	21,440	91,325	3,655	173,155	289,575	29,156,094	29,445,669
1908	19,245	70,165	4,365	199,405	293,180	23,577,922	23,871,102
1909	24,305	67,395	160	159,730	251,590	27,075,248	27,326,838
1910	13,390	54,450	240	75,410	143,540	31,538,865	31,682,405
1911	37,480	62,060	490	201,800	301,830	28,965,658	29,267,488
1912	24,060	45,875	910	151,580	222,425	31,108,026	31,330,451
1913	27,735	11,275	5,380	166,735	211,125	32,221,676	32,432,801

[1] From 1907 to 1913, inclusive, the tonnage given under the head of the Ohio River includes the Illinois, Cumberland, and Tennessee Rivers also.

Total receipts and shipments at St. Louis by rail and by water for years given.

[From reports of the Merchants' Exchange, St. Louis.]

Year.	Total by water.	Total by rail.	Grand total.
	Tons.	*Tons.*	*Tons.*
1880	1,831,385	8,852,204	10,783,589
1890	1,265,592	15,240,141	16,505,733
1900	757,590	24,555,750	25,313,340
1905	370,425	39,141,663	39,512,088
1910	191,965	51,726,135	51,918,100
1911	309,295	46,939,995	47,309,290
1912	265,720	51,476,639	51,742,359
1913	258,709	54,350,851	54,609,560

Comparison of traffic on certain rivers, 1890–1895 and 1912.

Rivers.	Traffic 1890–1895 (yearly average).	Traffic 1906–1908 (yearly average).	Traffic in 1912.	Decrease from average 1890–1895 in 1912.
	Tons.	*Tons.*	*Tons.*	*Tons.*
Penobscot River	840,000	740,000	549,476	290,524
Kennebec River	1,140,000	550,000	281,700	858,300
Connecticut to Hartford	1,041,000	532,000	617,981	423,019
Hudson, Troy to Coxsackie	5,000,000	3,000,000	3,045,136	1,954,864
James River	099,000	563,000	507,023	191,977
Oconee River	109,000	105,000	17,451	101,549
Ocmulgee River	115,000	74,000	[1] 9,528	105,472

[1] Rafted lumber is excluded.

Other examples of decreasing traffic.

	Year 1905.	Year 1906.	Year 1907.	Average of 1905–7.	Year 1912.	Decrease from average of 1905-7 in 1912.
	Tons.	*Tons.*	*Tons.*	*Tons.*	*Tons.*	*Tons.*
Pawcatuck, R. I. and Conn.	167,668	60,786	47,589	92,014	55,522	36,492
Rappahannock, Va.	430,626	364,000	373,860	389,495	227,505	161,990
Occoquan Creek, Va.	109,490	26,000	26,888	54,126	49,558	4,568
Neuse, N. C.	469,309	501,315	448,719	473,144	383,137	90,007
Trent, N. C.	262,135	343,507	268,376	291,339	142,493	148,846
Savannah, below Augusta	[1] 55,700	[2] 54,800	[3] 63,013	57,837	[4] 30,479	27,358
Withlacoochee, Fla.	249,884	181,226	206,509	212,539	118,330	94,209
Leaf, Miss.	211,550	177,800	177,750	189,033	161,210	27,823
Big Kanawha, W. Va.	1,613,889	1,327,703	1,799,013	1,580,201	1,319,154	261,047

[1] 25,000,000 feet b. m. timber rafted.
[2] 15,000,000 feet b. m. timber rafted.
[3] 16,911,500 feet b. m. timber rafted.
[4] 30,500,000 feet b. m. timber rafted.

Comparison of traffic on other rivers in 1905 and 1912.

Rivers.	1905	1912	Decrease 1905 to 1912.
Cocheco, N. H	182,930	12,500	170,430
Santee, S. C	329,350	95,281	234,069
Wateree, S. C	22,000	[1]	.....

[1] None reported.

The same decrease of traffic is manifest on the three sections of the Tennessee River, though it is not so conspicuous on the middle section.

	Tons.
Upper section, above Chattanooga:	
1896	623,915
1904	562,677
1912	474,953
Middle section, between Chattanooga and Florence:	
1899	253,340
1903	297,851
1907	267,929
1912	226,467
Lower section, between Florence, Ala., and Paducah, Ky.:	
1898	602,916
1908	552,560
1912	373,625

Equally marked is the tendency toward the abandonment of through traffic and the limitation of traffic on rivers, even those of very considerable size and length to short hauls. It will be noticed that on the Great Lakes the average haul of freight carried through St. Marys River Canal between Lakes Superior and Huron is between 800 and 850 miles. This has been the average haul of this traffic for more than 25 years. Incidentally it may be remarked that the freight charges per ton per mile have very materially diminished and are perhaps the lowest in the world. On the other hand, the average haul on rivers, for which statistics are available, is in many instances below 50 miles and rarely, except in cases of the traffic heretofore mentioned, that in coal and logs, the former of which is carried advantageously in high stages of water in fleets of rafts, is it more than 100 miles.

The following table illustrates the tendency named, for some instances the haul of logs is very short:

Instances of average haul on the rivers named.

[From report of the Chief of Army Engineers, 1913.]

Rivers.	Length under improvement.	Average haul.
	Miles.	*Miles.*
Mississippi, between the mouth of the Missouri and St. Paul	658	31.6
Arkansas	416	34
Red, below Fulton	475.4	61.3
Tennessee, upper section	188	19
Tennessee, middle section	238	33
Tennessee, lower section	226	147
Big Kanawha	90	53.8
Fox	163	27
Snake	216	80
White	301	42
Missouri, mouth to Kansas City	392	13.9
Missouri, Kansas City to Fort Benton	1,894	16.4

Commerce through the canals at Sault Ste. Marie, Michigan and Ontario.

[Compiled from official records at St. Marys Falls Canal, Mich.]

Year.	Total freight.	Average haul.	Freight charges per ton-mile.
	Tons.	*Miles.*	*Mills.*
1887	5,494,649	811.4	2.3
1897	18,982,755	841.3	.83
1907	58,217,214	828.3	.80
1910	62,363,218	840	.74
1911	53,477,216	826	.67
1912	72,472,676	831	.67

The tendency to shorter hauls on the Mississippi and its tributaries is emphasized by the gradual decrease in the size of boats on these waterways, as shown by the table following.

Number, gross, and average gross tonnage of steam vessels on the Mississippi River and tributaries for the years given.

Year.	Number of vessels.	Gross tonnage.	Average gross tonnage.
1888	1,122	214,036	190.7
1898	1,064	167,297	157.2
1907	1,484	152,288	102.6
1910	1,697	140,781	83.9
1911	1,675	139,235	83.1
1912	1,833	145,980	79.6
1913	1,740	133,099	76.8

IMPORTS AND EXPORTS FOR JUNE, 1914.

Mr. SMOOT. Mr. President, I ask unanimous consent that I may take about five minutes of the time of the Senate to make a statement as to the imports and exports of merchandise during the month of June, 1914.

Mr. SIMMONS. Mr. President, what the Senator is going to state will call for a reply. Once before we had some discussion of similar matters which resulted in consuming an hour or more of the time of the Senate.

Mr. SMOOT. I would have almost been through with the statement by this time.

Mr. SIMMONS. If the Senator is going to make a statement, I shall probably want to make a further statement in reply. I object to the request for unanimous consent, because I think we wish to go on with other legislation.

Mr. SMOOT. Very well, Mr. President; I shall make the statement at another time during the day.

NOMINATION OF THOMAS D. JONES.

Mr. LEE of Maryland. Mr. President, I ask unanimous consent for the publication in the RECORD of the statement of Mr. Thomas D. Jones, dated July 18, 1914, which is a statement of fact and a correction of his testimony in some particulars. The former testimony of Mr. Jones was printed in the RECORD by unanimous consent. This is a continuation of his testimony and is equally entitled to be printed in the RECORD.

The VICE PRESIDENT. Is there objection?

Mr. HITCHCOCK. I have no objection to the printing of the statement asked for, but inasmuch as it is in part a reply to the report of a majority of the committee, I ask that the majority report be first printed in the RECORD; that it be followed by the statement of Mr. Jones; then, in turn, be followed by the report of the minority; and that the majority of the committee be given the right to have printed in the RECORD, as soon as it is prepared, such supplemental statement in reply to Mr. Jones as may be deemed necessary.

Mr. SHAFROTH. Mr. President, I will suggest to the Senator that he already has unanimous consent. The Senator from Missouri [Mr. REED] asked it on yesterday, and it was granted.

Mr. REED. That was that the testimony should be made public; it was not requested that it be printed in the RECORD.

Mr. SHAFROTH. Very well. I was under a misapprehension.

The VICE PRESIDENT. Is there any objection?

Mr. LEE of Maryland. Mr. President, I would like to suggest to the Senator from Nebraska [Mr. HITCHCOCK] that it is hardly appropriate to ask for the publication of reports that have not yet been submitted, and whose volume and relevancy can in no sense be passed upon. Here are two legitimate and limited propositions, namely, that the report of the majority be printed—that seems to be entirely proper—and that the statement of this witness, which is a limited statement compiled by him in a very short time—he was allowed from noon on Saturday to noon on Monday to prepare it and send it by mail—also be printed. The minority report when it comes can then be acted upon. I take it these two propositions are already before the Senate, namely, the report of the majority and the statement of the witness, which supplies important facts. I think the Senate ought to act on those two propositions which are before the Senate. I do not believe it is proper to ask unanimous consent for unlimited printing until the papers referred to are prepared and submitted. I do not at this time ask for the printing of the minority report.

The VICE PRESIDENT. Is there objection?

Mr. LEE of Maryland. I ask unanimous consent that the propositions be separated and that they be acted upon one at a time.

Mr. REED. Mr. President, it was the Senator himself who proffered the request primarily that the report of the minority be made public. That was before the report of the minority had been made; indeed, it has not yet been made, to my knowledge.

It seems to me, therefore, a little peculiar that the Senator should now object to printing in the RECORD the same thing which he asked to have made public or to the printing in the RECORD a reply to that. I shall not object to this request if it is coupled with the other statement; and it should be, because Mr. Jones has very seriously reflected upon the intelligence, if not upon the integrity, of the majority of the committee. His language is extremely offensive, and was undoubtedly purposely employed.

Mr. LEE of Maryland. I will say that personally I have no objection, but I think these propositions should be acted upon separately—namely, that the statement of the witness should be first considered. I ask leave to have that printed in the RECORD.

The VICE PRESIDENT. Is there objection?

Mr. HITCHCOCK. I object unless it is coupled with the qualifications which I have already stated, so that the whole matter may go together.

Mr. SMITH of Georgia. I object to an agreement to print something in the RECORD which has not been submitted to us. I do not think I shall object when it is submitted, but I do not think we ought to establish the precedent of agreeing to print matter in the RECORD that has never been submitted at all.

Mr. HITCHCOCK. Then, Mr. President, the whole matter can lie over until everything is ready.

Mr. LEE of Maryland subsequently said: Mr. President, I accept the proposition of the Senator from Nebraska [Mr. HITCHCOCK] that the report of the majority of the committee be printed in the RECORD, followed by the statement of Mr. Jones of July 18, 1914, the individual minority report, the subsequent minority report, and the rejoinder of the majority.

The VICE PRESIDENT. Is there any objection?

Mr. CLARK of Wyoming. Mr. President, I understood the Senator from Georgia [Mr. SMITH] made objection to the printing of this matter in the RECORD.

Mr. SMITH of Georgia. No. I made objection to agreeing to print in the RECORD in advance something that has never been submitted to the Senate. That was the extent of my objection.

Mr. CLARK of Wyoming. If the Senator from Georgia has no objection, I shall not object.

The VICE PRESIDENT. Is there any objection? The Chair hears none, and permission is granted to print in the RECORD the matter indicated.

The matter referred to is as follows:

[Executive Report No. 1. Sixty-third Congress, second session.]

NOMINATION OF THOMAS D. JONES.

Mr. HITCHCOCK, from the Committee on Banking and Currency, submitted the following adverse report, to accompany the nomination of Thomas D. Jones to be a member of the Federal Reserve Board:

The Committee on Banking and Currency herewith reports to the Senate the appointment of Mr. Thomas D. Jones, nominated to be a member of the Federal Reserve Board, and recommends that the Senate decline to advise and consent to the same.

This recommendation is based on the fact that Mr. Jones is an active director in the Harvester Trust and one of the founders and directors of the Zinc Trust. The first has been judicially declared to be an unlawful conspiracy in several States and is now being prosecuted by the United States. The latter has established a practical monopoly in oxide of zinc, has raised the price of the same to consumers, and on a capital of $10,000,000 is making an unconscionable profit of $5,000,000 a year.

THE HARVESTER TRUST.

The Harvester Trust was organized in 1902 under the name of the International Harvester Co., with a capital of $120,000,000. It was formed and financed by J. P. Morgan & Co., which took in four harvester companies, known as the McCormick, Deering, Champion, and Plano concerns. These four concerns received $103,144,660.98 in stock, or 86 per cent of the whole issue. The McCormick interests received $51,148,704.13, or 42.6 per cent; the Deering interests $41,280,167.85, or 34.4 per cent. Nine per cent of the stock went to the other two concerns. J. P. Morgan & Co. received as a commission for forming the trust over $3,000,000 in stock, and they also received $3,000,000 in stock in payment for a fifth concern, the Milwaukee Harvester Co., which they had purchased, thus making $6,000,000 of the stock which was turned over to J. P. Morgan & Co. Ten million dollars of the stock was sold for cash to Rockefeller and others through the firm of J. P. Morgan & Co.

Second. The effect of the organization of the trust was to do away with competition between the five great harvester companies, which were doing about 85 per cent of the business of the United States.

Third. All of the stock received by the four harvester companies in payment for their plants was under a trust agreement at once deposited with J. P. Morgan & Co., and the power to vote it placed in the hands of three men, to wit, Mr. Perkins, of the firm of Morgan & Co.; Mr. McCormick, and Mr. Deering. This was to continue for 5 years, and was made renewable for another 5 years, and did, as a matter of fact, continue for 10 years, until 1912, when the Federal Government began proceedings against the trust.

Fourth. Those who were thus required to deposit their stock with the voting trustees received stock certificates, but they were required to agree not to sell these certificates except in limited amounts over a period of years, and in order to guarantee their fulfillment of this contract they were also required to deposit their trust certificates with J. P. Morgan & Co. Thus the full control over 85 or 90 per cent of the harvester business of the country was placed for 10 years in the hands of three men, and the power of constituent companies to part with their holdings or realize money on them was limited and circumscribed.

Fifth. All directors of the harvester company from 1902 to 1912 were elected by the votes of the three trustees above named, and among those thus elected was Mr. Thomas D. Jones, in April, 1909.

Sixth. Mr. Jones was not financially interested in the company, but purchased a share of stock for $100 cash in order to qualify himself as a director. In a sense, therefore, he was and is what is known as a dummy director.

Seventh. It has been said in behalf of Mr. Jones that he became a director for the purpose of reforming the company, but Mr. Jones's testimony is unqualified and in repeated statements shows that he became a director to please his lifelong friend, Mr. Cyrus H. McCormick, the largest owner in the trust and the chief beneficiary of the trust. Furthermore, Mr. Jones states that since he became a director he has participated in and agreed to all important decisions concerning the policy of the trust; that he is in entire accord with the other directors; that he has at no time made any effort to modify the policy of the trust or lead it to conform to the law of the United States or of the various States. He stands, therefore, in no different relation to the trust than other directors, and Mr. McCormick or Mr. Perkins himself would be just as eligible for a position upon the Federal Reserve Board as Mr. Jones.

Eighth. Against the claim that Mr. Jones's position as a director was merely nominal, and that he did not participate in the responsibility for the policy and unlawful practices of the company during recent years, may be taken his statement, on page 8 of the hearings, that he took an active interest as a director; that the meetings were held every two weeks; that in five years he has only missed two or three of those held in Chicago and a few of those occasionally held in New York. He specifically stated that he was present when the $20,000,000 stock dividend was declared and supported the proposition. When the company was prosecuted as a trust, he examined the pleadings and briefs in the case and approved the action taken by the trust's attorneys, and he has approved and participated in the stand of his company in resisting the prosecution by the Government of the United States; that he approves the swollen capital of the company and the great increase of its earnings in recent years, which have resulted from the formation and operation of the trust in recent years while he has been a director.

Ninth. The harvester company is of all the American trusts probably the most obnoxious and notorious. Starting with five or six established brands of harvesting machinery, which previous to that time had been sold in competition with each other, it united them into one ownership, and then enlarged its activities so as to take in other agricultural machinery, such as cream separators, binding twine, and manure spreaders, not originally manufactured by the constituent companies. In this way it rapidly acquired a control of the market in those lines also.

It threw over 12,000 traveling men and office men out of employment. It increased the selling price of its products. It secretly bought out so-called independent harvester companies, but continued to operate them under the pretense that they were independent. It did this to destroy competition that was really independent and to deceive the retail trade and the consumer. In some cases its secret subsidiaries, pretending to act as independent companies, sent out inflammatory advertising, denouncing the harvester company, for the purpose of deceiving the retail dealers and crowding out the products of companies which were really independent. Sometimes it crushed an independent competitor by destroying its credit, as in the case of the Osborn Harvester Works, whose large loans were suddenly called and which was compelled to sell to the trust to escape bankruptcy, after which for several years the trust operated the Osborn Harvester Works as a blind or stool pigeon of so-called independent manufacturers. It established several thousand agencies throughout the United States, and, not content with the natural monopoly which resulted from its control of the leading brands of harvesting machinery, it bound them by contract to handle nothing but its trust-made goods.

Tenth. The policy of the company in crushing competition by unfair methods, dismissing employees, increasing prices, has resulted in an enormous increase in the profits of the trust. Starting with a profit of $5,000,000 or $6,000,000 a year, the trust has increased its profits year by year, so that they were $10,000,000 in 1908 and $16,000,000 in 1911, as shown by the report of the Bureau of Corporations.

Eleventh. The Bureau of Corporations in its report a year ago recited seven objectionable competitive methods adopted by the trust to destroy competition and interviewed 800 retail dealers in 600 towns concerning the same. More than 400 condemned the practices of the company as unfair and only 200 spoke well of the company, although doing business with it.

Twelfth. Many State legislatures have denounced this trust and many State courts have convicted and punished, or attempted to punish, it for violating State laws, including Kansas, Texas, Missouri, Ohio, Arkansas, Kentucky, and Montana. Most of these prosecutions have occurred while Mr. Jones has been a director.

Thirteenth. In response to nation-wide complaints against this trust, its officers and directors, the United States Government brought action against it in the summer of 1912 and named as one of the defendants in the case Mr. Thomas D. Jones. The charges made by authority of the United States against the trust involved not only the violation of law in the original formation of the trust, but the continued violation and defiance of law with the purpose of enlarging the scope of business so as to create a complete monopoly of agricultural implements. This policy and these acts covered the time Mr. Jones has been a director. He fully approves all acts done recently. See page 36 of his testimony. Mr. Jones agrees with and accepts part responsibility for the attitude of the trust in resisting and defying the United States, as it has also resisted and defied the various States.

Fourteenth. About the time the United States action was brought the trust divorced its foreign business from that in the United States by creating a separate concern, known as the International Harvester Corporation, and diverted about half of its great capital to that corporation, so that it might be beyond the reach of the United States in case the Government wins the action now pending. Mr. Jones participated in this act of evasion, as he did in earlier acts of defiance.

Fifteenth. Should the Government be successful in its suit, the Harvester Trust will be declared an outlaw, and whether its directors are or are not subjected to criminal prosecution, it is not thinkable that any of them could be permitted to hold a position of trust and honor under the Government. It is hardly less conceivable that a government should install in high office a man whom it is now prosecuting for violation of law.

THE ZINC TRUST.

Mr. Jones was one of those who in 1897 took part in the consolidation of the oxide of zinc interests of the United States into a company with $10,000,000 capital stock and $3,000,000 bonds. This company

enjoys a practical monopoly in the United States. It makes about 85 to 90 per cent of the zinc oxide used in mixing paints. The rest is made by the Sherwin & Williams Paint Co. for their own use as paint manufacturers.

The company owns practically all of the known zinc ore in the United States, its chief mines being in New Jersey and Wisconsin. The only zinc ore not owned by the company in this country belongs to the Sherwin-Williams Co.

Prior to 1897 Mr. Jones and his brother owned the Wisconsin mines, and their company was capitalized at $400,000. In that year they formed their consolidation with the New Jersey Zinc Co., which had a capital of $4,000,000. This was now increased to $10,000,000, and the Jones company received $900,000 of it for their share in the combination. Some other smaller companies were also purchased. After the consolidation, profits increased year by year. Two years ago the company raised the price of zinc oxide. It then was able to declare a dividend of $4,000,000 on $10,000,000 capital. Last year it paid $5,000,000 in dividends on a capital of $10,000,000.

This company has not been prosecuted as a trust, but the union of competing companies into a single concern, the monopoly enjoyed, the control of prices, the raising of the same, and the payment of enormous dividends of 40 and 50 per cent a year on an inflated capital, present all the earmarks of a trust. Its control of the market on oxide of zinc is so complete that the paint mixers and makers of the country, with the exception of one large firm, are at its mercy.

The fact that Mr. Jones participated in the organization of this monopoly and enjoys its unconscionable profits, throws a strong light on his connection with and support of the Harvester Trust.

For all of these reasons the committee reports against Mr. Jones's confirmation. It believes that the great powers of the Reserve Board should not in any degree be exercised by men who are defying the laws of the United States. The powers of the board over bank credits and currency should be exercised by men in sympathy with the effort now being made to free the business world from unfair methods of business, monopoly practices, and destructive competition. They should be men not under the domination of, nor in alliance with, those who have been notorious as creators of monopoly in the world of business or in the world of finance.

G. M. HITCHCOCK,
Acting Chairman.

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CHICAGO, *July 18, 1914.*

Hon. G. M. HITCHCOCK,
Acting Chairman Banking and Currency Committee,
United States Senate.

SIR: I am in receipt to-day of a copy of the report of the majority of your committee upon my nomination as a member of the Federal Reserve Board, and I have received part 2 of the hearings before the committee, said part 2 comprising documentary evidence submitted to the committee after I appeared before it.

I infer from the discussion in the committee reported in the hearings that these documents are sent to me with intimation that I am at liberty to make such comments thereupon as I may deem advisable, and I wish to take advantage of this privilege. As these documents have reached me only on a Saturday, and I am advised that my comments should be mailed by Monday noon, my comments must be both hasty and fragmentary.

I was invited to appear before your committee to be examined concerning my "relations with certain business enterprises." Those enterprises turned out to be the International Harvester Co. and the New Jersey Zinc Co. and some of its subsidiaries.

INTERNATIONAL HARVESTER CO.

I stated to your committee that my relations with the International Harvester Co. began in 1909, and that before that time I had had no relations of any kind, direct or indirect, with it, and had had no business relations whatever with any of its officers or directors. Any just criticism based upon my being a director of the International Harvester Co. must rest either upon the fact of my accepting a directorship in that company in 1909 or upon acts of the company or of its board of directors subsequent to that date.

As to my acceptance of the position of director, it must be judged by the conditions and situation at the date of the act. The company had then been in existence and doing business for more than six years. The facts connected with its organization and its methods of doing business were open to the public and well known. The Government of the United States had taken no action against the company. There had been some suits against the company under State statutes, but, as I am advised and then believed and now believe, any judgments therein against the company were based wholly upon facts connected with its organization and not upon any of its business methods. I then believed and I still believe that at the date of my acceptance of the position of director the corporation was a law-abiding corporation, and that its business methods were productive of benefit and not of harm, and in that belief I accepted the position of director.

As to the other branch, namely the acts of the company and its board of directors since I became a director, so far as I have known they have been neither oppressive nor illegal in any particular. I believe that the record will bear me out in the statement which I now make, that not one single act of the company during that period was instanced in my hearing before the committee as constituting a violation of law.

There was put into the record after my hearing before the committee what appears to be practically the entire record of the suit brought by the State of Missouri against the International Harvester Co. In this case the company submitted freely and fully all its records for examination by the authorities of Missouri, and after the taking of voluminous evidence the court held that by reason of the circumstances attending the organization of the company it was an illegal organization under the antitrust acts of the State of Missouri.

More important, however, in my judgment, than the determination by the court of illegality in the formation of the company is the fact that the charges of unfair dealing by the company toward the farmers, which had been vigorously charged by the State, and concerning which a large amount of evidence was taken, were emphatically denied by the court. Upon this point the court said:

"The evidence also shows that the price of harvester machines was not materially higher after the New Jersey corporation entered the field than it was before, until 1908, when it was increased 8 or 10 per cent, whilst in the meantime there had been a greater increase in the price of the material and labor used in their construction. The evidence also shows that whilst harvesting machines were the chief products of the companies absorbed by the International Harvester Co., that company has greatly enlarged its business and extended it to many other farm implements, and has thus put itself in competition with the many concerns that theretofore were and still are engaged in manufacturing such other farm implements, and the farmers generally have profited thereby. The evidence also shows that the machines manufactured by the International Harvester Co. have been greatly improved in quality, and the item of repair material has been reduced in price and placed within closer reach of the farmer. On the whole, the evidence shows that the International Harvester Co. has not used its power to oppress or injure the farmers, who are its customers." (Hearings, pt. 2, pp. 117, 118.)

Reference was made during my hearing to the suit brought in 1912 by the Federal Government in the Minnesota district for dissolution of the International Harvester Co. A very large amount of testimony was taken in that suit, and the suit has been fully argued before the court, and has been submitted to it, and is now held under advisement by the court. What the outcome of that suit may be can only be surmised.

I had expected to find in the record of the hearings before the committee copy of a letter reported in the newspapers of June 24 and 25 to have been written by Mr. Edwin P. Grosvenor, who had charge under the Attorney General of that suit from beginning to end. I am disappointed to find that the letter nowhere appears in the hearings, although it was stated in the papers that it had been presented to your committee. I can, therefore, only refer to the substance of that letter as stated in the newspapers and which, it will be understood, I state under correction. In that letter Mr. Grosvenor is reported to have stated that the record in the Federal suit above referred to contains nothing to indicate that I had had any connection with any practices which the Government contends were illegal. In the absence of the final judgment of the court this is as conclusive a statement of the facts shown by that record as the circumstances permit.

As to the fourteenth charge in the majority report, I wish to say that my own memory was at fault when I appeared before the committee as to the date when the International Harvester Corporation was organized. It was then my recollection that it was organized just previously to the institution of the suit against the company by the Federal Government, which is now pending. Upon refreshing my recollection I find that the suit by the Government was begun April 30, 1912, while the International Harvester Corporation was not organized until January 27, 1913. The organization of that company and the sale of certain of the assets of the old company to the new were therefore done pendente lite, and could not, therefore, in the least affect any judgment that might be rendered in that suit. This charge in the majority report is utterly baseless.

THE NEW JERSEY ZINC CO. AND ITS SUBSIDIARIES.

This company is stigmatized in the majority report as "the Zinc Trust," and in support of that charge it is alleged (1) that it owns "practically all the known zinc ore in the United States," and it is charged that it has a monopoly of the manufacture and sale of oxide of zinc; and (2) that its capital stock—$10,000,000—is "inflated," and that it is making "an unconscionable profit" upon its inflated capitalization.

(1) As to the alleged monopoly of raw material, the statement that the New Jersey Zinc Co. "owns practically all the known zinc ore in the United States" is made without one particle of evidence in the record to support it. Moreover, everybody who knows the beggarly rudiments of the zinc industry knows that the statement is not simply false, it is rediculously false. Perfectly accurate, reliable data regarding the tonnage of zinc ores mined is not readily obtainable, but the census reports of manufactured product afford a sufficiently accurate basis for calculation as to ores produced. "From the best information available I feel warranted in stating positively that the total zinc contents of all ores derived from mines owned by the New Jersey Zinc Co., or in which it has any interest, through its subsidiaries or otherwise, amount to somewhat less than 25 per cent of the zinc contents of all zinc ores mined in the United States." (Statement of Mr. Jones of July 16, 1914.)

The majority report further says that "prior to 1897 Mr. Jones and his brother owned the Wisconsin mines." Neither my brother nor I, nor the Mineral Point Zinc Co., owned in 1897, or at any time prior thereto, any zinc mines in Wisconsin. My testimony shows that in 1897, when we sold our stock in the Mineral Point Zinc Co. to the New Jersey Zinc Co., we owned one undeveloped mine in New Mexico, and that was all the mining property that we did own.

So much for the monopoly of raw material.

As to the alleged monopoly of the manufacture and sale of oxide of zinc, my testimony shows that the New Jersey Zinc Co. produces a largely preponderant share of the oxide of zinc manufactured in this country, but it also shows that this preponderance results entirely from the ownership of one mine which produces ore suited to the manufacture of oxide of zinc as no other known ores are suited, and that until that mine is exhausted, or until radical discoveries are made in processes of manufacture, the owners of that mine must hold a preponderant share of the business of oxide of zinc.

Of the other two main products manufactured by this company, namely, spelter and sulphuric acid, the New Jersey Zinc Co. and its subsidiaries produce a little less than 20 per cent of the total output of spelter in this country and produce between 3 and 4 per cent of the sulphuric acid manufactured in this country.

(2) As to the alleged inflation of the capital stock of the New Jersey Zinc Co. and the making of "unconscionable profits," I would say that I testified that the capital assets of that company are equal to its capital stock, and that there is therefore no kind or degree of inflation of any sort, and there is no testimony whatever to the contrary. As to the alleged "unconscionable profits," I wish further to say that the majority report entirely ignores the statement which I made as to the nature of the business of the company. I stated that the company is largely, though not exclusively, a mining company. Every ton that is taken from the company's principal mine results so far in the exhaustion of its capital assets. Its earnings are therefore in the nature of a distribution of its capital assets, and not simply earnings in the ordinary sense of that term. The larger its production the more rapidly does the exhaustion of its assets proceed. This distinction between the earnings of an ordinary manufacturing or trading corporation and the earnings of a mining corporation is fully recognized in law, and is not wholly foreign to common sense. Before a judgment can be formed that is even approximately just as to whether the earnings of a mining corporation are unconscionable or not many elements have to be considered that were not even touched upon during my examination. In the particular case under consideration the ores produced from the principal mine of the New Jersey Zinc Co. are very complex, and require a very expensive plant for the treatment of the ores before they are ready for manufacture. This plant is necessarily situated at the mine, and when the mine is exhausted that expensive plant will be almost pure scrap. A very expensive reduction plant has

been erected by the company at Palmerton, designed especially for the reduction of the kind of ores that are produced at this mine. What value this plant will have after the exhaustion of that mine is a matter of pure conjecture. Before any profits derived from the business of the company can fairly be pronounced to be unconscionable it must be taken into consideration that not only the value of the mine itself but the cost both of its plant for ore treatment and its principal plant for reduction ought to be met out of its earnings while the mine lasts, together with a fair return on the investment in the meantime. These various elements would require a complicated calculation which I myself am not fully capable of making, and with all due respect to the Committee on Banking and Currency I may say that I think it is wholly beyond the capacity of that committee to make such calculation.

When the invitation of the committee was extended to me to appear before it I was given to understand that I was expected only to give information concerning my own "relations with certain business enterprises." No reasonable interpretation of that language could have warned me that I was expected to come prepared to make a complete and detailed statement with regard to the entire business of the corporations with which I was connected. I had no intimation whatever of the scope of the inquiry. I had no reason to anticipate that the committee proposed to exercise what is essentially a judicial function, namely, to inquire and to determine whether any particular organization is a trust in the sense of being an organization under the ban of the law. Numerous questions were presented to me which even an active executive officer of the corporations in question could not have answered without reference to the records of the corporations. I have never been an officer of the New Jersey Zinc Co. Under the circumstances I might well have asked the committee to excuse me from answering many, if not most, of the questions asked; but I chose rather to answer every question as best I could, relying upon the confident belief that the sole object of the inquiry was to ascertain my relation to those corporations, and not to pass judgment upon them. The result is known far and wide. In an inquiry ostensibly intended simply to determine my fitness for public office a corporation in which I was a director has been branded as a "trust" and its earnings stigmatized as "unconscionable," and these charges were spread broadcast through the public press under the great authority of the Committee on Banking and Currency of the Senate of the United States. And this, too, occurred in the case of a corporation which in its present form had been carrying on its business for 17 years, and against which not a single accusation has ever been made in any tribunal, either Federal or State, that its organization is illegal or that its practices are oppressive or extortionate. I submit to your honorable committee that such procedure is grossly unfair.

I append hereto a list of certain corrections which I ask your committee to put into the record in connection with my testimony. The time at my disposal has been insufficient to enable me to note more than corrections that I deem of importance. Some of these corrections are clearly clerical, but others result from defective memory on my part or from obvious misunderstanding of questions asked. This list of corrections, especially relating to the New Jersey Zinc Co. and its subsidiaries, is still distinctly incomplete.

Respectfully submitted.

THOMAS D. JONES.

MEMORANDUM OF CORRECTIONS IN RECORD OF THE EXAMINATION OF THOMAS D. JONES.

(References are to the CONGRESSIONAL RECORD of July 15, 1914.)

I. CONCERNING INTERNATIONAL HARVESTER CO.

(1) In column 1, page 13231, my answer "That the company carries a certain amount of stock which it issues to its stockholders by way of bonus," should read, "which it issues to its employees by way of bonus."

(2) In column 1, page 13232, the statement in regard to the secretary of the company should be, "Harold F. McCormick was acting secretary from 1909 up to 1914, when G. A. Ranney was chosen secretary, and is now the secretary of the company."

(3) In column 1, page 13232, the statement that "common stock" of the company was issued to employees should be corrected so as to include "preferred" as well as common stock.

(4) In column 1, page 13233, the statement concerning plows should be amended by adding that the company does not manufacture or sell plows in the United States, but the International Harvester Co. of Canada (Ltd.), the owner of the Canadian plant, jobs plows in Canada but does not make them.

(5) In column 1, page 13233, to the list of European plants should be added the plant of the company at Neuss, Germany.

(6) All statements relating to the formation of the new corporation now owning the foreign plants and the new line plants in the United States should be corrected so as to conform to the following statements:

In January, 1913, the International Harvester Co. had a capital stock of $140,000,000, $60,000,000 preferred and $80,000,000 common. The new corporation, "International Harvester Corporation," was organized on January 27, 1913, under the laws of New Jersey, with a capital of $70,000,000, $30,000,000 preferred and $40,000,000 common. This was after the bringing of the Government suit, which was filed on April 30, 1912. As it was expected that the pending Government suit might not be ended for a considerable time and might go to the Supreme Court for final settlement, it was deemed necessary to organize the new corporation to protect, as far as possible, its foreign trade, which was not under attack, and its credit for foreign borrowings, which were very large. The new corporation bought the foreign plants and business of the original company and also its domestic plants making the new lines, and paid for the same by delivering to the old company its entire capital stock. The old company thereupon reduced its capital stock one-half and, in exchange for the stock retired by said reduction, issued to its stockholders the stock of the new corporation share for share of the same kind of stock; so that each stockholder, after the transaction was completed, had the same number and kind of shares of stock that he had before the formation of the new corporation, representing the same interest and ownership in the same properties as before the exchange.

The new corporation and the transfer of the properties to it were made with the full knowledge of the Attorney General of the United States, the entire plan being submitted in writing to him and being made pendente lite, had no effect whatever upon the Government suit.

(7) The statement in regard to the dividends paid and net earnings of the International Harvester Co. should be corrected to conform to the following table, which is compiled from the published annual reports of the company, and is in some respects at variance with my recollection, as contained in my statement before the committee. There is, however, no question as to its accuracy, and the figures without the per cents are contained in the petition in the Government suit, except for the years 1911 and 1912:

Year.	Net earnings.	Percentage of net earnings to capital stock and surplus.	Dividends.	Rate of dividends on capital stock.
		Per cent.		*Per cent.*
1903	$5,641,181	4.70	$3,600,000	3.00
1904	5,658,535	4.64	4,800,000	4.00
1905	7,479,187	6.08	4,800,000	4.00
1906	7,346,947	5.85	4,800,000	4.00
1907	8,080,458	6.31	4,200,000	[1] 3.50
1908	8,885,682	6.73	4,200,000	[1] 3.50
1909	14,892,740	10.89	4,200,000	[1] 3.50
1910	16,084,819	10.91	7,400,000	[2] 5.29
1911	15,521,397	9.95	8,200,000	[2] 5.86
1912	16,395,597	10.03	8,200,000	[2] 5.86
Average for 10 years	10,598,654	7.83	5,440,000	4.25

[1] 7 per cent on preferred, nothing on common.
[2] 7 per cent on preferred, 4 per cent on common.
[3] 7 per cent on preferred, 5 per cent on common.

In January, 1910, a stock dividend of $20,000,000 was declared on the common stock on which no dividends had been paid since 1906, and prior to that time the total dividends had averaged less than 4 per cent. This stock dividend gave to the stockholders nothing except more shares, representing the same amount of property in which the undistributed earnings had been invested. Including this stock dividend, the average dividend on the total capital was only 5.90 per cent per annum.

The stock of the original company was all of one kind until 1907, when it was divided into preferred and common in equal amounts, and thereafter there was no payment of dividends on the common stock until 1910. In January, 1910, the stock dividend of $20,000,000 was declared out of the surplus which had been accumulated while the company had paid inadequate or no dividends on the common stock.

(8) In column 2, page 13239, the statement as to the annual profits refers to the year 1912, and should be that the gross profit for that year was $16,395,597.16, and after the payment of the 7 per cent dividend on the preferred and 5 per cent on the common left a balance carried to surplus of $8,195,597.16.

(9) In column 1, page 13240, with reference to the number of local dealers or agents through whom a farmer can deal in buying the company's various brands of harvesting machines, I had and have no personal knowledge, but, as I am advised, I was in error in assenting to Senator NELSON'S statement that the company deals with the farmer only through one agent instead of several, as before the company's organization. In fact, the report of the Bureau of Corporations objects to the practice of the selling company in the United States of dividing among the local dealers its various brands of harvesters instead of giving them all to one dealer (p. 303).

(10) In column 1, page 13240, in relation to Senator HITCHCOCK'S question, my statement that no new capital had gone into the enterprise had reference to what was done subsequent to the organization of the company, and had no reference to the capital which went in at the date of the organization of the company. My answer in the record, if considered otherwise, was made under a misapprehension of the question. I had no personal connection with or knowledge of the organization of the company or of the capital paid in at the date of its organization; but I am advised and believe that a very large amount of new capital went into the business at the date of the organization of the International Harvester Co.

II. CONCERNING THE NEW JERSEY ZINC CO.

1. During my examination Senator REED asked me the following question: "How many combinations have been taken into that New Jersey company, absorbed or financed in any way?" (C. R., 13243, col. 1.)

I understood that question to refer to the companies which were consolidated with the New Jersey Zinc Co. in 1897, as appears from other portions of my testimony. Upon reading my testimony it appears that Senator REED'S question really covered not simply the companies referred to, but subsidiaries subsequently organized or acquired. My answer to that inquiry therefore, viz, "Two besides ours," was not correct. Besides the three corporations mentioned in my testimony as subsidiaries of the New Jersey Zinc Co., there are the following, viz: The New Jersey Zinc Co. (of Pennsylvania), Palmer Land Co., Palmer Water Co., the Chestnut Ridge Railway Co., Tulsa Fuel & Manufacturing Co., and the Bertha Mineral Co.

2. In stating the amount of the total spelter trade of the country (C. R., 13243, col. 1) I am quoted as stating that it amounts to $375,000 to $400,000. This is simply a clerical error, and should have read "375,000 to 400,000 tons."

THOMAS D. JONES.

[Executive Report No. 1, Sixty-third Congress, second session.]

THOMAS D. JONES.

(To accompany the nomination of Thomas D. Jones to be a member of the Federal Reserve Board.)

Mr. LEE of Maryland. As a member of the minority of the Committee on Banking and Currency, I recommend that the Senate advise and consent to the appointment of Mr. Thomas D. Jones to be a member of the Federal Reserve Board, and state as follows:

REPORT.

Mr. Jones being invited by the committee, appeared before it.

There was much to commend in the manner of the witness. He was perfectly frank, and made the impression of a modest man of courage, convictions, and ability.

The rules of the Senate have operated to prejudice the case of Mr. Jones, for the members of the committee who support him have respected the rules and gave nothing out for publication, while others, in disregard of the rules, have published incomplete statements and unfair arguments against him.

The New York Times of July 18 says editorially:

"The condemnatory report is published, although it is a part of the confidential proceedings of the Senate, and although it is unfair

that the conviction should be published without the defense. The text of the report shows it to be a partisan document, more anxious to make a case against the convict than to present a judicial examination of his qualifications."

CORRECTION NOT WAR ON AMERICAN INDUSTRY.

That the majority of the committee are bent on extreme measures; that their attitude is a dangerous one toward both the peace and industry of the country, is evident from their criticism of this nominee.

A choice is afforded the Senate in this case between an appeal to prejudice and hostile feeling and the wise and kindly purpose of the President, who has nominated for the reserve board in Mr. Thomas D. Jones a man he has known closely for many years and certifies to us as one of democratic convictions. In a letter to the committee the President recently said of Mr. Jones:

"I have been associated with Mr. Jones in various ways for more than 15 years and have seen him tried by fire in causes which were like the very causes we are fighting for now. He has always stood for the rights of the people against the rights of privilege, and he has won a place of esteem and confidence by his quiet power and unquestionable integrity in the city of Chicago, which is very enviable indeed.

"His connection with the Harvester Co. is this: He owns one share, and only one share, of stock in the company, which he purchased to qualify as a director. He went into the board of the Harvester Co. for the purpose of assisting to withdraw it from the control which had led it into the acts and practices which have brought it under the criticism of the law officers of the Government, and has been very effective in that capacity. His connection with these acts and practices is absolutely nil. His connection with it was a public service, not a private interest, and he has won additional credit and admiration for his courage in that matter.

"He is a lawyer by profession, but he has devoted his attention to special aspects of the law, and has been very little in the courts, I believe. My close association with him was in the board of trustees of Princeton University, where he stood by me with wonderful address and courage in trying to bring the university to true standards of democracy, by which it would serve not special classes, but the general body of our youth. He graduated from Princeton University in 1876. He is of Welsh extraction, possibly of Welsh birth, though I am not certain on that point, and is a man whom I can absolutely guarantee in every respect to the committee. He is the one man of the whole number who was in a peculiar sense my personal choice."

Question of practical democracy arose in the management of Princeton University, upon which these two thought alike and acted together. In carrying out his very large purpose of bringing about industrial reform in this country and maintaining peace and prosperity at the same time the President selected Mr. Jones for the Reserve Bank Board because he has confidence in him as a man and a Democrat, one well tested in a tense collegiate struggle, where the devotion to principle, which marked Woodrow Wilson for governor of New Jersey and President of the United States, naturally indicated Thomas D. Jones for a prominent place in the President's national reforms. Confidence based upon character is what of all things the country most needs just now. Mutual confidence on the part of the public, as expressed by the President, and on the part of business seems to be reposed in Mr. Jones.

The McCormick family, whose father invented the reaper, and who have continued for two generations in the business of making reapers and mowers, had confidence in him, and when they got into difficulties, probably both as to internal management and external attack on the monopolistic features of their organization, they called on him for help.

A MONOPOLY CORRECTED.

Mr. Jones testifies that no matter what power the Harvester Co., as organized, may have originally possessed, that power has not been used in any way contrary to law or public interest since he became a director in the concern (p. 40). He also testifies that competition with the Harvester Co. has grown each year and is to-day vigorous (p. 39), and that no plant in competition has been purchased by the Harvester Co. since he became a director (p. 27). Mr. Jones refused to approve of the method of organizing the Harvester Co. (p. 35).

This nominee further says (p. 49) that he would not have accepted a place on the board of the Harvester Co. if he had believed that it was then violating the Sherman antitrust law.

With reference to continuing offenses or such acts of an objectionable nature as might be claimed to have been committed since the election of Mr. Jones to the board of directors, the following question was asked (p. 4) by Senator HITCHCOCK:

"A part of the complaint [in the Federal suit] as it was read to the committee was with regard to continuing acts of the corporations down to very recent years, down to the filing of the suit in 1912. Have you any acquaintance with those acts complained of?"

And answered by Mr. Jones:

"No, sir; and my reading of the record was that, although there is such a general allegation, there is absolutely no proof of it. The charges were made as of continuing acts; but I read the briefs of counsel of the various sides, and the case finally turned almost entirely on the method of the original organization of the company as being an attempt to create a monopoly in restraint of trade."

The statement of the latter—that there was only general allegation and absolutely no proof of continuing offenses—has not been met in testimony before the committee and is apparently conceded.

Although submitted, no opinion has yet been rendered in the Federal suit of 1912. There is in hand a decision by the Supreme Court of Missouri (pp. 114 to 122), rendered in 1911, in a proceeding instituted in 1907, two years before Mr. Jones became a member of the board, and in this case the constitutionality of the Missouri antitrust statute was sustained by the Supreme Court of the United States in a recent decision (pp. 125 to 131).

MONOPOLY AS ORGANIZED, BUT NO DEFINITE ABUSE OF POWER.

The finding of the Missouri court tends to confirm the testimony of Mr. Jones above, the court saying (Record, pp. 117, 118):

"The evidence also shows that the price of Harvester machines was not materially higher after the New Jersey corporation entered the field than it was before until 1908, when it was increased 8 or 10 per cent, whilst in the meantime there had been a greater increase in the price of the material and labor used in their construction. The evidence also shows that whilst harvesting machines were the chief products of the companies absorbed by the International Harvester Co., that company has greatly enlarged its business and extended it to many other farm implements, and has thus put itself in competition with the many concerns that theretofore were and still are engaged in manufacturing such other farm implements, and the farmers generally have profited thereby. The evidence also shows that the machines manufactured by the International Co. have been greatly improved in quality, and the item of repair material has been reduced in price and placed within closer reach of the farmer. On the whole the evidence shows that the International Harvester Co. has not used its power to oppress or injure the farmers, who are its customers."

In the Missouri case all of the company's records were freely submitted and fully examined, but the Supreme Court of the United States, in reviewing this case, said the Supreme Court of Missouri "did not find a definite abuse of its powers by the plaintiff in error." (Record, pt. 2, p. 127.)

MISSOURI COURT PERMITS CONTINUANCE IN BUSINESS ON CORRECTED BASIS—SIMILAR TO VIEWS OF WITNESS.

Senator REED (p. 39) asserted that Mr. Jones's case presents an ethical question, namely, that if a concern is organized in an illegal manner, to become a member of it afterwards is illegal; but the witness answered denying this (p. 40). Mr. Jones asserted that, even though the organization included illegal power, yet there was no use made of the illegal power after he became a member, and he, therefore, was not a party to any unlawful act.

Not only do the foregoing quotations from the Missouri decision sustain the witness as to the conduct of the concern after he became a member of its board, but the judgment of the Supreme Court of Missouri in permitting the company to continue in business on certain definite terms, which terms are practically analogous to the position of this witness, completely overthrows and answers the ethical suggestion of Senator REED. The court permitted the company (p. 121, Record, pt. 2) to continue to do business in Missouri on the following general basis:

"If the International Harvester Co. is to be permitted to continue to do business in this State, either in its own name or through the agency of respondent, it must be on condition that it shall not use its power either to force a competitor to sell or drive it out of the market by unfair methods, and that it will not raise the prices of the articles it sells beyond a fair profit on their cost and the expense of marketing the same."

RESTRAINS A MONOPOLY FROM THE INSIDE.

No defense of the Harvester Co. is necessary or attempted in this report. Every act of Mr. Jones in connection with that company seems to have been entirely proper and to have been part of a general business experience, well qualifying him to protect the public interest as a member of the Federal Reserve Board. He expressly states that he is not in sympathy with these big consolidations (p. 64) and that he is in thorough accord with President Wilson's policy in destroying monopoly (p. 65).

Apparently Mr. Jones and others with him have restrained a monopoly from the inside, which should commend him rather than subject him to a sort of attainder of blood, which the majority of the committee implies he took by official descent. Here seems to be a blind and passionate confusion of good with evil which can not be accepted without disastrous public consequences. A citizen who has no financial interest in the concern becomes a director from motives of personal friendship and public interest (p. 35). He and others with him prevent the concern, which was organized as a monopoly and has the bad name of a monopoly, from continuing to act unlawfully and as a monopoly. He certainly is not to be condemned for this.

The intelligent patriotism which manifested itself in the affairs of Princeton University should be utilized in the further service of Democratic reform. It is natural that the political party under whose administration the trusts were formed should oppose this nominee. That party's leaders do not wish the Democratic Party and President Wilson to succeed. They seem to pray for failure or panic to prevent all such reform. The Senate and the country may well rely upon the President's judgment of his comrade in arms.

MISLEADING STATEMENT OF MAJORITY AS TO ORGANIZATION OF FOREIGN CORPORATION.

The majority report says:

"Fourteenth. About the time the United States action was brought the trust divorced its foreign business from that in the United States by creating a separate concern, known as the International Harvester Corporation, and diverted about half of its great capital of that corporation, so that it might be beyond the reach of the United States in case the Government wins the action now pending. Mr. Jones participated in this act of invasion, as he did in earlier acts of defiance."

This statement is clearly in error, as the diversion did not take place until after the Government suit was filed and could not affect that suit.

But what are the undisputed facts according to the record of the manner in which this division of business was made?

The company had a large business abroad, with factories adapted to the peculiar needs of those countries. The actual investments abroad and in the new lines represented about one-half of the capital of the company at that time (pp. 21, 32). The business as conducted abroad was never claimed to be monopolistic, but, on the contrary, was highly competitive (pp. 22, 27, 37, 38).

Before the organization of the foreign company in 1913, the facts were frankly presented to the Department of Justice, which, while not conceding anything or releasing the power of the Federal court as it had attached, raised no objection to the expressed plans of the company to sever the ownership of its foreign property from that retained by the old company in the organization of this new company (pp. 17, 19, 20, 23, 30).

We submit that the statement of the majority, indicating as it does wrongdoing on the part of Mr. Jones in this connection, is most unfair and in keeping with the whole tenor of the majority report.

DIVIDENDS WITHHELD, SURPLUS ACCUMULATED.

The insinuation of wrongdoing on the part of Mr. Jones in participating in the issuance of a stock dividend based upon actual earnings of the company, as set forth in paragraph 8 of the majority report, is likewise unjust.

There is no dispute about the properties turned into the original incorporation in 1902 being equal in value to the capital stock of $120,000,000.

The assets had so increased December 31, 1907, according to the report of the commissioner in the Missouri case (p. 103), adopted by the Supreme Court of Missouri (p. 116), that they were then valued at $156,282,654.16.

The criticism is based upon an increase of the capital stock by $20,000,000 in 1910 by way of a stock dividend to the holders of common stock.

On the subject of this dividend, Mr. Jones, in his supplemental statement after tabulating the earnings and dividends, says:

"In June, 1910, a stock dividend of $20,000,000 was declared on the common stock on which no dividends had been paid since 1906 and prior

to that time the total dividends had averaged less than 4 per cent. This stock dividend gave the stockholders nothing except more shares, representing the same amount of property in which the undistributive earnings had been invested. Including stock dividends, the average dividend on the total capital stock was only 5.90 per cent per annum."

NEW JERSEY ZINC CO.

The majority report is most unfortunate and misleading as to facts under this head.

PLAIN ERRORS AND OMISSIONS IN MAJORITY REPORT.

This report states (p. 4):

"The company (New Jersey Zinc Co.) owns practically all the known zinc ore in the United States." There was no such testimony before the committee.

"From the best information available I feel warranted in stating positively that the total zinc contents of all ores derived from mines owned by the New Jersey Zinc Co., or in which it has any interest, through its subsidiaries or otherwise, amount to somewhat less than 25 per cent of the zinc contents of all zinc ores mined in the United States." (Mr. Jones's letter, p. 4.)

This is confirmed by the United States Geological Survey. The majority of the committee could easily have ascertained the facts by inquiry of anyone informed as to the zinc industries or of the Geological Survey.

On page 5 the report says that the New Jersey Zinc Co.'s control of the market on oxide of zinc is so complete that the paint mixers of the country, with the exception of one large firm, are at its mercy. Mr. Jones, when before the committee, stated (p. 60) that the Mine Hill mine of the New Jersey Zinc Co. is the only mine of its kind in the world, but is being rapidly exhausted. This company, only because it owns this mine, is making 85 per cent of the oxide of zinc produced in the United States, but it is used in combination with white lead in paints (p. 58), and is also keenly competitive with white lead (p. 57). White lead has a controlling influence upon the price of oxide of zinc, and there are three or four times as much white lead used (pp. 66–67). On this subject Mr. Jones said:

"They are the real competitors, and they are very vigorous competitors.

"When you say that we have 85 per cent of the oxide of zinc trade, that is misleading, because the real competitor of zinc is white lead, and every movement in either one of these products affects the other, and there is a very keen and lively competition, and always has been, between white lead and zinc. * * * I should say there is probably three or four times as much white lead as there is oxide of zinc (p. 67).

"In addition, there is competition with French zinc, which, though 2 cents a pound more, is a heavier pigment and goes further" (p. 60).

The attitude of Mr. Jones toward large combinations, his sympathy with the President's policy in destroying monopoly, and the fact that the public usefulness of the New Jersey mine was increased by adding other mines to it are shown by the following parts of his testimony (pp. 65 and 56):

"Senator CRAWFORD. Are you in sympathy with the general policy of these big consolidations, with the power that may be, in the abstract, dangerous, depending entirely on whether the men who are using it are good men or bad men?

"Mr. JONES. No, sir; I am not in sympathy with them.

"Senator CRAWFORD. You really do not believe in it?

"Mr. JONES. I do not, frankly. I am giving my personal impressions now, and not those of any corporations I may be connected with. I think industrially most of them are failures, and the difficulty is that they reduce the individual to a mere unit.

"Senator CRAWFORD. Your idea is that if one of them is organized it may be dangerous or it may be kept within bounds by the right kind of a board of directors; that you could accept a position on the board of directors for the purpose of keeping it within bounds, although there was a dangerous power vested in it?

"Mr. JONES. I think they can be kept within reasonable bounds perfectly well, and I think many of them are.

"Senator HITCHCOCK. You think this is not a combination in restraint of trade or in control of trade—the New Jersey Zinc Co.?

"Mr. JONES. I do not.

"Senator HITCHCOCK. It has 85 per cent, you say, of the zinc trade of the country?

"Mr. JONES. Of the oxide of zinc.

"Senator HITCHCOCK. Of the oxide of zinc, I mean; yes.

"Mr. JONES. About that.

"Senator HITCHCOCK. Well, is there any other concern that controls a larger per cent of the products it manufactures?

"Mr. JONES. Not oxide of zinc.

"Senator HITCHCOCK. No; I mean of any other industry. Is there any other company that comes any nearer to monopolizing a certain product?

"Mr. JONES. No, sir. As I said, so long as oxide of zinc continues to be made out of the New Jersey mine ores the trade demands it and will not have anything else. It makes a grade of oxide of zinc that can not be made out of any other known ores in this country. I will say, frankly, that that mine is the whole business. There is no artificial combination of units to eliminate competition. That has not been attempted at all and has not been accomplished, but that mine continues a natural monopoly.

"Senator HITCHCOCK. Suppose your company and these others had not been united with the New Jersey corporation; would there be some competition between them?

"Mr. JONES. Well, as I told you before, we were up against it, because we could not get ores that would make a product that would meet all the needs of our customers; and it was in order to get a product that would meet the needs of our customers that we were willing—we had not any desire, but were willing—to sell our properties to the New Jersey Co. for stock in that company; and ever since then, as I told you, we have mixed the two and made a good product out of the mixture. I believe it has been industrially a great advantage to our customers, and my own judgment is that our customers have been fairly treated; and, as you have seen, there has been no combination in restraint of trade.

"Senator HITCHCOCK. One of the purposes in creating the new banking and currency system is to decentralize the banking power in the United States?

"Mr. JONES. Yes, sir.

"Senator HITCHCOCK. Which has been used to create monopolies. And I suppose that thought has been in the minds of some when the question arose as to your connection with two concerns which seem to have for their purpose a creating of great combinations; and the committee was curious to know whether your views were in harmony with the opinion of the country, which is strongly opposed to anything tending to centralize or monopolize business?

"Mr. JONES. I have not the slightest hesitation in answering any questions along that line that may be asked, as to what my views may be as to general policy. I am thoroughly in accord with what I believe to be President Wilson's policy in destroying monopoly.

"Senator HITCHCOCK. How would you go to work in destroying the zinc monopoly?

"Mr. JONES. I do not believe it is destructive, because I do not believe it is a monopoly in that sense.

"Senator CRAWFORD. That is a case where the supply has been limited by nature and is now limited by artificial combinations?

"Mr. JONES. Exactly.

"Senator HITCHCOCK. Yes; it looks that way.

"Senator SHAFROTH. There is no law requiring a man who owns a mine, if there is no other mine of the kind in the world, to divide it up so as to permit of competition?

"Senator CRAWFORD. By destroying the combination you could not increase the output from that mine.

* * * * * * *

"Senator LEE. Senator CRAWFORD has just called your attention to the fact that nothing could be done to increase the product of that New Jersey mine, and yet the combination that you have made really increased the applicability and public usefulness of the product of that mine, did it not?

"Mr. JONES. Oh, yes; it has made the output a great deal more, although, of course, that hastens the exhaustion."

BLAIR LEE.

MINORITY REPORT ON THE NOMINATION OF MR. THOMAS D. JONES AS A MEMBER OF THE FEDERAL RESERVE BOARD.

A careful reading of the hearings in this case, and the report of the majority of the committee, shows that it is:

First and principally an indictment, arraignment, trial, and conviction of the International Harvester Co. as a trust in violation of the Sherman antitrust law. A case to determine this issue is now pending in the Federal courts.

The International Harvester Co. was organized in 1902. Mr. Thomas D. Jones was elected a director of this company in April, 1909. The suit against the company was begun by the Department of Justice in the summer of 1912. Mr. Jones, the evidence shows, bought one share of stock, of the par value of $100, and paid for it in order to qualify as a director at the special request of Mr. Cyrus H. McCormick, a friend of many years standing.

After Mr. Jones became a director in the International Harvester Co. he attended most of the meetings of the directors held in Chicago and several of those held in New York City. He approved and acquiesced in such matters as were brought before the board. There is nothing in the record to show that anything which was acted upon at these meetings was in violation of any law, statutory or common, Federal or State, by any direct evidence or by any circumstantial evidence, unless it be the mere fact that the corporation continued to exist and do business. If any of the acts of the board of directors during the time that Mr. Jones was a member thereof violated any law of the land we respectfully invite our brethren who have joined in the majority report to point out specifically what those acts were.

Secondly, the report is an indictment, arraignment, trial, and conviction of the New Jersey Zinc Co. as a trust in violation of the Sherman antitrust law, against which company, so far as the record shows, and so far as we have any information, no complaint has been made either in any State or Federal court attacking the legality of its organization or any of its acts.

Mr. Jones is a large stockholder in this company and a director, and presumably has taken an active part in its management and development, as well as in some of the subsidiary companies owned and controlled by it.

It is very prosperous and has proven to be an unusually profitable investment. The New Jersey Zinc Co. and its subsidiary companies manufacture and sell about 85 per cent of the oxide of zinc, 3 per cent of the sulphuric acid, and 20 per cent of the spelter of our domestic trade. The oxide of zinc is a base for paint and sells in competition with lead in the ratio of 1 of zinc to 3 or 4 of lead. It also produces about 25 per cent of the entire output of zinc ore in this country. The New Jersey mine, known as the Mine Hill, because of the peculiar quality of its ore, is a natural monopoly. It is the only known deposit of zinc ore entirely suitable for paint. We assume that it has never been disputed that a man is entitled to all that he grows on his land or all that he produces from his mine. The ore from the other mines is not merchantable as a base for paint except as it is used in conjunction with the ore taken from the Mine Hill. How long the supply of the Mine Hill ore will last is only conjectural.

While the profits of this company have been very large, it is significant that no action has been begun against the company or its subsidiaries so far as this committee knows for any violation of any law, Federal or State. If there is in the record any evidence showing such violation, the majority of the committee has failed to point it out.

Third. We submit that the report shows no violation of any law by Mr. Jones, either personally or as a director, unless it be inferentially from the fact that he was a director and participated in such business of the International Harvester Co. as came before its board of directors and because of his interest and connection with the business and management of the New Jersey Zinc Co.

We hold no brief for the International Harvester Co. We are here neither to condemn nor to defend the organization, operation, or business methods of either the International Harvester Co. or of the New Jersey Zinc Co. If they, or either of them or their officers, have violated the law, we offer no palliation for the offense. We submit that there is nothing in the record showing that Mr. Jones in either company violated any law. There remain therefore but two questions to consider—

First. His qualifications.

Second. The expediency of his nomination.

As bearing upon these questions we refer to the following facts taken from the record:

On page 5 of the hearing Mr. Jones says:

"I had the time to give it (the International Harvester Co.), and the relations of corporations to their employees and to the public is an interesting question, and I was willing to give the time and I had the time to give, and I met the request of my friends for those reasons, and at the same time I recognized that it was a work that was worth giving some time and attention to, and I did give such time and attention as the work seemed to require."

Again, on page 5 of the record, Mr. Jones says:

"The relation of the company to its employees has had a good deal of attention by the board of the International Harvester Co. in the way

of profit sharing and schemes of that sort, which are occupying the attention of the directors of a great many corporations at the present time, which are not yet satisfactorily solved, but they will be later."

This reference to this principle is not made in a boastful way, but very modestly, and we believe it was the controlling factor in determining him to become a member of the board of directors of the International Harvester Co.

Again, on page 38 of the record, the following questions were asked and the answers given:

"Senator POMERENE. When you expressed your approval of the transactions and business methods of the International Harvester Co. since your connection with it, did you have in mind and give your approval in that statement to the original organization of the company?

"Mr. JONES. I did not, sir.

"Senator POMERENE. Or any of the transactions of that company between the date of its organization and the time when you became a directing force in the company?

"Mr. JONES. I limited my statement, or meant to do so, strictly to the transactions of the company after I had become a director.

"Senator POMERENE. The purpose of my question was to make that perfectly clear.

"Mr. JONES. I want to make that clear."

On page 49 of the record the following question was asked and answered:

"Senator HOLLIS. Now, if you had believed that these other officials with whom you associated yourself were lawbreakers and were acting in violation of the Sherman antitrust law, would you have become a director?

"Mr. JONES. No, sir; I would not if I thought so at the time."

On page 69 of the record the following questions were asked and answers given:

"Senator CRAWFORD. Are you in sympathy with the general policy of these big consolidations, with the power that may be, in the abstract, dangerous, depending entirely on whether the men who are it are good men or bad men?

"Mr. JONES. No, sir; I am not in sympathy with them.

"Senator CRAWFORD. You really do not believe in it?

"Mr. JONES. I do not, frankly. I am giving my personal impressions, now, and not those of any corporations I may be connected with. I think industrially most of them are failures, and the difficulty is that they reduce the individual to a mere unit."

So far as we know, no man has said aught against his character or his preeminent ability to fill the position with satisfaction to his country and with credit to himself. The President, who named him for the place, wrote to the chairman of the Banking and Currency Committee, under date of June 18, as follows:

THE WHITE HOUSE,
Washington, D. C., June 18, 1914.

DEAR SENATOR: I am afraid that Mr. Thomas D. Jones is the man about whom the committee will have the least information, and I venture to write you this letter to tell you what I know, and fortunately I can say that I really do know it.

I have been associated with Mr. Jones in various ways for more than 15 years, and have seen him tried by fire in causes which were like the very causes we are fighting for now. He has always stood for the rights of the people against the rights of privilege, and he has won a place of esteem and confidence by his quiet power and unquestionable integrity in the city of Chicago which is very enviable indeed.

His connection with the Harvester Co. is this: He owns one share, and only one share, of stock in the company which he purchased to qualify as a director. He went into the board of the Harvester Co. for the purpose of assisting to withdraw it from the control which had led it into the acts and practices which have brought it under the criticism of the law officers of the Government, and has been very effective in that capacity. His connection with it was a public service, not a private interest, and he has won additional credit and admiration for his courage in that matter.

He is a lawyer by profession, but he has devoted his attention to special aspects of the law and has been very little in the courts, I believe. My close association with him was in the board of trustees of Princeton University, where he stood by me with wonderful address and courage in trying to bring the university to true standard of democracy by which it would serve not special classes, but the general body of our youth. He graduated from Princeton University in 1876. He is of Welsh extraction, possibly of Welsh birth, though I am not certain on that point, and is a man whom I can absolutely guarantee in every respect to the committee. He is the one man of the whole number who was in a peculiar sense my personal choice.

Cordially and sincerely, yours,

WOODROW WILSON.

No higher testimonial could be given than this letter from the President of the United States, who has known him so long and so intimately, stands sponsor for him, and who is so much interested in the success of the new banking system. All who know Mr. Jones personally, so far as we have been advised, concur in the wisdom of his choice.

Because of the pendency of the suit against the International Harvester Co., in which Mr. Jones is a party defendant, men may honestly differ as to the wisdom of the appointment from the standpoint of expediency, but no one, in our judgment, can fairly doubt his qualifications. We submit that all questions of expediency should give way to his preeminent fitness, as testified to by those who know him best.

We therefore recommend that the Senate do advise and consent to his confirmation.

ATLEE POMERENE.
HENRY F. HOLLIS.
JOHN F. SHAFROTH.
BLAIR LEE.

HOUSE BILL REFERRED.

H. R. 12919. An act to amend an act entitled "An act to provide for an enlarged homestead," was read twice by its title and referred to the Committee on Public Lands.

PROPOSED ANTITRUST LEGISLATION.

Mr. HITCHCOCK. I submit and ask to have printed and lie on the table an amendment to House bill 15657. As it is very short, consisting of one paragraph, I ask to have it read for the information of the Senate.

The VICE PRESIDENT. In the absence of objection the Secretary will read as requested.

The Secretary read as follows:

On page 17, line 2, insert:

"No person shall be eligible for the position of member of the Federal Reserve Board or member of the Federal trade commission or for any other position of honor, subject to appointment by the President, who is a director, manager, trustee, or other officer of a corporation operating in violation of the antitrust laws of the United States or of any State or resisting in court the enforcement of same."

The VICE PRESIDENT. The amendment will lie on the table and be printed.

MEETINGS OF COMMITTEES DURING SESSIONS OF SENATE.

Mr. CUMMINS. Mr. President, we have now entered upon the most important work of this session, or, indeed, of any session held in the last 20 years. The three bills which constitute proposals for legislation upon the subject of trusts and monopolies are now before the Senate. I assume that it will not be possible for all Senators to attend at all times the sessions of the Senate; it may not be convenient for many Senators to attend constantly, but I desire a condition in which there will be nothing to prevent the attendance of Senators upon the debate which is about to take place. Therefore, in pursuance of a notice I gave some time ago, I offer the resolution which I send to the desk and ask for its immediate consideration.

The VICE PRESIDENT. The Secretary will read the resolution.

The resolution (S. Res. 430) was read, as follows:

Resolved, That from and after the passage of this resolution, and until otherwise ordered, all permits given in resolutions, orders, or otherwise, authorizing standing or select committees to sit during the sessions of the Senate, are hereby rescinded.

The VICE PRESIDENT. Is there any objection to the present consideration of the resolution? The Chair hears none.

Mr. NEWLANDS. Mr. President, so far as I am concerned, I have no objection to the passage of the resolution. I simply wish the Senator from Indiana [Mr. KERN] to be informed of its contents.

Mr. KERN. What are its contents.

The VICE PRESIDENT. The Secretary will reread the resolution.

Mr. SHAFROTH. Let it be read again.

The Secretary again read the resolution.

Mr. KERN. I have no objection to the resolution. Of course the spirit of it is all right. There are some committees that I suppose ought to be excepted; that is, at least two that I have in mind. One is a subcommittee of the Naval Affairs Committee, which is conducting an investigation, and I understand has witnesses before it. I refer to the coal investigation of the Naval Affairs Committee.

I will inquire of the Senator from Iowa whether this resolution contemplates or takes into account conference committees?

Mr. CUMMINS. There are no such bodies as conference committees.

Mr. KERN. Well, they are conferees.

Mr. CUMMINS. And this resolution does not apply to managers of a conference.

Mr. KERN. I do not know the situation with reference to the investigation by the subcommittee of the Naval Affairs Committee.

Mr. CUMMINS. I do not, either. I only know that in the consideration of the bills that are now before the Senate every Senator ought to be at liberty to attend the meetings of the Senate. I do not suppose every Senator will attend, but there ought not to be any superior engagement compelling him to be absent.

Mr. KERN. I quite agree with the Senator from Iowa in that observation.

Mr. CUMMINS. Of course, there are times at which these committees can meet when the Senate will not be in session. We have now reached a point, it seems to me, where we ought to give our undivided attention to the legislation upon this subject, for we are about to do something that will affect, for good or for ill, more people than were ever before affected by legislation of Congress.

Mr. GALLINGER. Mr. President, agreeing fully with the purpose the Senator has in view, I desire to call attention to the fact that there is one very important committee that I apprehend is working day and night, and that is the committee that is going to discover how the secrets of the executive sessions get into the newspapers. [Laughter.] That committee ought not to be hampered in its work.

Mr. CUMMINS. In response to the Senator from New Hampshire, Mr. President, recognizing the vast and vital importance of the work of that committee, I will only say that it can apply to the Senate at any time for leave to sit, and if it is able to show that its work is so imperative I have no doubt the Senate will give it leave to sit during the sessions.

Mr. POINDEXTER. Mr. President, I should like to ask the Senator a question.

Mr. CUMMINS. I yield to the Senator from Washington.

Mr. POINDEXTER. Is it the Senator's understanding that a committee engaged in the business of the Senate can not hold its sessions while the Senate is in session without special permission from the Senate?

Mr. CUMMINS. Mr. President, we have no rule upon that subject save the general rule of parliamentary law as laid down in Jefferson's Manual. It would be no offense, I assume, but we now have upon the records of the Senate 15 or 20 resolutions permitting practically every committee having in charge legislation to sit during the sessions of the Senate. These sittings, according to the statement of Senators, have interfered with their presence in the Senate during the progress of debate, and I want to relieve the situation of that obstacle.

Mr. POINDEXTER. Mr. President, my understanding is that this resolution, if adopted, would not prohibit committees from sitting during the sessions of the Senate. It would operate probably as an expression of the sentiment of the Senate that Senators ought to attend the sessions of the Senate, but there might be, in a great many cases, emergencies requiring the action of committees during the sessions of the Senate. I think it would be impracticable to require that in each case they should obtain a special permit or order before they could transact that business.

I agree with the Senator that the business before the Senate is of paramount importance, and that Senators ought to attend; but, as the Senator has just said, it may not be practicable. I think he used the word "convenient." He might use a stronger word. It might not be possible in some cases, or consistent with the performance of the duties of a Senator, for him to attend the sessions of the Senate at all times that these bills may be before the Senate for consideration.

Some reference has been made to the inquiry of the subcommittee of the Committee on Naval Affairs which is now in progress. More or less elaborate proceedings have developed there, and the attendance of a large number of persons, and it is perfectly practicable for that subcommittee to continue to hold hearings during at least a portion of the time that the Senate may be in session. It holds its sessions in the Capitol Building, within immediate reach of the Senate Chamber; and while all Senators would desire to hear everything that is going on in the Senate Chamber, it is not necessary at all times that they should do so. I do not think it would be expedient to prohibit that committee, or the Judiciary Committee, or any committee that may be considering important nominations which the President may send to the Senate, from sitting at convenient times, even though the Senate should be in session.

Mr. CUMMINS. Mr. President, in response to the Senator from Washington, I suggest two things:

First, this resolution simply restores the Senate to its natural condition. It does not prohibit committees from sitting during the sessions of the Senate, if they so desire, and if the Senate is willing that they shall so sit.

In the next place, there are other hours of the day than those in which the Senate is in session, or in which it may be sitting, in which it has been supposed in the past that committee work should be done. So solicitous have been the general parliamentary writers upon this subject that I find it stated in Jefferson's Manual, on page 85, that—

> So soon as the House sits, and a committee is notified of it, the chairman is in duty bound to rise instantly, and the Members to attend the service of the House.

I do not say that that would always be true; but we have passed a series of resolutions declaring that practically all the committees may sit during the sessions of the Senate, and for the last four weeks four or five of the great committees have been sitting almost constantly during the sessions of the Senate, with the result that even those who desired to attend the sessions of the Senate were not able to do so in view of their duties before these committees.

I hope the Senator from Washington will not object. Let us at least return to our normal situation, and then deal with the question as it may come up from time to time. Let us rescind this wholesale permission to be engaged in other work during the sessions of the Senate.

Mr. POINDEXTER. I am in entire sympathy with the general spirit expressed by the resolution of the Senator from Iowa, Mr. President; but I will ask that it go over for consideration until to-morrow.

Mr. CUMMINS. That, of course, is within the Senator's rights. I simply wish to say before I sit down that under the objection of the Senator from Washington I shall find it necessary to do whatever I can—it may be little, or it may be nothing—to prevent carrying out the suggestion made, as I understand, last night in the Democratic caucus that instead of adjourning each evening a recess shall be taken, because if a recess were taken to-night until to-morrow, with these bills under consideration, the resolution would not appear until the next adjournment.

Mr. NEWLANDS. Mr. President, I trust the Senator from Washington will not ask that the resolution go over until to-morrow. I think it is highly important that the resolution should be adopted, and I only asked for time in order to bring it to the attention of the Senator from Florida [Mr. BRYAN], who, I knew, had a special committee that he desired to have exempted from the operation of this proposed order.

Mr. BRYAN. Mr. President, I quite agree with the construction placed by the Senator from Iowa upon the rules of the Senate, or, rather, upon the statements found in Jefferson's Manual, which is a part of the rules of the Senate.

There is a subcommittee of the Committee on Naval Affairs, consisting of the Senator from West Virginia [Mr. CHILTON], the Senator from Maine [Mr. JOHNSON], the Senator from Michigan [Mr. SMITH], the Senator from Washington [Mr. POINDEXTER], and myself, who have been holding hearings upon Senate resolution No. 291, commonly known as the coal investigation, to find out whether or not certain charges were true to the effect that the South Atlantic ports are discriminated against by the so-called Coal Trust. This subcommittee notified those interested upon both sides of the question that we would begin hearings on the 20th of this month. A large number of people have come to Washington to attend those hearings. The sessions began promptly on the 20th, and we have been holding sessions twice a day, beginning in the morning at 10 o'clock and suspending at 12, when the Senate convened, taking up the work again at 3 and continuing until 5 o'clock. The committee, of course, will yield to the judgment of the Senate.

Mr. CUMMINS. Mr. President, will the Senator from Florida yield to me for a moment?

Mr. BRYAN. Certainly.

Mr. CUMMINS. If we were to make an exception in this resolution of the subcommittee to which the Senator from Florida has referred—and upon the showing that has been made by the Senator from Florida and other Senators I should feel inclined to do so—would that remove the objection of the Senator from Florida and the objection of the Senator from Washington?

Mr. BRYAN. I believe the Senator would be justified in that. We have obtained a committee room, not on the same floor as the Senate Chamber, but immediately by the Senate Chamber, so that we can be reached at a moment's notice. The investigation is quite important, it seems to me, and, again, it does not seem fair to the people who have come here from a distance upon a notice of the Senate before they have been given an opportunity to be heard to discontinue the hearings.

Mr. CUMMINS. I am willing that an exception be put into the resolution I have offered. I ask the Secretary to write into it as an amendment the words "except the subcommittee of the Committee on Naval Affairs."

Mr. BRYAN. I suggest to the Senator to say "except the subcommittee of the Committee on Naval Affairs now considering Senate resolution 291."

Mr. CUMMINS. Very well. That will satisfy me.

Mr. BRANDEGEE. I think the Senator might except the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. CUMMINS. I do not believe that committee sits very often during the sessions of the Senate.

Mr. SMITH of Michigan. Mr. President, I do not like to object to the request of the Senator from Iowa, but the Committee on Foreign Relations has been conducting an inquiry in obedience to a resolution of the Senate, and I dislike to feel that that committee must come to the Senate and ask for further authority to pursue their investigation. That inquiry relates to a proposed treaty with Nicaragua; and, in my opinion, it is very important to ascertain our exact relations with that impoverished country. I do not know how much further progress will be made in the investigation, but if the object of this resolution is to obtain the presence of Senators on the floor of the Senate instead of their attendance upon committee work—and, of course, it is a very worthy object; no one can deny that—committee work will suffer during the hours of the Senate sessions, while the attendance upon the floor will not be more numerous than before. We have spent three or four days in the discussion of the river and harbor bill. The Senate has listened to the distinguished Senator from Ohio [Mr. BURTON], who has delivered a most intelligent and creditable speech, but we who sat upon the subcommittee with the honored Senator from Ohio are not lacking in the information which the Senator

from Ohio is now giving to the Senate. There is no reason why we should be prevented from other service in order to listen to that discussion.

I do not believe that the purpose of the Senator from Iowa will be realized. I should like to help him secure a larger attendance of Senators upon the floor, but I do not believe this plan will accomplish that purpose.

Mr. CUMMINS. I am not presenting this as a personal matter. I do not want any help from the Senator from Michigan. So far as my own work is concerned, I am presenting it as a matter of public policy. I supposed that it was the business of Senators to be present when the proposed legislation is debated and disposed of. I assumed that the work of a committee was preliminary to the work of the Senate. I hope the Senator from Michigan will not look upon this as any personal request. I have no greater interest in it than he or any other Senator has who desires good legislation.

I have said all I want about it. If there is objection to the resolution, it must go over; if there is not, I want a vote upon it.

Mr. LEWIS. May I ask the Senator from Michigan what particular investigation he has in his mind that he wishes reserved?

Mr. SMITH of Michigan. The subcommittee of the Committee on Naval Affairs, of which the Senator from Florida [Mr. BRYAN] is chairman, is now working on the investigation of the coal railroad discrimination in the South, and we are working from 10 o'clock in the morning until 5 o'clock in the afternoon, taking only a short recess in the middle of the day for our other work.

Mr. LEWIS. I may be in error, but I had understood that that had been excepted from the resolution as a conclusion of the conference on this side with the Senator from Iowa. Am I incorrect in that?

Mr. SMITH of Michigan. I think the Senator is correct. He asked me what committees are now working under the authority of the Senate. The other committee is the Committee on Foreign Relations, which has before it a resolution adopted by the Senate authorizing an investigation into Nicaraguan affairs. That committee has proceeded up to the present time during the hours the Senate has been sitting. It has been temporarily laid aside because there seems to be nothing before the committee to challenge our immediate attention, but if the treaty with Nicaragua should be sent here the inquiry will be promptly revived with vigilance and care; and I do not wish to be precluded from pursuing such an investigation by the adoption of a resolution of this character.

Furthermore, it has been intimated that under the policy adopted by the Democratic caucus last night—and I know nothing about it, except what I have heard on the floor—we are to proceed to recess from day to day, rather than adjourn, as is usual. Am I right about that? And it is said if the resolution is not adopted now, there will be no opportunity for it to be heard in the morning hour hereafter.

Mr. President, it is very easy to maintain a morning hour for routine morning business. The only thing necessary to do is to move an adjournment, and in the absence of a quorum the Senate can not recess; adjournment will be the only motion which can be made; the morning hour will come up automatically. I do not think there will be any serious trouble in observing the morning hour.

Mr. President, as far as I am concerned I am not in accord with the policy of the majority, determined by their caucus, which seeks to hold before the Senate any special bill to the exclusion of other bills, and I do not propose to aid the other side in any way by my vote or presence.

Mr. LEWIS. I will say if the Senator feels that there will be a morning hour, and therefore he will have complete opportunity for anything he would desire to discuss during the morning hour, there is no embarrassment. If, on the other hand, there were not a morning hour, and the Senator had some particular special matter he desired to present, I am sure he could rely on the courtesy of the Senate to allow him to entertain whatever he presented. Therefore I can see no obstruction to the resolution from that viewpoint.

Mr. CUMMINS. Mr. President, I do not want to be understood as favoring the plan to recess from day to day. I stated it because I read it in this morning's papers as one of the things favored by the caucus of the majority last night. I am very anxious that this resolution shall be voted upon.

Mr. SMITH of Michigan. I object to the present consideration of the resolution, and ask that it go over.

Mr. SIMMONS. Mr. President, I hope we may adopt the resolution offered by the Senator from Iowa. I think there is a feeling on both sides that there is certain legislation here that should be enacted before we adjourn. I think there is also a feeling that we ought to adjourn as soon as we possibly can. I believe that nothing would conduce more to facilitating this legislation and an early adjournment than action by this body which will stop the sitting of committees during the sessions. I trust the resolution may pass.

Mr. GALLINGER. Mr. President, joining with the Senator from North Carolina in his expressed desire that we should secure an early adjournment, I will ask the Senator if he, psychologically or otherwise, can suggest to us the probable time of final adjournment if we are all very industrious?

Mr. SIMMONS. I understand the Senator is asking me if I can suggest a probable time for final adjournment?

Mr. GALLINGER. Yes; approximately.

Mr. SIMMONS. I can not, Mr. President. The Senator knows as well as I do, and one Senator here knows as well as any other Senator, the difficulties that we have under our rules even when we are all ever so anxious to proceed expeditiously. If there is no filibustering in any direction, I had hoped for early action on all these measures; but if there is no filibustering on the trust and trade-commission bills, and after they are passed there is still filibustering on the river and harbor bill, or if the present filibuster on that bill is renewed, then, of course, that would greatly extend the length of time that we would have to stay here and suffer, because I think a majority of the Senators have made up their minds that there will be no final adjournment of Congress until the river and harbor bill has been passed, as well as these other bills.

Mr. NEWLANDS. Mr. President, I desire to ask whether the objection is still urged by the Senator from Michigan or the Senator from Washington against the resolution?

Mr. SMITH of Michigan. Yes; I insist on my objection.

Mr. NEWLANDS. Then, I ask for the regular order, Mr. President.

The VICE PRESIDENT. Objection is made and the resolution will go over. Concurrent and other resolutions are in order.

STATUE OF GEORGE WASHINGTON GLICK.

Mr. THOMPSON. I submit a concurrent resolution, and I ask unanimous consent for its present consideration.

The VICE PRESIDENT. The Secretary will read the concurrent resolution.

The Secretary read the concurrent resolution (S. Con. Res. 30), as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed and bound in one volume the proceedings in Congress upon the acceptance of the statue of the late George Washington Glick 16,500 copies, of which 5,000 shall be for the use of the Senate, 10,000 for the use of the House of Representatives, and the remaining 1,500 shall be for use and distribution by the governor of Kansas; and the Secretary of the Treasury is hereby directed to have printed an engraving of said statue to accompany said proceedings, said engraving to be paid for out of the appropriation for the Bureau of Engraving and Printing.

Mr. SMOOT. I ask that the concurrent resolution may be referred to the Committee on Printing.

Mr. THOMPSON. Very well.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the concurrent resolution will be referred to the Committee on Printing. If there are no further concurrent or other resolutions, the morning business is closed.

GENERAL DEFICIENCY APPROPRIATIONS.

Mr. MARTIN of Virginia. I ask that the conference report on House bill 17824, the general deficiency appropriation bill, may be laid before the Senate.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. MARTIN of Virginia. I move that the report be adopted.

The VICE PRESIDENT. The question is on the adoption of the conference report.

Mr. CLARK of Wyoming. Mr. President, there is but one matter in the conference report to which I desire to call attention, and that is in regard to the amendment which was proposed by my colleague [Mr. WARREN] and which was adopted by the Senate, making an increased appropriation for the fish hatchery at Saratoga, Wyo. It seems that the conferees in their wisdom have seen fit to strike from the bill this amendment.

The situation is a little peculiar. An appropriation was made some years ago for a hatchery at that point. Much of the land was in private ownership, and the acquiring of title took up time and required more money than was anticipated at the beginning. The consequence is that the work has dragged and there is an insufficient amount at present, according to the Secretary of Commerce, to put the institution on the basis which it ought to attain.

It occurs to me that in these times of rising prices, especially of food products, and in the failure of our hopes and expectations that under the recent tariff legislation the cost of living

would be reduced, the Government ought to use every means in its power to increase the food supply, and fish is becoming a very important food supply. I notice in the morning papers the congratulations upon Congress for providing free fish wharves here, because they would result in reducing the cost to the consumer of one of the principal necessities of daily life.

It is not my purpose, Mr. President, to antagonize the adoption of the conference report, but I wish to call attention to the fact that this amendment was made directly upon the request and at the suggestion of the Secretary of Commerce, which appears in a letter printed at page 13440 of the RECORD, when this bill was under discussion. I can only express my regret that the conferees have seen fit not only to halt the necessary work upon this project but to retard still further the hope that the people of the United States have entertained that there might be some reduction in the cost of living through an increase in the quantity of food products.

Mr. SMOOT. Mr. President, in connection with the deficiency items in this appropriation bill I desire to call the attention of the Senate to some other things that may in the future cause greater deficiencies than are shown in this bill. I call attention to the imports and exports for the month of June, 1914, and compare them with the imports and exports for the month of June, 1913. The total imports for the month of June, 1914, were $157,772,973; for June, 1913, they were $131,245,877, or an increase of imports for the month of June, 1914, over the month of June, 1913, of $26,527,096.

The total exports for June, 1914, were $157,119,451; for June, 1913, they were $163,404,916, a decrease of $6,285,465 for the month of June, 1914, as compared with June, 1913.

The exports and imports together for the month of June, 1914, as compared with June, 1913, show a loss to the commerce of our country of $32,812,561. The effect of the Democratic tariff was not materially felt until April, 1914, as orders could not be placed by American importers and goods made and shipped by the foreign manufacturers much before that date.

I now call attention to the total loss to our commerce by the increased importations and decreased exportations for the months of April, May, and June, 1914, as compared with the same months of the year 1913:

Loss for April, $63,890,849; loss for May, $63,562,901; loss for June, $32,812,561, or a total for the three months of $160,266,311.

What a wonderful difference it would have made to American workmen and to American business if this vast amount of merchandise had been made by the unemployed of our country. The month of July, according to the statement of the United States Treasury, dated July 18, 1914, bids fair to be as disastrous as the preceding months, for I see the custom receipts, notwithstanding the great decrease in the rates of duty, are greater than for the same period of July, 1913.

I have a list of the imports of merchandise in May, 1914, compared with May, 1913, covering 27 classes of goods. I ask that it be printed in the RECORD without reading.

The VICE PRESIDENT. Without objection, it is so ordered.

The table referred to is as follows:

Imports of merchandise in May, 1914, compared with May, 1913.

[Official report of Department of Commerce for May, 1914.]

Products.	1914 values.	1913 values.	Increase.	Per cent.
Aluminum, manufactures of	$150,056	$92,641	$57,415	61
Automobiles, parts of	131,776	26,946	104,830	389
Watches and parts of	272,193	204,705	67,488	32
Clocks and parts of	78,273	61,039	17,234	28
Cloths (cotton)	749,032	532,028	217,004	40
Lace and lace articles	990,626	751,357	239,269	31
Stockings	301,968	223,739	78,229	34
All other knit goods	262,305	29,833	222,472	745
Yarns (linen)	76,063	51,094	24,969	48
Fruits and nuts	5,190,454	4,194,537	995,917	23
Glass and glassware	708,435	520,081	188,354	36
Cutlery	242,444	126,008	116,436	92
Leather and tanned skins, and manufactures of	1,485,372	718,931	766,441	106
Gloves (leather)	251,609	227,487	24,122	10
Linoleum	131,506	116,339	15,167	13
Paper and manufactures of	2,384,166	1,849,434	534,732	28
Perfumery and toilet articles	214,202	125,933	88,269	69
Seeds	1,879,508	1,381,785	497,723	36
Silks and manufactures of	12,223,314	9,150,574	3,072,740	33
Vegetables	990,637	578,498	412,139	71
Wool, class 1	4,353,487	1,009,767	3,343,720	331
Wool, class 2	578,275	159,553	418,722	262
Wool, class 3	1,857,502	651,967	1,205,535	185
Cloths	1,316,155	228,871	1,087,285	475
Dress goods	379,716	186,804	192,912	103
Wearing apparel	130,282	105,048	25,234	24
All other imports of wool	1,779,330	524,291	1,255,039	239
Total	39,098,687	23,829,293	15,269,394	64

Mr. SMOOT. I now want to call the attention of the Senate to the total value of imports and exports of the United States for the 12 months ending June 30, 1914, as compared with the 12 months ending June 30, 1913. Total imports, free and dutiable, for the fiscal year 1914, $1,894,169,180; total imports, free and dutiable, for the fiscal year 1913, $1,813,008,234, an increased importation for the fiscal year 1914 of $81,160,946. Total exports, domestic and foreign, for the fiscal year ending June 30, 1913, $2,465,884,149; total exports, domestic and foreign, for the fiscal year 1914, $2,364,626,555, a decrease in exports for the fiscal year 1914, of $101,257,594—a total loss to our commerce by increased importations and decreased exportations of $182,418,540.

Senators will notice that out of a total loss to our commerce for the year ending June 30, 1914, of $182,418,540, the greater part of it, namely, $160,266,311, occurred during the months of April, May, and June, 1914. What stronger condemnation could be made against the Democratic tariff bill than these facts, furnished us by the published statements of our Department of Commerce? A kind Providence has vouchsafed to our country an unprecedented crop, and at a time when other countries are suffering from a shortage. Mother earth has yielded to the American husbandmen her richest blessings, and let us hope that this will prevent disaster to our business life and want and suffering to our laboring people.

Mr. SIMMONS. Mr. President, I did not know it was the purpose of the Senator from Utah [Mr. SMOOT] to enter into a tariff discussion this morning, and I hesitate to take up the time of the Senate when I know Senators are so anxious to begin the consideration of other legislation, in which the country is deeply interested, in replying to that Senator, but I feel it is proper I should give the Senator some facts in connection with our import and export trade.

The Senator from Utah has referred to the increase in imports during the last two or three months. In a statement issued only a few days ago by the Secretary of Commerce, Mr. Redfield, it was shown that the increase in the imports during the last few months is due largely to an increase in the importation of food products, and that the increase in the importation of manufactured products ready for consumption has been relatively small. As is explained by the Secretary of Commerce in this very illuminating statement, which he has issued and given to the public, that that increase in food products was to supply a deficiency of these products in this country, resulting from the fact that last year we had short crops and a falling off in the domestic meat supply.

This increase in the importations of food products has not, because of the scarcity in this country, reduced the price to any considerable extent of the food products here. There has been a great deal of talk about the increase in the importation of corn and of meat products, but because of the short supply of those products that importation has not resulted in an appreciable reduction in the price of those products in this country.

I do not think from any standpoint there can be ground for serious criticisms of an increase in imports when it does not affect the price of products here; but from the Democratic standpoint, whenever the price of any product in this country is unreasonably high we welcome imports. One of the objects and purposes in the reduction of duties by the Democratic Party was that, when American producers were exacting of American consumers unreasonable prices for their products, the doors might be thrown open in order that consumers might get the necessaries of life at more reasonable prices.

Mr. President, there has been some slight falling off in the amount of exports in the last few months. It is well known to every man of common knowledge that the purchasers of our exported products are foreigners. When we export anything from this country to a foreign country we sell it to foreigners. If the financial condition of the foreign countries to which we export our products is bad, if the business situation there is depressed, it affects the purchasing power of our customers. When you find a falling off of exports from this country, in view of the well-organized arrangements of the producers of the staple products in this country for the exploitation of foreign markets, it is not to be attributed to any condition that exists in this country; it is not to be attributed to any tariff legislation; it is not to be attributed to any policy of the administration; it is to be attributed to the conditions that prevail in the countries where we sell those products.

The fact that our exports have fallen off is conclusive evidence of what the newspapers tell us, of what publicists tell us, of what the economists tell us, that in nearly every country in the world to-day there is a condition of business depression very much greater than any that has recently existed in this country, even taking the pessimistic views of those who advo-

cate protection and who attribute all evils that come to us, whether they come through Providence or from other sources, to the abolition of the Republican prohibitory protective tariff system.

Mr. President, the Senator has given us some figures with reference to imports, intended to show that the increase of importations in recent months is due to the passage of the Democratic tariff bill. The Senator would have the country believe that the increase in imports is entirely due to this legislation and because of alleged cheaper production abroad. The Senator ignores the well-known fact that this increase is largely of food products, and to supply a deficiency here caused by short crops, and so forth. Further, the Senator forgets the fact that our import trade has been progressive under all administrations and under all tariffs. I say to the Senator from Utah, if he contends that this increase in imports in recent months is the result of the Democratic tariff law and that that increase has robbed the laboring men of this country of jobs, that if he will take the imports that have followed the tariff legislation of his party and apply the same theory and logic he will find that the number of jobs that have been lost to workmen, if any, as the result of the increase in imports is many per cent less under the Democratic tariff law than under the Payne-Aldrich law and under the Dingley law.

Now, let me give the Senate some figures in regard to that. I will go back just one year, but I will go back far enough, Mr. President, to get within the purview and limitations of the Payne-Aldrich law, a law for which the Senator from Utah has always stood sponsor; a law which he thinks is an ideal tariff law; a law to which he wants the country to return and which he thinks is the panacea for all political, industrial, and commerical ills. Let us see what was the increase of imports under that law. The total imports under the Payne-Aldrich law in the fiscal year 1912 were $1,653,226,934. In the fiscal year 1913, just one year afterwards, under the operation of the Payne-Aldrich law the imports amounted to $1,813,008,234, an increase under the Payne-Aldrich law in importations of foreign products, in one year, of $159,744,300.

Now let us compare the years 1913 and 1914, during the first of which we had the Payne-Aldrich law, and during 11 months of the latter we had the present Democratic tariff law. In 1913 the imports were $1,813,008,234; in 1914, covering 9 months of the Democratic tariff law, the total imports were $1,894,169,180, an increase under the new tariff law in importations in one year of $81,000,000, as against an increase under the Payne-Aldrich law in the previous year of $159,000,000; in other words, a falling off in imports in one year under the Democratic tariff of $78,000,000.

Let me put these figures in percentages, Mr. President. The increase in imports from 1912 to 1913 under the Payne-Aldrich law was 9⅝ per cent; the increase in 1913 to 1914 under the Democratic tariff, put in percentages, was 4.4 per cent; so that the increase in imports for the year 1913 over the year 1912 under Republican tariff was 9⅝ per cent, as against a 4.4 per cent increase for the fiscal year 1914 under the Democratic tariff law over the year 1913, or an increase of about twice as much under the operation of the Payne law, in one year, as under the operation of the Democratic tariff law.

Mr. SMITH of Michigan. But there was a larger domestic business then.

Mr. SIMMONS. No; I am referring to imports.

Mr. THOMAS. Mr. President, in this connection I want to call the attention of the Senator from North Carolina to a statement from the New York Evening Post, which I caused to be inserted in the RECORD yesterday, which is designed to show that a comparison of the exports of 1914 with those of 1913 alone is misleading, and that when those comparisons are carried further back it is demonstrated that the amount of the falling off in exports between those two years is comparatively small as compared with the different percentages in the falling off between the exports of 1914 and the exports of years previous to 1913. It is a very instructive article.

Mr. SIMMONS. Does the Senator desire to put that in the RECORD?

Mr. THOMAS. It was inserted in the RECORD yesterday, and I was only calling the attention of the Senator from North Carolina to it.

Mr. SIMMONS. Well, Mr. President, that is all I care to say about this matter of imports. If the increase in the imports of this country results in depriving labor of work, as the Senator from Utah says, then, according to the statistical figures which I have given here and which can not be disputed, the imports under the Payne-Aldrich law during the two previous years caused a great deal more falling off and deprivation of jobs than has been caused since then under the Democratic law.

Mr. SMITH of Michigan. Oh, no.

Mr. SIMMONS. But let me proceed, Mr. President. We are very familiar with the argument that was made with respect to imports when this tariff bill was up for consideration. We were told that we would be flooded with imports, and the countries from which we were told these imports would come were the manufacturing countries, not the agricultural countries. Nobody doubted our ability to protect ourselves when we made a good crop against the agricultural countries. Nobody raised very seriously the question of our ability to protect ourselves against these agricultural imports. The argument was confined mainly to the general proposition that Germany and Great Britain and France and Belgium and other countries in Europe could manufacture products so much cheaper than we could that if we made these reductions in duties our markets would be invaded and inundated with these foreign manufactured products.

Now, the fact is, entirely in line with the argument which I have just made, and supporting the statement which I have just made, that these importations were largely food products to supply a demand caused by the bad crops in this country—the increase in imports that the Senator refers to in the last few months, and which I admit has come very largely from the agricultural countries and not from the manufacturing countries, especially not from the manufacturing countries of Europe. There has been hardly any change either in the import or the export situation between this country and Europe since the passage of the tariff act.

To bear out that statement I want to read a few official figures, and then I shall conclude. I have much more that I should like to say in this connection, but in the interest of time, and not to trespass upon the Senate when it wants to proceed to something else, I want simply to read the statistics of imports and exports between this country and Europe since the passage of this act, and then I shall conclude.

Imports from Great Britain for 11 months ending May, 1913, $275,362,605.. Imports from Great Britain for 11 months ending May, 1914—this year—$268,910,041.

Imports from Great Britain have fallen off. Great Britain was the country, the great manufacturing center, the home of pauper labor, which, according to protectionist argument, was to engulf us with its cheap products; and yet there has been a falling off of more than $6,000,000 of imports under our Democratic tariff.

Exports to Great Britain during 11 months ending May, 1913, $565,851,978. Exports to Great Britain during 11 months ending May, 1914, $557,837,521, a falling off in our exports to Great Britain of less than $8,000,000.

Here are the figures for all of Europe, embracing the great manufacturing countries of the world; the countries from which we had the most to dread, according to protectionists; the countries that were to come upon us like a mighty army and sweep away our factories, to take away the jobs of our laboring men. All of Europe—imports for eleven months ending May, 1913, $829,842,558. Imports from all of Europe for 11 months ending May, 1914, $826,430,748, a falling off of $3,412,000 in imports from all of Europe.

I am talking now about the first 11 months of these years, and not the whole fiscal year; the first 11 months of this year compared with the like number of months of last year. We have not yet the figures for the entire fiscal year of 1914.

Now, take the exports. Exports to all of Europe for these 11 months, 1913, $1,397,985,962. For the same 11 months of 1914, exports to all of Europe, $1,396,187,935.

Expressed in billions and in millions, there was exactly the same export trade between this country and Europe during the 11 months just past and the 11 months of the fiscal year ending June, 1913.

From these figures it appears that our imports from Great Britain for the 11 months ending May, 1914, were $6,000,000 less than for the same months in 1913, and our imports from all of Europe were likewise $3,400,000 less in 1914 than in 1913, while our exports to Europe were almost precisely the same for the same period of time.

As I said, Mr. President, some time before this Congress adjourns I desire to review this whole situation, but everybody recognizes that this is not the time. I apologize to the Senate for saying this much to-day, and I would not have done it but for the fact that the Senator from Utah made the statement that he did.

Mr. GALLINGER. Mr. President, no Member of this body is more anxious than I am that this session shall close. I acted as a member of the committee of conference on the bill that is before the Senate, and I want to see it agreed to as

speedily as possible. Notwithstanding that, however, I shall take a few minutes to put in the RECORD one or two facts that I think it is important should be placed in that publication, in view of what has transpired this morning.

The fact is, we all need a rest. There is not a Member in this Chamber, nor a Member of this body outside of the Chamber, who does not want to get home and who ought not to be permitted to go home. The President of the United States to-day ought to be breathing the health-giving ozone of the mountains and lakes of New Hampshire instead of the superheated atmosphere of Washington. We ought to adjourn as speedily as possible.

A few days ago I took from a former Democratic paper an item that interested me. It is headed:

GIVING CONGRESS ITS HAT.

It is chronicled of the evil King Jehoram that "he departed without being desired." This will be written in the history of the United States of the Congress that has prostrated business and is persisting at its task. Never has there been a Congress that so thoroughly vindicated the principle of the recall, that has so abundantly earned the condemnation of the undesired king.

But why should this Congress tarry in overheated Washington to add yet more to the discouragement of industry and the demoralization of commerce? Why should the eminent statesmen expose themselves to the torrid climate of Washington till they see the ashes of prosperity scattered on the waters?

The Nation to-day stands in the attitude of the bored and disgusted host, saying to the Congress fervently and with unaffected urgency, "Here's your hat! What's your hurry?"

I also clipped from the New York Tribune a few days ago an article headed "Not patriotism, but cowardice." The Tribune says:

It is not patriotism, but political cowardice, which keeps Congress in session at Washington. The leader of the majority in the House wants to quit. Five-sixths of his followers want to quit. Yet because the President has cracked the lash the weary toilers mechanically keep on toiling. They have no interest in their work, and the country has no interest in it.

Mr. President, that has been demonstrated over and over again during the past week, when we had to spend 15, 20, and sometimes 30 minutes in the middle of the day to secure a quorum of this body. The Senate has had no interest in its work; the Senators want to get away from Washington; and, in my opinion, the sooner Congress adjourns the better it will be for the country. The Tribune continues:

The only effect of the passage of the antitrust bills now pending in the Senate would be to surround with new uncertainties all prosecutions under the Sherman law and to retard further the recovery of business. There is no patriotism involved in muddling up a situation which had been almost completely clarified and further delaying the return of prosperity.

Nearly everybody about Washington except President Wilson sees this. He sets up his opinion against that of the Democrats in Congress and calls their surrender to him an act of patriotism. It is something to their credit that they are loath to accept as such what he has described as a decoration of honor. If there is nothing better and higher in patriotism than subserviency to a party leader, there would be no sting for anybody in going down in history as a man without a country.

Mr. President, I do not at this time intend to go into a discussion of the question that was raised by the Senator from Utah, and which has been replied to so vehemently by the Senator from North Carolina.

Mr. JONES. Mr. President, before the Senator proceeds, I have a little clipping here that might be of interest right along the line of those which he has just read.

Mr. GALLINGER. I shall be pleased to have the Senator put it in the RECORD.

Mr. JONES. It is an account of an interview with Senator WILLIAMS, of Mississippi, and is dated at Atlantic City.

JOHN SHARP WILLIAMS, United States Senator from Mississippi, is authority for the statement that the Democratic majority at Washington is worn out, peevish, and utterly weary of the work President Wilson has cut out for it, but determined to go through with the task if it takes months, instead of weeks, to come.

* * * * * * *

"We have gone so far that it would be suicidal to stop," he said this afternoon. "Months of discomfort and strain, particularly during the warm weather, have reduced many of the Senators to a condition which precludes the sanest and best work, but the only thing possible now is to go ahead."

Mr. GALLINGER. Why, Mr. President, everybody agrees to that in private conversation; but it is a little surprising to me that any Democratic Senator has openly announced the opinions which he so freely gives to his colleagues in the Senate in private conversation.

Mr. JONES. That was what surprised me, and that is the reason I thought it would be well to have it in the RECORD.

Mr. GALLINGER. I was about to say that I have noted the fact that the Senator from North Carolina says that he intends to discuss matters relating to tariff legislation at length before the adjournment of this session. I hope it will be before snow flies, because some of us would like to get home and look over our farms and get acquainted with our constituents; but whenever it may be I shall doubtless be here, and will then take the opportunity to put in the RECORD many facts that I have in my possession, and a great many more that I shall accumulate between now and that time.

For the present I am going to content myself with placing in the RECORD, without reading, if the Senate will give me permission, a letter from the Manufacturers' Association of Montgomery County, Pa., showing the condition of industrial affairs in that county, which I commend to the Senator from North Carolina and his Democratic associates.

The VICE PRESIDENT. Is there any objection? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

MANUFACTURERS' ASSOCIATION OF MONTGOMERY COUNTY,
Norristown, Pa., July 17, 1914.

Hon. WOODROW WILSON,
President of the United States, Washington, D. C.

DEAR SIR: The purpose of this letter is to lay before you, as President of the United States and leader of the political party now in power, the existing business conditions of those manufactories and other industries which make up the Manufacturers' Association of Montgomery County, Pa.

This association represents industries which lie in that part of the Schuylkill Valley covered by the county named, which county is adjacent to Philadelphia. It does not embrace all the industries in this county. It is, however, representative, and whatever is said of the conditions of the factories, etc., of this association applies with equal force to all other like industries hereabouts. It is a general condition that is here set forth.

Under existing circumstances we feel it to be our duty in this most unusual way to lay certain facts before you, and to lay these facts before you for the reason that if any relief is to come, so far as we can see, that relief must come through you. If there is no relief, then the outlook is nothing less than frightening.

In a great measure that part of the Schuylkill Valley for which we now speak is industrially paralyzed. Appalling as that statement is, it does not exaggerate real conditions. We might lay before you an elaborate statistical plan showing just how many hours in the week many of our factories have curtailed; we might in this way show you just what the percentage of loss of wages to the workpeople is; we might work out for your easy reading what the individual losses aggregate to a given group as compared with this time one year ago. We content ourselves, however, with the broad statement—a statement based on facts quite within our control and always ready for your inspection—that such are the conditions here now that should these conditions become permanent, it would mean the annihilation of many of these industries and all the consequences which such disaster would carry with it. If these conditions are not improved, they mean destruction. It is in the presence of this impending ruin that this letter is written.

We would not bring this situation in this public way to your attention were we not convinced that you have the power to give, in some measure at least, the relief we ask and to which we are entitled. Mark, please, the relief to which we are entitled. We are not asking a favor. We are seeking to avoid a calamity. We have been told that we are asking too much of human nature to suggest a modification of the tariff law so lately passed by the party now in power and which became a law over your willing signature. We dare submit, however, that when a law like that under trial shows that it brings relief neither in the direction of lower prices of the things we eat nor increased opportunity for labor in the things which we make, when, in fact, its operation proves that it closes down much of the machinery in our own country, and to this extent increases the importation of goods of this same kind produced abroad, when, we say, a law in operation proves itself to be that kind of a cruelty to both capital and labor, then the splendid opportunity does arise for the party in power to acknowledge its mistake and reverse its error. No finer opportunity ever presented itself to any political party to rise above partisanship and serve the people than is now offered the Democratic Party to so modify the present tariff law as to give both capital and labor a decent chance in the country in which that Democratic Party boasts that it is the servant of the people. Some of our friends say it is useless to ask such a thing. They tell us that in anger you will rebuke us for making such a suggestion. If we were trifling, if we were not in dead earnest, if we were writing this letter merely as critics of your administration, then we might be met in this spirit. But when we are standing in the presence of capital jeopardized, in the presence of suffering and want, in the presence of idle men and women who pray for work and who can not get it, because of the tariff law which your party has passed and you have signed with pleasure, then we will not hesitate to say that under such circumstances as these the President of the United States falls far below the standard of his high office when, as the servant of the people, he meets their appeal in either anger or indifference. We say now and here that the Manufacturers' Association of Montgomery County, Pa., does ask that this law be modified, and modified now, by the party in power, which made the serious mistake of forcing it upon us for even a short time. That party under your leadership can do this. In this hour of the people's trial that party and its leader should do no less. They are the servants of the people.

We have more to say. We need relief from some impending legislation which, according to the public press, you now propose to have enacted before the present Congress adjourns. It is difficult to describe to you the effect which this impending legislation has upon that part of the country which we represent and for which we now speak. No word better describes it than fright. It is right that you should know this. It is right that you should know that men are asking, Is capital to be tabooed? Are successful business men to be declassed as citizens and classified as malefactors? Is the law to say to one class of citizens sabotag is lawful and to another class property is plunder? The feeling is abroad that malice and class hatred are being toyed with by our representatives at Washington. Men are frightened as never before in the history of this Nation. They tremble for their country. They fear the cause of the depression is more dangerous than the effect. Men bear to you the tidings, so it is said, that there is no depression, men are not out of work, the country suffers from nothing but "calamity howlers." Our answer is this: In the Schuylkill Valley there is depression; the streets of the Schuylkill Valley towns are lined with men who have no work who one year ago were well employed; the floors of the Schuylkill Valley warehouses are piled with goods, for which there is no market and no demand. We speak only for the Schuylkill Valley,

but for that we do speak. When any man rises in your presence to tell you, as President of our country, that these men in the Schuylkill Valley can work if they will, that the work is here, and that they are crying out merely to discredit your administration, that all this talk about depression is due to an inflamed imagination, then we rise to say that that man, whoever he may be, is guilty of mockery that is exquisitely cruel.

It is said that all we need is confidence. True. That is just what we now come to you for. Confidence. Speak the word. Tell us that no bill brought before you which discriminates between capital and labor will meet with your approval. Tell us that all so-called trust legislation shall meet with your disapproval and your veto until such time as the country has had opportunity to recover from the shock of laws already passed and full time to weigh well new laws now pending. Tell us that you do not share the feeling of those who would heckel the so-called "vested interest" and destroy the property of the other man by legislative enactment. Tell us that you do not believe that hospitals and colleges and charitable institutions which are accepting support from funds provided by those who made that money in "big business" are accepting unholy help. Tell us that you believe the pension offered by the "American millionaire" to old and honorable educators may be money honestly gathered by decent methods. Tell us that legal vandalism is as horrible to you as any other form of anarchy. Tell us these things. Say them out loud where the people can hear you. Say them straight and clear and without equivocation or reservation. Do this and modify the tariff and there will flow over this land a wave of that kind of confidence that will from that day mean prosperity to all the people. We need confidence. We come to Washington to get it. We have nowhere else to go. It can be had at no other place. It can be had there, and we come there to get it. The issue is squarely before you.

In the name of unremunerated capital, in the name of honest, independent labor, in the name of every man and woman whose comfort and happiness depends upon the general welfare of all the people, we do now and here ask that you say these things we have asked you to say. To say these things will show capital, and it will show labor, that we have a President who will set his face as flint against demagogy in all its subtle forms. That will restore confidence. It has been recently asked, editorially, by one of the great daily papers of this country:

"Of what value will any advice be to a man whose mind is made up? Mr. Wilson is open to no argument. He has marked out his path and declared his fixed intention to follow it to the end, whatever the result to the business of the country."

"Whatever the result to the business of the country!" If that be true, then this letter and the broad and best interests of both capital and labor behind this letter can receive no consideration at your hands. If that be true, then, as has been said, editorially, by another great and independent journal of this country, we stand face to face with that condition which can only mean that—

"The prestige of our manufacturers attained by such a gallant struggle is to be destroyed by those who neither understand its significance or realize its priceless value."

Sincerely, yours.

C. F. WILLIAMS,
President Manufacturers' Association of Montgomery County.
W. W. FINN,
Secretary Manufacturers' Association of Montgomery County.

Mr. CHILTON. Mr. President, it is with some diffidence that I put in the RECORD at this time the fact that the sum total of the calamity set forth to the Senate awhile ago by the Senator from Utah is about $167,000,000. Whether that was represented by the falling off of exports or imports, the one or the other, is not material. That is his charge. I want the Senate to know that by the report of a department of this Government that is short by 130-odd millions of the peculations from one great corporation in New England, to wit, the New York, New Haven & Hartford Railroad, to correct which we have three bills pending before the Senate now, reported from committees, regardless of party; and we say to the country that our bills will not only prevent that from occurring in the future, but they will punish those who are guilty of that kind of thing in the future.

The country therefore is presented with the question whether or not we shall filibuster and delay here in talking about the small matters, when the large matters immediately before us for correction are now before the country, and this side of the Chamber is asking the other side to allow us to pass the needed legislation.

Mr. GALLINGER. Mr. President, just a word. If it were not for the New York, New Haven & Hartford Railroad situation, I do not know what Senators on the other side of the Chamber would talk about. It has no more to do with the industrial conditions in this country to-day than the contents of last year's almanac. The New York, New Haven & Hartford Railroad Co. is to be attended to by the legal department of the United States Government, as I think it ought to be, unless a satisfactory adjustment can be made outside of the courts. But whatever course is pursued I am content, as a New England man, to let the corporation defend itself in any way it can.

Mr. President, I understand the Senator from Missouri [Mr. REED] is going to address the Senate, and we all want to hear him. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

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

Ashurst	Bryan	Chilton	Crawford
Bankhead	Burton	Clapp	Cummins
Borah	Camden	Clark, Wyo.	Gallinger
Brady	Catron	Clarke, Ark.	Hitchcock
Brandegee	Chamberlain	Colt	Hughes
James	Myers	Shafroth	Swanson
Jones	Newlands	Sheppard	Thomas
Kenyon	Norris	Shields	Thompson
Kern	Overman	Shively	Thornton
Lane	Page	Simmons	Tillman
Lea, Tenn.	Perkins	Smith, Ariz.	Vardaman
Lee, Md.	Pittman	Smith, Ga.	Walsh
Lewis	Poindexter	Smith, Md.	Weeks
Lippitt	Ransdell	Smoot	West
Martin, Va.	Reed	Stone	White
Martine, N. J.	Saulsbury	Sutherland	Works

The VICE PRESIDENT. Sixty-four Senators have answered to the roll call. There is a quorum present. The morning hour having expired, the Chair lays before the Senate the unfinished business, which will be stated.

The SECRETARY. A bill (H. R. 15613) to create an interstate trade commission, to define its powers and duties, and for other purposes.

Mr. MARTIN of Virginia. I ask that the unfinished business be temporarily laid aside, in order that we may dispose of the conference report on the general deficiency bill.

The VICE PRESIDENT. Is there objection? The Chair hears none. The question is on agreeing to the conference report.

The report was agreed to.

Mr. MARTIN of Virginia. I move that the Senate further insist on the one amendment, amendment numbered 158, that is in disagreement between the two Houses.

The motion was agreed to.

Mr. MARTIN of Virginia. I ask that there be printed in the RECORD a letter that I have which has relation to matters which were discussed yesterday.

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

TREASURY DEPARTMENT,
Washington, July 23, 1914.

Hon. THOMAS S. MARTIN,
Chairman Committee on Appropriations,
United States Senate.

MY DEAR SENATOR: Replying to your telephone inquiry of this morning concerning the Senate amendments to the pending general deficiency bill for the public-building projects at Martinsburg, W. Va., and Spanish Fork, Utah, I beg to advise you as follows:

MARTINSBURG, W. VA.

This is an authorization for extending and remodeling, etc., the public building at this place, authorized in the public-building act of March 4, 1913, at a limit of cost of $20,000.

At the commencement of the present fiscal year—July 1, 1914—the Office of the Supervising Architect had before it authorized extensions and new buildings totaling $38,500,000 for construction work alone; that is to say, exclusive of the cost of land. Included in this total was over $6,000,000 worth of construction work authorized prior to the act of March 4, 1913.

The technical force employed in the Office of the Supervising Architect, which is now working at its maximum capacity, is able to place under contract each year work to the value of about $7,000,000. It therefore appears that this office has about one year's work ahead of it before it will commence upon any projects authorized in the act of March 4, 1913.

Under date of May 6, 1914, I transmitted to the Speaker of the House a letter (H. Doc. No. 907, 63d Cong., 2d sess.) setting forth the status of the public-building work and containing a list of projects authorized prior to the act of March 4, 1913, for which the plans and specifications would be prepared after July 1, 1914. The department feels that it is committed to this program, and the Office of the Supervising Architect is taking up each of the projects listed in the relative order stated.

In view of the fact that the Office of the Supervising Architect had ahead of it July 1 this year nearly five and one-half years' work, it became, of course, necessary to fix upon a plan which would determine the rotation in which various projects are placed under contract. The evident and equitable method of procedure is to take up the various projects according to the acts in which they are authorized. For this reason the buildings and extensions authorized in the act of March 4, 1913, will not be placed under contract until all prior authorizations have been taken care of.

Inasmuch as work on the bill of March 4, 1913, can not commence until about July 1, 1915, it is unnecessary at this time for Congress to appropriate for the authorized extension to the building at Martinsburg, W. Va. Any sums necessary for commencing this work may be carried in the sundry civil bill for the fiscal year 1916, which will probably pass about four months before work commences on the buildings authorized in the 1913 act.

It is noted in the CONGRESSIONAL RECORD of yesterday Senator CHILTON'S statement that a department of the Government should not make the excuse that it is not ready to carry out the will of Congress. Without wishing to enter into any argument, I would be glad to assure the Senator that this is not the attitude of the Treasury Department, but that the inability to take up the Martinsburg project at this time is solely due to the fact that building authorizations have piled up far in excess of the annual capacity of the Office of the Supervising Architect. To appropriate for the Martinsburg project at this time would not mean that the department would give it special attention and advance it out of the place which has been equitably determined for it, unless the legislation carried with it a mandate requiring the Secretary of the Treasury to place this work under contract immediately, regardless of prior claims of projects authorized in earlier legislation.

I regret the necessity of such a lengthy explanation, but I am most anxious that both you and Senator CHILTON may understand that this department, instead of refusing to carry out the will of Congress, is most anxious to do so, but believes that it must not discriminate in carrying out the public-building program. For the reasons stated above, the department can not submit at this time an estimate for an ap-

propriation for the work authorized to be undertaken in connection with the extension of the public building at Martinsburg, W. Va.

SPANISH FORK, UTAH.

July 17 the department transmitted to your committee a supplemental list of sites for public buildings upon which the department had received the recommendation of the Post Office Department. This list did not include any estimate for an appropriation for the site at Spanish Fork, Utah. Since the estimate was submitted the department has received from the Post Office Department the recommendations of the latter concerning other site projects. The department was willing to submit estimates for these further site projects, but upon inquiry of the House Committee on Appropriations was informed that the bill was closed. Among these latter site matters is that at Spanish Fork, Utah. If the appropriation is made at this time the department believes that it will be able to reach its decision and acquire a site. Nevertheless, to submit an estimate for this project only at this time and ignore the other sites to which reference has been made, would appear to be a discrimination which the department is desirous of avoiding. Nevertheless, should the conferees agree that the Spanish Fork item remain in the general deficiency bill, the department will not interpose any objection, as this matter is one in a very different position than the extension to the building at Martinsburg, W. Va.

Respectfully,

BYRON R. NEWTON,
Acting Secretary.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House further insists upon its disagreement to the amendment of the Senate No. 158 to the bill (H. R. 17824) making appropriations to supply deficiencies in appropriations for the fiscal year 1914 and for prior years, and for other purposes; asks a further conference with the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. FITZGERALD, Mr. SISSON, and Mr. VARE managers at the further conference on the part of the House.

The message also announced that the House insists upon its amendments to the bill (S. 1784) restoring to the public domain certain lands heretofore reserved for reservoir purposes at the headwaters of the Mississippi River and tributaries, disagreed to by the Senate; agrees to the conference asked for by the Senate on the disagreeing votes of the two Houses thereon; and had appointed Mr. FERRIS, Mr. GRAHAM of Illinois, and Mr. LENROOT managers at the conference on the part of the House.

The message further announced that the House agrees to the amendments of the Senate to the bill (H. R. 16294) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war.

The message also announced that the House disagrees to the amendments of the Senate to the bill (H. R. 15959) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy of wars other than the Civil War and to widows of such soldiers and sailors, asks a conference with the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. KEY of Ohio, Mr. KEATING, and Mr. SELLS managers at the conference on the part of the House.

The message further announced that the House disagrees to the amendments of the Senate to the bill (H. R. 16345) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy of wars other than the Civil War and to widows of such soldiers and sailors, asks a conference with the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. KEY of Ohio, Mr. KEATING, and Mr. SELLS managers at the conference on the part of the House.

The message also announced that the House disagrees to the amendments of the Senate to the bill (H. R. 17432) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy of wars other than the Civil War and to widows of such soldiers and sailors, asks a conference with the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. KEY of Ohio, Mr. KEATING, and Mr. SELLS managers at the conference on the part of the House.

FEDERAL TRADE COMMISSION.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 15613) to create an interstate trade commission, to define its powers and duties, and for other purposes.

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

Mr. KERN. Mr. President, by permission of the Senator from Missouri [Mr. REED]——

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

Mr. REED. Certainly.

Mr. KERN. I move that when the hour of 6 o'clock arrives, the Senate take a recess until 11 o'clock to-morrow.

The VICE PRESIDENT. The Senator from Indiana moves that when the hour of 6 o'clock arrives, the Senate take a recess until 11 o'clock to-morrow.

Mr. CUMMINS. I assume that the motion just made by the Senator from Indiana [Mr. KERN] is not debatable; but I beg to suggest to him that he ought not to make that motion this afternoon in view of the pendency of the resolution which I offered this morning.

Mr. KERN. I think there will be no trouble about unanimous consent for the consideration of the resolution to-morrow.

Mr. CUMMINS. I do not know with regard to that.

Mr. KERN. I feel obliged to make the motion.

Mr. CUMMINS. I shall feel compelled to ask for a roll call upon the motion if it is made now, although ordinarily I might not do so.

Mr. SMOOT. Mr. President, I desire to say to the Senator from Indiana that if we are not going to have any morning business, if we are going to take a recess from day to day, I think the proper thing to do would be to prevent the introduction of any such business at any time, to have no morning business until the trust legislation is out of the way.

Mr. KERN. I have made the motion, and I feel that I must insist upon it, for it is necessary.

The VICE PRESIDENT. The question is on the motion of the Senator from Indiana.

Mr. CUMMINS. Upon that I ask for the yeas and nays.

The yeas and nays were ordered.

The VICE PRESIDENT. The Secretary will call the roll.

Mr. GALLINGER. Mr. President, before the roll is called, I want to make an inquiry of the Senator from Indiana [Mr. KERN]. What is the exigency that requires us to depart from the usual rule of adjourning and meeting at a given hour? There must be some reason for it.

Mr. REED. I can not yield for debate, Mr. President.

Mr. ASHURST. Regular order!

Mr. KERN. It is not necessary that I answer the interrogatory of the Senator from New Hampshire.

The VICE PRESIDENT. The Secretary will call the roll.

Mr. GALLINGER. Mr. President——

The Secretary called the name of Mr. ASHURST, and he answered in the affirmative.

Mr. GALLINGER. Mr. President, I have not yielded the floor.

The VICE PRESIDENT. The Chair is compelled to state to the Senator from New Hampshire that this is a motion that is not debatable, and the yeas and nays have been ordered.

Mr. GALLINGER. Mr. President, I think if the Chair will examine the rules, he will find that this is not a motion to take a recess.

The VICE PRESIDENT. That is what the Chair construed it to be—a motion to take a recess.

Mr. GALLINGER. It is a suggestion that when a certain hour arrives we then take a recess. This motion does not come under the rule which says that a motion to take a recess is not debatable. However, Mr. President, I have no disposition to delay the Senate, and with this suggestion will permit the roll to be called.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary resumed the calling of the roll.

Mr. CHAMBERLAIN (when his name was called). I have a general pair with the junior Senator from Pennsylvania [Mr. OLIVER]. In his absence, and in the absence of a transferee, I withhold my vote.

Mr. CULBERSON (when his name was called). I have a general pair with the Senator from Delaware [Mr. DU PONT]. In his absence, I withhold my vote.

Mr. GRONNA (when his name was called). I have a general pair with the senior Senator from Maine [Mr. JOHNSON]. I transfer that pair to my colleague [Mr. MCCUMBER] and vote. I vote "nay."

Mr. HOLLIS (when his name was called). I have a general pair with the junior Senator from Maine [Mr. BURLEIGH], and withhold my vote, unless it be necessary to make a quorum.

Mr. MYERS (when his name was called). I have a pair with the junior Senator from Connecticut [Mr. MCLEAN]. Although under the liberal terms of that pair I often feel at liberty, when I may feel so disposed, to set aside the pair, this vote presenting more or less of a party question, I do not feel at liberty on it to disregard the pair. I therefore refrain from voting.

Mr. SMITH of Maryland (when his name was called). I transfer my pair with the senior Senator from Vermont [Mr. DILLINGHAM] to the senior Senator from Virginia [Mr. MARTIN] and vote "yea."

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from New York [Mr. ROOT], which

I transfer to the junior Senator from Kansas [Mr. THOMPSON], and vote "yea."

The roll call was concluded.

Mr. CLARK of Wyoming. I desire to announce the absence of my colleague [Mr. WARREN] and his pair with the Senator from Florida [Mr. FLETCHER].

Mr. CATRON. I transfer my pair with the Senator from Oklahoma [Mr. OWEN] to the Senator from Illinois [Mr. SHERMAN] and vote "nay."

Mr. GALLINGER (after having voted in the negative). I voted inadvertently. I am paired with the junior Senator from New York [Mr. O'GORMAN]. I transfer my pair to the senior Senator from Ohio [Mr. BURTON], and will allow my vote to stand.

Mr. SAULSBURY. I inquire if the junior Senator from Rhode Island [Mr. COLT] voted?

The VICE PRESIDENT. He has not.

Mr. SAULSBURY. Then, I withhold my vote, having a pair with that Senator.

Mr. SMITH of Georgia (after having voted in the affirmative). I have a general pair with the senior Senator from Massachusetts [Mr. LODGE], and I think I ought, therefore, to withdraw my vote.

Mr. TILLMAN (after having voted in the affirmative). I have a general pair with the Senator from West Virginia [Mr. GOFF]. I voted a little while ago because I thought he was in the Chamber. I now learn he is not. Therefore I transfer that pair to my colleague [Mr. SMITH of South Carolina] and will allow my vote to stand.

Mr. SMOOT. I desire to announce that the Senator from Pennsylvania [Mr. PENROSE] is paired with the Senator from Mississippi [Mr. WILLIAMS], the Senator from Michigan [Mr. TOWNSEND] is paired with the Senator from Arkansas [Mr. ROBINSON], and the Senator from Wisconsin [Mr. STEPHENSON] is paired with the Senator from Oklahoma [Mr. GORE].

Mr. WALSH (after having voted in the affirmative). On account of the absence of the senior Senator from Rhode Island [Mr. LIPPITT], with whom I have a pair, I withdraw my vote.

Mr. JAMES. I desire to inquire if the junior Senator from Massachusetts [Mr. WEEKS] has voted?

The VICE PRESIDENT. He has not.

Mr. JAMES. I have a pair with that Senator, but I transfer that pair to the junior Senator from Oregon [Mr. LANE] and vote. I vote "yea."

Mr. LEWIS. I desire to announce the absence of the Senator from Kansas [Mr. THOMPSON], who was called away from the Chamber by illness.

Mr. CHILTON. I have a general pair with the Senator from New Mexico [Mr. FALL], but under its terms I can vote on such a question as this. I vote "yea."

Mr. GALLINGER. The Senator from Ohio [Mr. BURTON], to whom I transferred my pair, having entered the Chamber and voted, I now desire simply to announce my pair with the junior Senator from New York [Mr. O'GORMAN] and withdraw my vote.

The result was announced—yeas 37, nays 19, as follows:

YEAS—37.

Ashurst	Kern	Ransdell	Swanson
Bankhead	Lea, Tenn.	Reed	Thomas
Borah	Lee, Md.	Shafroth	Thornton
Bryan	Lewis	Sheppard	Tillman
Camden	Martine, N. J.	Shields	Vardaman
Chilton	Newlands	Shively	West
Clarke, Ark.	Overman	Simmons	White
Hitchcock	Pittman	Smith, Ariz.	
Hughes	Poindexter	Smith, Md.	
James	Pomerene	Stone	

NAYS—19.

Brady	Clapp	Jones	Perkins
Brandegee	Clark, Wyo.	Kenyon	Smoot
Bristow	Crawford	Nelson	Sutherland
Burton	Cummins	Norris	Works
Catron	Gronna	Page	

NOT VOTING—40.

Burleigh	Gore	Myers	Smith, Mich.
Chamberlain	Hollis	O'Gorman	Smith, S. C.
Colt	Johnson	Oliver	Stephenson
Culberson	La Follette	Owen	Sterling
Dillingham	Lane	Penrose	Thompson
du Pont	Lippitt	Robinson	Townsend
Fall	Lodge	Root	Walsh
Fletcher	McCumber	Saulsbury	Warren
Gallinger	McLean	Sherman	Weeks
Goff	Martin, Va.	Smith, Ga.	Williams

So Mr. KERN's motion was agreed to.

Mr. REED resumed and concluded his speech, which entire is as follows:

Mr. President, lest I should forget it later on, I perhaps ought to say a preliminary word. I have recently discovered through the columns of a great newspaper that I was at one time a Republican. This paper apparently is disturbed lest I should return to that fold. It may be, Mr. President, that I was at one time a Republican, but if so it must have been in some prehistoric age, when I was previous to this existence upon this earth. I think it would be necessary to trace me back to the time when all life was limited to primordial protoplasm to discover that fact.

I have been accused of this supposed crime only very recently. If it will add to the peace of mind of the editorial writer, who has been exploiting his idea as a basis for editorial criticism, I will state to him that when I was 18 years of age I was engaged in canvassing my State for the Democratic State ticket; that from that time to this hour I have given my time and effort in every political campaign to the best of my very poor ability in favor of the Democratic Party; that my hand has never held a pencil that drew a scratch through the name of a Democrat printed upon a ticket. I may add that in 1896, when certain distinguished gentlemen and certain great newspapers were firing from the brush into the backs of the Democratic hosts, I was on the battle line just as an humble private, but as far as I had ability I was seeking to uphold the hands and the cause of the present Secretary of State.

The anxiety manifested in certain newspaper quarters, if not elsewhere, lest I should wander from the Democratic fold, is extremely interesting in view of the facts I have just related. Let me say here now, and say it with some emphasis, that I have not only always supported my ticket, but I have always supported my party platform. I have never been compelled to indulge in special pleadings to excuse myself for violating one plank by setting up the pretense that I am justified under another plank.

Mr. President, I am not surprised at these newspaper statements. I take them rather good naturedly than otherwise. The International Harvester Co. has many arms. It is only one of that pestiferous litter whelped in the Morgan offices. These are all united by the triple ties of consanguinity, affinity, and interest.

MONOPOLY.

Monopoly is a quagmire that has a common origin and a common bed. Touched at its circumference it quivers throughout its entire body. Shake it, and there will come crawling to the surface the foul beasts that inhabit its slime. Their heads will appear in concert, and their angry cries unite in an inharmonious chorus of malediction. Their cause is as much in common as was that of Ali Baba's Forty Thieves. Disturb the International and you arouse the Steel Trust. Awaken it, and you excite a chain of subsidiary companies. You start into activity the Standard Oil and all its allies are instantly upon the scene of action—a vast chain of banks, a measureless network of corporations, held together by illegal agreements and interlocking directorates. You arouse the malicious activity of every newspaper controlled by crooked business.

You may count upon the fact that, through the business agents of the International Harvester Co., the emissaries of the Steel Trust, and gentlemen of like ilk, there can be speedily produced for publication numerous interviews from business men, petitions from boards of trade, and especially plaintive supplications from "farmers" who are strangely interested in the welfare of the International Harvester Trust. We may therefore expect a flood of public opinion from this fountain source of purity to speedily engulf the Senate.

PRIVATE MONOPOLY IS INDEFENSIBLE.

As for myself, having always been a Democrat, believing in the fundamentals of that party, I stand here to-day to proclaim as of old that private monopoly is indefensible and intolerable.

"Private monopoly is indefensible." How familiar the phrase sounds! For 25 years it has been a cardinal doctrine of the Democratic faith. It has been a pillar of cloud by day and a pillar of fire by night, guiding the Democratic hosts from the valleys of defeat to the sunlit heights of victory. You can no more expurgate it from the philosophy of Democracy than you can obliterate the doctrine of the Trinity from the creed of Christianity. By a thousand solemn acts and convocations we are pledged to the extermination of monopoly.

All enemies of monopoly are fundamentally Democrats. All friends of monopoly are enemies of Democracy.

Those who create monopoly war against the Democratic Party. Those who perpetuate monopoly are as guilty as those who create it.

Those who honor monopolists give aid and comfort to the enemies of Democracy and the cause of human liberty.

"Private monopoly is indefensible." The expression finds its equivalent in the phrase "Private monopoly is criminal." Those who create, foster, and encourage that which is criminal are themselves criminals.

"Private monopoly is indefensible." The proposition has its corollary in the oft-repeated doctrine that those who organize or operate monopoly should be held personally responsible and be tried and condemned as criminals.

Respectability constitutes no excuse for crime. When education, learning, or great riches can be woven into a cloak to cover corrupt, criminal, and unlawful practices, justice is dead in the Republic.

When a man who pilfers from hunger or steals a trifle to supply a necessity is sent to jail and those who in the teeth of the law organize commercial marauding expeditions and plunder communities and entire States not only go unwhipped of justice but are crowned with offices and showered with honor, an evil day has arrived.

I do not believe in sending the man who steals a loaf of bread to jail and exalting those who rob a nation.

The reason monopoly has not been destroyed is because monopolists have been both powerful and respectable.

If money can not buy respect, it can purchase its counterfeit.

The golden calf still commands adoration.

Monopoly can not gain rights by prescription. Long-continued robbery does not ripen into a privilege. You can not steal long enough to make larceny a vested right. If you could, thievery would be an established and flourishing business.

A man who volunteers to serve on board a pirate ship with an already established criminal history may be worse than one who enlists with the original crew. The latter might have been deceived into the service. The former knows the gory record of the craft. He sees the black flag at the masthead. He steps upon decks slippery with the blood of the slaughtered. A gentleman of that kind knows what he is doing.

In the forum of morals there is no statute of limitations.

The commonest plea of the scoundrel is that he was beguiled by others. Adam invented that defense. It was not good when it was made, and it is not good now.

The executioner who during the French Revolution operated the guillotine could not shift his crime to Antoine Louis, the inventor of the instrument, nor be heard to say that prior to his employment the knife had already gathered a great harvest of innocent heads.

The man who helps to conduct the Harvester Trust can not escape responsibility by alleging that his sponsor and friend created it before he took service.

Moreover, a man who can not determine whether the practices of a monopoly are illegal until the question has been decided by the courts is too much in need of advice to place in a position requiring great discretion and independent judgment. Even a burglar is willing to admit his wrong after he has been advised by a court and duly sentenced to the penitentiary. The looters of the New Haven Railroad, if tried and convicted, will probably admit they have to stop operations.

The Missouri doctrine, "Show me," finds its extremest illustration in the gentlemen who can only be convinced by the decree of a court. The man who can not distinguish the illegality of an act until the judge is ready to impose sentence ought to be compelled to attend a school of morals.

Some people never can discern anything clearly until they see it through the bars of a jail. Even then they could not recognize their own wrong as readily as they could a kit of tools with which to saw their way out.

Here is a bit of interesting Jones testimony illustrating my thought. I quote:

I know of no practices of the company after I became a director that I thought in any way in contravention of law or good morals.

Here are the facts:

In 1912 the International Harvester Co. sold 111,447 binders, while the total sales of its competitors were only 19,535 machines.

In face of this fact, the witness was unable to see that he was connected with a monopoly.

This is the evidence and the charge in the Government's petition, and yet with it staring the witness in the face he answered:

You asked me whether I entirely approve of them—

The practices and policies of this company—

I say that that question is to-day pending before the courts, and if the courts say that that was an improper organization, I shall be prepared to say that I think so, too.

Observe that nothing can convince this gentleman that the Harvester Trust is a monopoly save the judgment of a court.

Mr. President, being a member of the Democratic Party and coming from the State of Missouri, I feel a little pride in the record of my State with reference to all matters concerning the prosecution of trusts and combinations. We have not been laggards, but have from the first been on the battle field. We have a somewhat satisfactory and distinguished record. I challenge attention to a few incidents. I desire later to put in the RECORD certain of the platform declarations of my State. But first let me quote the national platforms. In 1884 the Democratic Party declared against trusts and combinations. It reads:

While we favor all legislation which will tend to the equitable distribution of property, to the prevention of monopoly, and to the strict enforcement of individual rights against corporate abuses, we hold that the welfare of society depends upon a scrupulous regard for the right of property as defined by law.

The Republican platform in 1888 contained the following language:

We declare our opposition to all combinations of capital, organized in trusts or otherwise, to control arbitrarily the condition of trade among our citizens; and we recommend to Congress and the State legislatures, in their respective jurisdictions, such legislation as will prevent the execution of all schemes to oppress the people by undue charges on their supplies, or by unjust rates for the transportation of their products to market. We approve the legislation by Congress to prevent alike unjust burdens and unfair discriminations between the States.

The Democratic platform in 1898 contained this language:

Trusts and combinations in restraint of trade, as evils of the greatest magnitude and as organizations of this kind, not only continue to exist, but multiply in numbers, in defiance of law and public sentiment, we demand such laws, both State and national, as will certainly result in suppressing them.

In 1900 the Republicans and Democrats adopted platforms denouncing the trusts.

Democratic national platform, 1900:

"*We pledge the Democratic Party to an unceasing warfare in Nation, State, and city against private monopoly in every form. Existing laws against trusts must be enforced and more stringent ones must be enacted* providing for publicity as to the affairs of corporations engaged in interstate commerce, requiring all corporations to show, before doing business outside the State of their origin, that they have no water in their stock, and that they have not attempted and are not attempting to monopolize any branch of business or the production of any article of merchandise; and the whole constitutional power of Congress over interstate commerce, the mails, and all modes of interstate communication shall be exercised by the enactment of comprehensive laws upon the subject of trusts."

Republican national platform, 1900:

"We recognize the necessity and propriety of the honest cooperation of capital to meet new business conditions, and especially to extend our rapidly increasing foreign trade; *but we condemn all conspiracies and combinations intended to restrict business, to create monopolies, to limit production, or to control prices, and favor such legislation as will effectively restrain and prevent all such abuses,* protect and promote competition, and secure the rights of producers, laborers, and all who are engaged in industry and commerce."

In 1906 the Democratic platform again denounced the trusts. In 1908 this language was employed:

A private monopoly is indefensible and intolerable. We therefore favor the vigorous enforcement of the criminal law against guilty trust magnates and officials, and demand the enactment of such additional legislation as may be necessary to make it impossible for a private monopoly to exist in the United States. Among the additional remedies we specify three: First, a law preventing a duplication of directors among competing corporations; second, a license system which will, without abridging the right of each State to create corporations, or its right to regulate as it will foreign corporations doing business within its limits, make it necessary for a manufacturing or trading corporation engaged in interstate commerce to take out a Federal license before it shall be permitted to control as much as 25 per cent of the products in which it deals, the license to protect the public from watered stock and to prohibit the control by such corporation of more than 50 per cent of the total amount of any product consumed in the United States; and, third, a law compelling such licensed corporations to sell to all purchasers in all parts of the country on the same terms, after making the allowance for the cost of transportation.

The Republican platform of that year praised President Roosevelt for the prosecution of illegal trusts and monopolies:

The greatest accomplishments of President Roosevelt have been, first and foremost, a brave and impartial enforcement of the law, *the prosecution of illegal trusts and monopolies,* the exposure and punishment of evildoers in the public service, the more effective regulation of the rates and services of the great transportation lines—

And so forth.

The Republican Party passed the Sherman antitrust law over Democratic opposition and enforced it after Democratic dereliction. It has been a wholesome instrument for good in the hands of a wise and fearless administration; but experience has shown that its effectiveness can be strengthened and its real objects better obtained by such amendments as will give the Federal Government greater supervision and control over, and greater publicity in, the management of that class of corporations engaged in interstate commerce having power and opportunity to effect monopolies.

In 1912 the Democratic platform contained this:

A private monopoly is indefensible and intolerable. We therefore favor the vigorous enforcement of the criminal as well as the civil law against trusts and trust officials, and demand the enactment of such additional legislation as may be necessary to make it impossible for a private monopoly to exist in the United States.

* * * * * * *

We condemn the action of the Republican administration in compromising with the Standard Oil Co. and the Tobacco Trust and its failure to invoke the criminal provisions of the antitrust law against the officers of those corporations after the court had declared that from the undis-

puted facts in the record they had violated the criminal provisions of the law.

The Republican platform of the same year read in this wise:

The Republican Party favors the enactment of legislation supplementary to the existing antitrust act which will define as criminal offenses those specific acts that uniformly mark attempts to restrain and to monopolize trade, to the end that those who honestly intend to obey the law may have a guide for their action, and that those who aim to violate the law may be the more surely punished.

I quote from the Progressive platform of the same year, as follows:

We therefore demand a strong national regulation of interstate corporations. The corporation is an essential part of modern business. The concentration of modern business in some degree is both inevitable and necessary for national and international business efficiency. * * * We do not fear commercial power, but we insist that it shall be exercised openly, under publicity, supervision, and regulation of the most efficient sort, which shall preserve its good while eradicating and preventing its evils.

The Progressive convention, largely dominated by Perkins of the Harvester Trust, alone failed to denounce trusts as criminal. The omission is significant.

Mr. President, the national platforms of the two great parties have all along contained similar anathemas against trusts and combinations. Both parties have insisted upon the enforcement of the criminal statutes; both parties have demanded the personal responsibility of directors of concerns engaged in monopolizing trade.

I now ask that excerpts from the platforms of the State of Missouri may be printed in the RECORD as a part of my remarks.

The PRESIDING OFFICER (Mr. LEA of Tennessee in the chair). Without objection, it is so ordered.

The matter referred to is as follows:

MISSOURI PLATFORMS.

DEMOCRATIC, 1892.

We recognize in the trusts and combinations, which are designed to enable capital to secure more than its just share of the joint product of capital and labor, a natural consequence of the prohibitive taxes which prevent the free competition which is the life of honest trade, but we believe their worst evils can be abated by law, *and we demand the rigid enforcement of the laws made to prevent and control them,* together with such further legislation in restraint of their abuses as experience may show to be necessary.

REPUBLICAN, 1892.

We reaffirm our opposition, declared in the Republican platform of 1888, *to all combinations of capital, organized in trusts or otherwise,* to control arbitrarily the condition of trade among our citizens. We heartily indorse the action already taken upon this subject, and ask for such further legislation as may be required to remedy any defects in existing laws and to render their enforcement more complete and effective.

DEMOCRATIC, 1896.

The absorption of wealth by the few, the consolidation of our leading railroad systems, and the *formation of trusts and pools require a stricter control by the Federal Government of those arteries* of commerce. We demand the enlargement of the powers of the Interstate Commerce Commission, and such restriction and guaranties in the control of railroads *as will protect the people from robbery and oppression.*

We arraign the Republican Party as guilty of the grossest hypocrisy in the treatment of the trust question, in that being in the ascendency in Congress it has steadfastly refused to pass any of the legislation which has been proposed to curb the power of the trusts; it has failed to withdraw tariff protection from trust-made goods; *has constituted the leaders of trusts as the leaders of its party in the Nation, and accepted from them contributions of millions of dollars to its gigantic corruption fund, which fact is itself a menace to the stability of our free institutions.* We declare that the existence of trusts is opposed to public welfare. * * * We pledge ourselves, as we have given to the people the strongest possible legislation on this subject in our State, to see that it is enforced, and that it shall be, when in our power, enforced by the Federal Government.

DEMOCRATIC, 1902.

After urging tariff reform as our effective method of dealing with the trusts it adds:

In the event of such legislation failing of its purpose, then we favor the most drastic legislation which can be enacted prohibiting the existence or forming of such trusts or any other such combinations which have even a tendency to destroy honest competition in any line of business or make it possible to arbitrarily regulate wages, prices, rates, or charges of any kind.

DEMOCRATIC, 1906.

We believe Theodore Roosevelt insincere. Pretending to inveigh against the crimes of trusts and corporations, he openly defended Paul Morton, whom, as manager of the Santa Fe Railroad, he compelled to confess enormous rebates to the Colorado Fuel and Iron Co. It was Roosevelt *who advanced the pernicious doctrine that you must punish the corporations, not its officials who cause it to commit the crime.*

DEMOCRATIC, 1908.

The Democratic Party, both in theory and in practice, ever has been and now is opposed to monopoly and unlawful combinations, and we pledge the party to continue its efforts to protect the people against trust extortion and oppression.

We are not hostile to corporations or to wealth as such, but we insist that corporations as well as individuals, the rich as well as the poor, must obey the laws, and we are determined that the violator of law in the interests of trusts or corporations shall be punished *by imprisonment as well as by fine.*

REPUBLICAN, 1908.

The attorney general has enforced the laws of the State without fear and without favor. He brought suits against the Standard Oil Trust, the greatest combination of wealth and power the world has ever known; forced its chief officers, for the first time in its history, to respect the orders of the courts and to disclose its plan of organization. This evidence has been used by the National Government and five States as the basis of suits against this trust. He secured a favorable decision upon every one of his charges from the commissioner appointed by the supreme court to try this case, and has forced the discontinuance of the abuses that it had practiced upon the people of Missouri; drove the Republic Oil Co., one of its puppet corporations, from the State, and thus made competition in the oil business possible, with the result that the wholesale price of oil has been reduced over 2 cents a gallon, resulting in a saving of $600,000 each year to the people of Missouri.

He brought suit against the Insurance Trust and forced a rerating of the property of the State on an average reduction of from 10 to 15 per cent in insurance rates, with a consequent saving of $800,000 a year to the people of Missouri. By prompt and vigorous action in the courts he forced the railroads of the State to comply with the 2-cent passenger rate law, resulting in a saving of approximately $1,000,000 each year to the people of Missouri, and has thus secured, by actual experience, the facts necessary for a determination of the reasonableness of this law.

He brought suit against and prevented the further consolidation of the Lumber Trust, *and will soon present to the supreme court for final decision an action to oust the Lumber Trust and Harvester Trust from Missouri.*

DEMOCRATIC, 1910.

A private monopoly is indefensible and intolerable. We therefore favor the vigorous enforcement of the criminal law against guilty trust magnates and officials, and demand the enactment of such additional legislation as may be necessary to make it impossible for a private monopoly to exist in the United States.

MISSOURI LEGISLATURE'S RESOLUTION.

Mr. REED. Mr. President, in consonance with these declarations of the Missouri platform action was taken. As early as March 12, 1907, the Legislature of the State of Missouri passed the following resolution:

Whereas our farmers of Missouri invest thousands of dollars annually in the purchase of machinery and farming implements; and

Whereas competition has been greatly reduced in the manufacture of those useful commodities by the combination of the Milwaukee, Deering, Champion, Plano, and the McCormick harvester companies; and

Whereas a trust has been formed to control farming implements necessary to promote agriculture under the name of International Harvester Co. of America; and

Whereas said company is doing business in this State: Therefore be it

Resolved (by the House of Representatives of the State of Missouri), That the Hon. Herbert Hadley, attorney general of Missouri, be kindly requested to investigate the advisability of instituting legal proceedings against said International Harvester Co. of America under and by virtue of the antitrust laws of the State of Missouri.

Resolved, further, That the chief clerk of the House transmit a copy of this resolution to the office of the attorney general.

MISSOURI'S ACTION.

That resolution was probably the initial step taken in my State, if not in the country, to bring the International Harvester Co. to book. For the present I will pass from the topic with the remark that the attorney general of the State did bring a case in the nature of quo warranto. The case was brought directly in the supreme court of the State. That court appointed as commissioner to take the evidence and to make findings of law and of fact Judge Theodore Brace, of nearly 30 years' service upon the supreme bench of the State. That great lawyer and jurist, after an exhaustive hearing, rendered his findings of fact and conclusions of law. The findings of fact disclosed the existence of a combination and trust and a conspiracy in restraint of trade. They were duly submitted to the Supreme Court of the State of Missouri over three years ago. A decision was rendered approving the opinion and findings of Judge Brace. That decision of the Supreme Court of Missouri was recently affirmed by the Supreme Court of the United States. The decision in Missouri was rendered November 27, 1911. The opinion of the Supreme Court of Missouri can be found in the One hundred and forty-first Southwestern Reporter, at page 672. The judgment was affirmed in the Supreme Court of the United States June 8, 1914.

CONVICTIONS IN OTHER STATES.

Mr. President, as early as the year 1907 this concern was charged with crimes under the antitrust laws of the State of Texas, and after pleading guilty was fined $35,000 and ousted from the State. On January 9, 1909, the Supreme Court of Kansas affirmed a verdict of guilty, which was based upon an information filed on the 13th day of October, 1906. The company was at that time fined on 42 counts. The company was also prosecuted in the State of Kentucky in five separate actions. It was found guilty, and the judgment was affirmed in the Court of Appeals of the State of Kentucky. It was afterwards reversed by the Supreme Court of the United States upon the ground that the law was not sufficiently definite.

In all of these contests——

Mr. KENYON. Mr. President——

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

Mr. REED. Yes.

Mr. KENYON. Will the Senator state, so that it may go into the RECORD, the time of these trials in Kentucky and the date of the reversal by the Supreme Court?

Mr. REED. I am unable to state from the memoranda before me when they were begun, although I thought I had the information—I have it at my desk—but I can give to the Senate, and will do so, a reference which will enable every Senator to find the date.

One of these cases, Commonwealth of Kentucky against The International Harvester Co., was decided March 16, 1912, and is reported in One hundred and forty-fourth Southwestern Reporter, at page 1064.

The next case, bearing the same title, is reported in One hundred and forty-seventh Southwestern Reporter, page 393, and was decided in the Court of Appeals of Kentucky, April 10, 1912.

The next case, bearing the same title, was decided April 16, 1912, by the Kentucky Court of Appeals, and is reported in One hundred and forty-sixth Southwestern Reporter, at page 12.

The next case, bearing the same title, is reported in One hundred and forty-seventh Southwestern Reporter, at page 760.

The next case is reported in One hundred and forty-seventh Southwestern Reporter, at page 1199.

Mr. President, the Government of the United States——

Mr. NELSON. Mr. President, will the Senator yield to me a moment?

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

Mr. REED. If the Senator from Minnesota will allow me to make one more statement, in order to have the matter together, I shall yield.

THE FEDERAL SUIT.

The Government of the United States in 1912 brought a suit against this concern and all of its allies, which is now pending in the United States Circuit Court of Minnesota. The petition in that case was filed April 30, 1912. The evidence has been taken and the cause is still pending, but it has been briefed by the attorneys for the Government. Now I yield to the Senator from Minnesota.

Mr. NELSON. With the leave of the Senator from Missouri, I desire to call his attention to one of the Kentucky cases decided by the Supreme Court here on the 22d of June last. I refer to the case of the International Harvester Co. against the Commonwealth of Kentucky. In that case a fine was imposed by the court in Kentucky, and the only issue the Harvester Co. made in that case was that it had not been properly served with process. Upon that issue the case came to the Supreme Court here, and the Supreme Court held that the company had been properly served. So the fine imposed by the court of Kentucky remained in force against the company.

Mr. REED. Mr. President, I have said that I believed in the enforcement of the civil and criminal law against these institutions. I am glad to say that that is no new doctrine in the Democratic Party. It has been engraven upon its platforms, and it has been thundered from the lips of its great men. I call attention to just one of the many statements which I might read. It is as follows:

> Other criminal laws are enforced against all offenders who can be found. Why should we draw a distinction between the horse thief who violates the law against horse stealing and the trust magnate who violates the law against the trust? The Senator (Mr. Beveridge) complains because I have said that private monopoly must be eliminated, that the trust must be destroyed root and branch. That is my position, and that position, set forth in the Democratic national platform of 1900, was indorsed by more than 6,000,000 voters.

Who said that? It was not an utterance upon the platform, when men do not always speak their deliberate judgment, when the fervor of the moment may swing them from their balance. It was deliberately written out for publication; and its author was that great man whose image is photographed upon the hearts of the American people, William Jennings Bryan.

> In the beginning the executive officers thought the civil part of the statutes sufficient and attempted to break up the trusts by injunction. That proving unsatisfactory, resort was next had to the criminal provisions of the law with the idea that a fine would be sufficient. The fine has been shown to be ineffective, and the President is turning more and more toward the imprisonment clause. It is useless to attempt to prevent combinations by fines levied against corporations when the fines are small compared with the sums made by combination. Imprisonment, however, is a real punishment, and the *trust magnates will become scarce as soon as the penitentiary doors close upon a few of the large offenders.*

Again, those are the deliberate words of Mr. Bryan, written and published in a magazine.

CHAMP CLARK'S STATEMENT.

I quote another authority, one whom I delight to honor, one whom the American people honor, because he always speaks from the heart, and the sound of his lips is but the voice of his brave soul:

> If I had my way, I would fill the penitentiaries and jails of the United States so full of trust magnates that their arms and legs would stick out of the windows.

Those are the words of CHAMP CLARK.

PRESIDENT WILSON'S STATEMENT.

I read again:

> The dominating danger in this land is not the existence of great individual combinations—that is dangerous enough, in all conscience—but the combination of the combinations—of the railways, the manufacturing enterprises, the great mining projects, the great enterprises for the development of the natural water powers of the country, threaded together in the personnel of a series of boards of directors into the "community of interest"—more formidable than any conceivable single combination that dare appear in the open.

There is an omission here. I am reading from another part.

> When I am fighting monopolistic control, therefore, I am fighting for the liberty of every man in America and I am fighting for the liberty of American industry.

Brave words, well chosen! They found a response in the hearts of the American people. I read again:

> The great monopoly in this country is the monopoly of big credits. So long as that exists our old variety and freedom and individual energy of development are out of the question. A great industrial nation is controlled by its system of credit. Our system of credit is privately concentrated. The growth of the Nation, therefore, and all our activities are in the hands of a few men who, even if their action be honest and intended for the public interest, are necessarily concentrated upon the great undertakings in which their own money is involved and who necessarily, by very reason of their own limitations, chill and check and destroy genuine economic freedom. This is the greatest question of all, and to this statesmen must address themselves with an earnest determination to serve the long future and the true liberties of men.

The last quotations I have given are from the magic pen, inspired by the wonderful brain of the President of the United States. They are sound principles, splendidly expressed and magnificently put forth, and they are being read as the gospel of truth by thousands of boys and girls throughout the United States of America.

Mr. President, I need not pause, in view of these high authorities, to elaborate the thought that monopoly is indefensible and that monopolists are criminals. Neither need I argue in this presence that he who perpetuates an evil is as guilty as the man who inaugurated it. I scarcely need stop to demonstrate that there is one trust in this country which has never yet been criminally prosecuted that must be criminally prosecuted.

Lest I should be criticized by some Republican newspaper for having abandoned the Democratic Party and so that I may start with my feet upon the ground, I read from the Democratic Handbook of 1912:

> Progressives should support Wilson not only in order to secure his election but in order to enable him after election to carry out those progressive policies which he has so much at heart. His nomination ranks among the most encouraging events of American history. Under the masterful and masterly leadership of Col. Bryan, the ideals of American Democracy triumphed over the reactionaries and their money bags; the will of the people prevailed over the devices of the machine. * * *
>
> But the struggle of privilege is unending and omnipresent. That struggle is as subtle as it is determined. The struggle will not close when Wilson is elected. We may be sure that every effort he may make as President to carry out progressive policies will meet with stubborn resistance from the possessors and apostles of privilege—

And so forth.

PRESIDENT TAFT ON THE HARVESTER TRUST.

Under the same topic is quoted with approval a statement of President Taft. It was sent out as our proclamation to the American people.

> President Taft added a new chapter to the history of the Harvester Trust here to-night—

This is from a newspaper dated May 4, 1912—

> Speaking to an audience that filled the Lyric Theater to the doors, Mr. Taft declared that Col. Theodore Roosevelt did prevent the prosecution of the Harvester Trust after George W. Perkins, one of its directors, and now a Roosevelt supporter, had asked that the trust be not taken into the courts. * * * He said, in part:
>
> "The truth about the Harvester Trust is that Mr. Bonaparte thought it ought to be prosecuted. George W. Perkins, who was a director in the Harvester Trust, then a director in the Steel Trust, and also a member of the firm of Morgan & Co., *came to Washington and pleaded with Herbert Knox Smith, of the Bureau of Corporations, not to bring the suit, and induced Mr. Smith to make a report to Mr. Roosevelt in which he set forth the fact that the Steel Trust and the Harvester Trust and the other Morgan interests had attempted to carry out Mr. Roosevelt's idea of publicity, and therefore ought not to be subjected to prosecution under the antitrust law, even though they were technically guilty, threatening that if they were prosecuted they would fight the administration, would give them no more access to their books, and would conduct themselves in opposition to the administration."*

So arrogant had this trust become that it imagined it was more powerful than the courts of law and that it could withhold its books from the officers of the Government. Nor did it hesitate to send its man Perkins to the President of the United States and demand, upon pain of its anger, that the arm of justice should be paralyzed.

The scoundrel in revolt against the State marching beneath a red flag to the Capitol and demanding that the law shall not be enforced is engaged in a no more impudent practice than was George W. Perkins.

I continue reading from Mr. Taft:

The result was that Mr. Smith made a report on the 21st of September to Mr. Roosevelt, in which he detailed this conversation and recommended that no suit be brought until he had made a full investigation of the Harvester Trust. Before this a report was made by the assistant district attorney of North Dakota and by the district attorney of Minnesota that there were grounds for prosecuting the Harvester Trust and that this trust had violated the antitrust law.

Between September 21 and November 1 the matter was under consideration, and on November 7 the President directed Herbert Knox Smith to notify Mr. Perkins that no prosecution would be begun until after the investigation. That settled the matter, because that is what Mr. Perkins asked for. * * *

Mr. Roosevelt's assumption of virtue is so intense that it is sufficient to purify anyone when he becomes a supporter of Mr. Roosevelt, even though it be a trust and even though it be a director of a trust contributing to his campaign. In other words, when the facts are shown with reference to his failing to prosecute certain trusts and with reference to contributions from a directing officer of such trusts, it hardly lies in his mouth, as a matter of the "square deal," to charge me with being controlled by special interests and privileges.

So said William H. Taft of Theodore Roosevelt. From the lips of President Taft we learn the important fact that this trust regarded itself as so intrenched and powerful that it dared come to the head of the greatest Nation on earth, and, bearding him in his office at the Capital, demand a surrender at the price of its displeasure.

Mr. President, moral questions are the same to-day, yesterday, and forever.

With this introduction regarding the Harvester Trust I want to put into the RECORD some salient facts regarding that institution, developed in the pending suit of the Government against the Harvester Trust. If, sir, one-tenth of that which the Government alleges in its petition as true be true, then it is the duty of the Attorney General to proceed against every officer of that company as he now assures us he intends to proceed against the New Haven Railroad and its officers, civilly and criminally.

The Harvester Trust was hatched in the offices of Pierpont Morgan. Prior to 1902 there were in the United States a total of 12 manufacturers of harvesting machinery. Seven of these were quite small. Five of them were very large and powerful. I name them in the order of their importance:

The McCormick, which had been in business since 1849.

The Osborne, in business since 1860.

The Champion, in business since 1868.

The Deering, in business since 1875.

The Plano and the Milwaukee, in business for many years.

Mr. Glessner, the president of the Champion, testified in the Government's suit that these names have been known as trade names for the period I have indicated.

The five companies to which I have just referred controlled, in 1902, from 90 per cent of the business in agricultural implements in certain sections of the country to 100 per cent of the business in certain other large sections of the country. These five companies each controlled some standard make of harvesting machinery, without which no agent could hope to succeed or to live as a dealer in agricultural implements.

It is admitted in the answer filed in the Government suit that from 80 to 85 per cent of the business in the United States in agricultural implements was controlled by these five institutions. It is established indubitably by proof that their control was much larger than is admitted.

Here, then, we had this condition: Five great companies and seven smaller companies supplying all of the agricultural and harvesting machines for all of the millions of farmers of the United States. Moreover, sir, every one of these companies was profitable and making money. There was the keenest competition. They had their rival agencies in almost every hamlet and village of the United States. Their agents even went along the highways in the country for the purpose of soliciting the custom of farmers. Every farmer in the United States had at least five different places where he could go to buy his harvesting machinery. If he was dissatisfied with the offer of one he could go to the others. Moreover, prices were constantly falling. Competition was so keen that accommodation was easy. Yet, with all the keen competition, every one of these concerns was making money. They did not have the poor excuse that they were forced to become a trust in order to escape bankruptcy.

Mr. GRONNA. Mr. President——

Mr. REED. One moment, and then I will yield. When they organized the trust they appointed a committee to appraise its assets. That committee made its solemn report, from which I read a clause:

Your committee are of the opinion that the five properties mentioned in Mr. Lane's offer—

That is, the five great properties I have mentioned—

are the most important in their line of business in the United States and that each of them has for several years enjoyed a prosperous, profitable, and growing business.

In order to make a little more definite what I have had to say with reference to the extent of the business of these companies, I ask leave to print a table showing the output of these companies and the output of all outside companies in the year 1902.

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

The matter referred to is as follows:

	Binders.	Mowers.	Corn binders.	Rakes.	Reapers.
McCormick, IV, 215	67,592	129,066	16,264	74,446	16,771
Deering, IV, 204	60,981	92,494	12,922	54,175	7,471
Champion, IV, 226	23,480	35,655	None.	20,577	1,487
Plano, IV, 234	15,344	20,545	None.	15,034	2,348
Milwaukee Co.[1]					
D. M. Osborne & Co. (for 1903, IV, 406)	10,495	19,955	2,033	21,303	4,486
Total	177,892	307,715	31,219	185,535	32,563

[1] Not disclosed, but about same as Plano.

On the other hand, the sales of the independent companies were the following for 1902:

	Binders.	Mowers.	Corn binders.	Rakes.	Reapers.
Adriance-Platt Co., III, 360	732	6,276	43	11	340
Johnston Harvester Co., III, 378	780	2,416	711	2,056	270
Walter A. Wood Co., III, 305	919	4,916	106	7,078	108
Total	2,431	13,608	860	9,145	718

Minnie Harvester Co., XIII, 49 (acquired by International Harvester Co. in 1903), 2,500 binders.

Acme Harvesting Machine Co. figures were unobtainable for 1902–1904, it having been in the hands of a creditors' committee.

Mr. REED. I call attention to just two items, namely, that these five companies manufactured that year 177,892 binders, while all of the other companies combined manufactured only 2,431. I omit from the latter figure the Minnie Harvester Co., because it was acquired by the trust within a few months thereafter. Including the Osborne plant, there were manufactured by the companies brought into this consolidation 195,392 binders in the year 1902, and all of the outside production aggregated only 2,431.

The control of these five companies in a great many places was substantially complete. In the States of Missouri, Arkansas, Kansas, Oklahoma, Indian Territory, Texas, western Kentucky, Tennessee, and part of Illinois these five concerns, then independent, controlled from 95 to 100 per cent of all of the business in harvesting machinery. In the States of Nebraska, Iowa, Illinois, Minnesota, and Wisconsin they controlled from 95 to 100 per cent.

I ask leave to print in connection with these statements excerpts from the testimony taken in this case; and I make the same request with reference to that which immediately follows.

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

The matter referred to is as follows:

M. H. Gibbs, in 1902 and for several years prior thereto general agent for D. M. Osborn & Co., having charge of sales in Missouri, Arkansas, Kansas, Oklahoma, Indian Territory, Texas, the western part of Kentucky, and Tennessee and part of Illinois, testified that the six companies were doing in 1902 in that territory 95 per cent, if not more, of the business in binders, 95 per cent in mowers, and all, or 100 per cent, in corn binders (III, 110, fols. 3–4).

R. E. Mason from 1899 to 1903 general agent of the Plano Co. at Grand Island, Nebr., having charge of the western half of Nebraska, stated that practically all of the business (100 per cent) in that territory was done by the five companies which went into the International (III, 178, fol. 4).

H. E Porter, for six years general agent of D. M. Osborne & Co. at Chicago, testified that in 1902 the six companies did from 90 to 95 per cent of the business in binders in Nebraska, Iowa, Illinois, Minnesota, Wisconsin, and Indiana (III, 92, fol. 4), and the same per cent in mowers (III, 94, fol. 4).

M. H. Lamb, in 1902 general agent of the McCormick Co. at Sioux Falls, S. Dak., having charge of southwestern Minnesota, part of Iowa, and part of South Dakota, testified that the five companies in that territory did "practically all, at least 90 per cent," of the business in binders, 75 to 80 per cent in mowers, and 95 per cent in corn binders (II, 315).

Mr. REED. In South Dakota, one witness stated, they controlled practically all—at least 95 per cent.

The extent of the business in the United States exceeded annually $100,000,000.

That control, I remark now, has been maintained up to this time in substantially the same way it was before. It is as complete now as it ever was, and statements that have been made by Mr. Jones to the contrary are aside from the facts and in the teeth of sworn testimony. The Government shows in its brief, at page 68, and cites the record to sustain it, that the International Harvester Co. in 1912 manufactured and sold in the United States 111,447 binders, while all of the outside companies manufactured and sold only 19,535 machines, and part of those were made in a penitentiary.

Therefore the claim that any man connected with this institution does not know he is running a monopoly is to claim that a man can not recognize the plainest facts ever laid down to demonstration.

In 1902 Mr. Morgan succeeded in organizing the great Steel Trust. He had gathered together under one control nearly all of the good iron ores of North America, splendid deposits the Almighty had placed here for the people of to-day and for the shadowy hosts that are yet to come. Morgan had gathered in the great rivals engaged in manufacturing steel. He had paid to them the plunderer's profit. He capitalized the power of monopoly to rob the American people. He issued bonds against it. These bonds are now used to purchase respectability for a certain gentleman upon the lintels of whose doors there are yet to be detected the red drops of Homestead.

Having succeeded in completely dominating the great field of the manufacture and production of steel, having brought within his control that primal necessity without which civilization could not exist, and but for which the wheels of progress would be rolled back a thousand years, he looked about for new fields to conquer. He found that the fields were ripe and the proprietors were willing. I should say that he found that those who made the machines to reap the fields were ripe, and mighty willing.

THE ORGANIZATION.

The five great companies were consolidated into a trust. At the time of the organization they contemplated crushing or acquiring all companies not taken into the combination. In order that I may now dispose of this branch of the subject, I call attention to these outside companies and to what the trust did to them.

In 1903 it acquired the Osborne Co., which was the largest outside competitor. The Osborne was capitalized at $1,000,000. The same year it acquired the Aultman-Miller Co. for $640,000; also, it acquired the Minnie Harvester Co. The next year it gathered in the Keystone Co. About the same time it took in the Weber Wagon Co. In 1906 it acquired Kemp & Co., manufacturers of manure spreaders, at Newark Valley, N. Y., and Waterloo, Iowa, and they closed the Waterloo plant. In 1906 it absorbed the Bettendorf Axle Co., makers of wagons. It owns all of the stock of the Wisconsin Steel Co., amounting to $1,000,000. It has acquired the Wisconsin Lumber Co., capitalized at $250,000. It owns the Illinois Northern Railroad and the Chicago, West Pullman & Southern Railroad, two little railroads used in connection with their plants, capitalized at $900,000. It has acquired the International Flax Co., capitalized at $250,000.

Thus, instead of shrinking their control, instead of going out of the monopoly business in the last five years, they have constantly extended their plants in numbers, in activity, and the scope of that which they manufacture.

Mr. HITCHCOCK. Mr. President——

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

Mr. REED. I do.

Mr. HITCHCOCK. Before the Senator leaves that branch of the question I want to ask him to permit me to interject the statement that in acquiring those competitors they resorted to some of the most despicable and disgraceful proceedings to do so. Possibly the Senator from Missouri intends to set forth that fact. I call to mind at the present time that it is in official evidence that in the case of the Osborne Harvester Co., which was the company in the United States doing the largest foreign business, the acquisition was secured not by the voluntary sale of the Osborne Co., but by the act of the International Harvester Co., after negotiations for a voluntary purchase had failed, in destroying the credit of the Osborne Co., so that its large loans were called by banks, and in order to save itself from bankruptcy it was compelled to sell out to the International Harvester Co. Nor did that tell all the story; because, as I recall, for two years after the Osborne Co. had been compelled to sell out to the Harvester Trust, the Harvester Trust secretly ran and operated the Osborne Co. as a pretended independent, for the purpose of deceiving the trade and defrauding the customers who thought they were dealing with an independent company. The same practice that was indulged in in that case was indulged in also in others, when independent companies were acquired and competition crushed.

Mr. REED. Mr. President, I am coming to a great deal of that matter later on, but I thank the Senator for his contribution.

Mr. SUTHERLAND. Mr. President——

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

Mr. REED. I do.

Mr. SUTHERLAND. Will the Senator state, if he knows, what the entire capital stock of the International Harvester Co. is now?

Mr. REED. I am coming to that, but I will state it now. The capital stock of the International Harvester Co. when it was organized was $120,000,000. It was afterwards increased to $140,000,000. Then the European and Canadian business was taken out of the company, and a new company organized with $60,000,000 capital, and the International's capital was reduced to $80,000,000.

Mr. SUTHERLAND. Will the Senator answer one other question—whether farming implements and machinery have increased or decreased in price since the organization of the International Harvester Co.?

Mr. REED. Mr. President, I think I can answer the question. Farming implements remained about the same until they got rid of nearly all outside competitors, and then farming implements went up. But, Mr. President, I pause at this time to remark—because it is especially pertinent with reference to an issue raised by Mr. Jones—that the fact that prices may not have been raised is no answer to the objections to this trust, because prior to the organization of this trust the price of farming machinery had been going steadily down, while the quality of the machinery had been going steadily up. When the trust was organized the improvement in quality, in my opinion—and I state it merely as a matter of opinion—largely ceased, while the price no longer went down as had been the case before the organization.

That, of course, is the justification which John D. Rockefeller puts forth. He continually asserts he did not increase the price of oil, but who shall say what oil would be selling for if there had been an open field and no man to stand and monopolize that field?

However, that is leading me away from my theme.

Mr. MARTINE of New Jersey and Mr. BRISTOW addressed the Chair.

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

Mr. REED. I will yield if the Senators really desire to ask questions.

The PRESIDING OFFICER. To whom does the Senator yield?

Mr. REED. I yield to my friend from New Jersey.

Mr. MARTINE of New Jersey. I want to say, in answer to the Senator from Utah, that the price of harvesting machinery has increased from 15 to 25 per cent in the past three or four years.

Mr. SUTHERLAND. Mr. President, if the Senator will permit me——

Mr. REED. Certainly.

Mr. SUTHERLAND. That is my own information about it. The statement was made upon the floor of the Senate several years ago, probably four years ago, and I never have heard it denied, that in the State of North Dakota—perhaps the Senator from North Dakota can tell us about that—the price of binders had risen since 1902 up to the time this statement was made from $100 to $150, which would be considerably more than an increase of 25 or 30 per cent.

Mr. BRISTOW. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Kansas?

Mr. REED. I yield to the Senator from Kansas.

Mr. BRISTOW. I wish to inquire if the Senator later on in his address expects to put into the RECORD the value or the capitalization of these concerns that were merged in the trust.

Mr. REED. I expect to do so. If I omit it, I shall be glad to have the Senator call my attention to it.

Mr. BRISTOW. I am anxious that that shall be done.

Mr. GRONNA. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from North Dakota?

Mr. REED. I yield.

Mr. GRONNA. I wish to add to the statement of the Senator from Utah that I know of my own knowledge that binders were sold for as low as $90 in the State of North Dakota and we are paying for those binders to-day $155 cash.

If the Senator from Missouri will permit me, I was going to call his attention a moment ago to the fact that the report made by the Department of Commerce and Labor during the year 1913 shows that it cost the independent companies 20½ per cent more to manufacture harvesting machinery than it cost the International Harvester Trust, and in the face of that I will say that the independent companies have been selling harvester machinery at a lower price than the International Harvester Trust.

Mr. KENYON. Mr. President——

The PRESIDING OFFICER (Mr. MARTINE of New Jersey in the chair). Does the Senator from Missouri yield to the Senator from Iowa?

Mr. REED. I do.

Mr. KENYON. The Senator from Missouri was asked by the Senator from Utah regarding the capitalization, and the Senator stated it had been increased to $140,000,000. I call the Senator's attention to the fact that an increase of $20,000,000 was the declaration of a stock dividend in 1910.

Mr. REED. Oh, yes. I will, perhaps, touch on some of those things if I do not get too weary.

I just now desire to inquire what was the purpose of organizing this combination? I have already shown by the report of the committee on organization that it had been found that every one of the five companies was in a prosperous condition. Therefore they were not being forced by bankruptcy or misfortune into a position where they had to combine in order to save themselves.

I now call attention to the charge in the Government's petition. The petition charges that—

> McCormick, Deering, Glessner, William J. Jones, George W. Perkins, and others, nearly all of whom were owners or officers of the five companies, "believing combination could yield large profits, determined to bring it about, destroying existing competition among the five concerns, and through combinations and agreements in restraint of trade to exclude all others and secure control of and monopolize interstate trade and commerce in harvesting machinery and twine. They further determined that when they had accomplished the purposes just mentioned they should extend into other classes of agricultural machinery and finally monopolize interstate trade and commerce in agricultural machinery of all kinds, their purpose being to use the power obtained by a monopoly of trade in harvesting machinery in such a way as to acquire a similar monopoly in every class of agriculture."

So charged the Government of the United States in 1912. So charges the Government of the United States to-day in its petition. The charge is indubitably true. I read from one of the letters that were sent out to the agents of these companies shortly after the consolidation:

> We believe that in the near future this great company will do practically all the harvesting business of the world. * * * It is according to and in harmony with the divine plan.

"It is according to and in harmony with the divine plan." Who was it last before this gentleman said that God had put the control of great properties in the hands of a selected few, he being, of course, one of the elect? The man is dead now, and I will not name him.

Mr. President, the allegation of purpose contained in this petition is borne out by every subsequent act of the incorporators. Why is it necessary to produce evidence that a combination of this kind was organized for the purpose of plunder? Why is it necessary to argue that? Will anyone tell me why a lot of prosperous men running their independent businesses will yield their sovereignty over them, their pride in the success of their business ventures, their love of independence, and concentrate them under a management and control where they are at best but partners, if not figureheads, unless the purpose is to make money? Will any man tell me why a monopoly was ever organized in this world except for the purpose of extorting money? There never was a monopolist on this earth who in the center of his heart was not a thief, and there never will be.

Harsh language you say. Let us analyze it. What is a thief? He is a man who by stealth, by artifice, by cunning, takes his neighbor's goods against his neighbor's will. The essential of the wrong is that the neighbor did not consent; he was compelled to yield by the force of cunning. What is a monopolist? The man who organizes a monopoly gathers all of a certain product into his hands with no other object than this, that he may apply the force of human necessity to compel human beings to surrender their property to his inhuman greed.

But I return to discuss the concrete proposition. I desire at this point to quote without reading certain excerpts from the Bureau of Corporations.

The PRESIDING OFFICER. Without objection, the matter will be printed.

The matter referred to is as follows:

> Bureau of Corporations, Department of Commerce and Labor (Mar. 3, 1913), demonstrates from the testimony of the harvester people themselves that prior to the consolidation the various harvester companies of the United States were engaged in an active and fierce competition (p. 59). It is a fact that two of the objects in creating the trust was—
>
> 1. To eliminate competition.
> 2. To issue inflated securities (p. 60–a).
>
> The bureau adds:
>
> "There is no doubt that the true motive for the formation of the International Harvester Co. was to eliminate competition and secure a dominant position in the trade. This was also the salient fact of the transaction. The purposes of reducing costs and expenses by organizing a single great concern from several large ones was a secondary motive" (p. 70).

Mr. REED. Now, Mr. President, I come to a demonstration of the proposition that every one of the organizers of this institution knew he was engaged in a criminal venture, that the answer now on file in the United States court in Minnesota is a false answer deliberately made, and that those who were parties to the making of that answer sought to impose an untruth in the temple of justice. They pleaded—and I quote:

> That in accordance with separately conducted negotiations with the representatives of the Deering, McCormick, Plano, and Warder, Bushnell & Glessner Companies, said companies, pursuant to oral agreements theretofore independently and separately reached by their representatives and defendant Perkins, executed separate contracts on July 28, 1902, each of which was substantially similar to Exhibit 1 attached to the petition.

The Government had charged that there was concert of action, a common purpose, in organizing this trust, and that charge was met by the solemn plea that there was not such concert, but that they had each made a separate and independent deal; that they did not come together in combination, but were actually purchased outright in good faith by somebody who afterwards sold them to a company. That plea was also repeated in substance by Mr. George W. Perkins. Mr. Perkins in his answer used this language, that the properties were acquired "through separate negotiations with the officers and owners of the McCormick, Deering, Plano, and Champion companies"; that they "contracted for the purchase by the corporation he was about to form of the plants, properties, and business of those four companies, respectively," the point of it all being that these gentlemen thought they could convince a court that they had by separate arrangement each sold his property to some individual. The individual, having acquired all the property, could as the sole proprietor sell it to a company. So the illustrious conspirators plead that there was no concert of action, and that there was, in fact, an actual good-faith purchase by independent contracts. These were the answers of all the defendants, and any defendant, particularly Jones, the lawyer defendant, surely knew the answer was based on a sham and was therefore a fraudulent answer.

Mr. President, the pretense they undertook to put off upon the courts was an ancient one with them. It was indulged in from the very first. It was a fiction they had set up. I propose to trace that fiction not so much because it is so unique as because it colors and taints and gives a cast to all the conduct of these gentlemen.

By the way, that same pretense was set up in the State of Missouri in the suit there and relied upon. In the Missouri case, if I correctly understand the record, the State was not able to disprove the claim, but there was some testimony given in that case in Missouri which the Government in its brief now charges was false testimony. But of that a little later.

When the Government came to try this last case they put these gentlemen on the witness stand. It also found some agents of the trust who seemed to be willing to tell the truth. It was developed that the proprietors of these companies, who now allege they made independent contracts, went to New York and stopped at separate hotels; that they were in touch with Francis Lynn Stetson and William Nelson Cromwell and George W. Perkins; that Stetson assured McCormick that Morgan would be willing to stand back of the combination of the harvesting-machine companies. But Stetson also told them that if they all transferred their property to one corporation they would violate the trust laws. The danger of the law was distinctly discussed. They speculated as to how they could avoid the law; how they could perpetrate the crime in all its essence and yet so escape the form that they would go unwhipped of justice. These good citizens sat down with the statutes of the United States before them not to ask the question, "How shall we act

that we may accord with the law?" but "How can we defeat the law and warp it to our evil purposes? How may we perpetrate a fraud upon the law?" They were advised they could not combine by direction, and so they sought by indirection to find direction out. It was Mr. Cromwell, now well known to fame, who suggested that while the combination could not be made directly there was "nothing that could prevent people from selling their business to whomsoever they wanted or anybody else from buying."

So here was the suggestion of a means by which they, as they fondly hoped, could beat the law. Thereupon a man named Lane was secured. Mr. Lane has been mixed up with a great many corporate transactions. Mr. Lane prepared five identical contracts, to be signed by each one of these five companies. Each of these contracts recited that the seller should take his pay in the stock of a company to be capitalized at $120,000,000 and should transfer all the property of the particular concern to Lane.

A lot of ordinary thick-headed criminals who never undertook to rise above the dignity of robbing hencoops would have had sense enough to know that such a subterfuge as that would never stand in law or morals if the facts were once dragged forth.

The contracts were executed at substantially the same time by all five of these concerns. Thus Lane became the nominal dummy holder of all of the property of the constituent companies.

I pause to call attention to the fact that each of these contracts carefully avoided any reference to the fact that other contracts were being made; but the stupid gentlemen forgot that the clause which linked them all to one corporation—for all were to take their pay in the stock of the same corporation—was as deadly as though they had written their purpose upon the face of the instrument.

The Government declares that for 10 years this fiction has been put upon the country, and the Government demonstrates from the records that its position is correct.

Now, all this property having been transferred to dummy Lane, they, on the 12th day of August, 1902, organized a corporation with six dummy directors. I am almost quoting now the language of the Government brief.

Dummy Lane thereupon transmitted a proposition by one of the dummy directors to the other dummy directors to sell to this company for $120,000,000 of its stock all the property of these five great concerns.

Thereupon the six dummy directors appointed a committee of three dummy directors to consider Lane's proposition. Meanwhile, waiting in different hotels around town, were the proprietors of these concerns, which were all being sold at the same time. Of course all of them were innocent of any knowledge of what was transpiring.

I resume the narrative. The three dummies solemnly considered dummy Lane's dummy proposition and reported back to their three associate dummies. The minutes of that interesting meeting recite that the president, who was one of the six dummies, announced that the committee were prepared to report, and "the committee also stated they had invited E. H. Gary, Esq., chairman of the executive committee of the United States Steel Corporation, to be present because of his familiarity with the properties covered by Mr. Lane's proposition."

Mr. Gary was there. Why should he not be there? It was a Morgan proposition; only it is remarkable that Morgan sent Gary instead of sending another dummy, because everybody will admit that Gary is no dummy. The dummies then resolved solemnly to accept Mr. Lane's proposition. The dummy officers were authorized to issue to dummy Lane 1,200,000 shares of stock in this dummy company, of the par value of $120,000,000.

At the next meeting, which was immediately, a resolution was passed by the dummies declaring that the working capital was $132,000,000, and an entry was ordered to be made to show a surplus of $72,000,000, the balance being covered by the stock of $60,000,000, which was all that was issued up to that date.

The board then went to dinner. These six dummies had appetites and appear to have been possessed of "bodies and parts and passions." They went to dinner as other mortals might go.

After dinner they reconvened and increased the number of directors from 6 to 18. Thereupon Cyrus H. McCormick, Charles Deering, Norman B. Ream, Charles Steele, Harold F. McCormick, William H. Jones, John J. Glessner, George W. Perkins, E. H. Gary, Cyrus Beltley, Paul D. Cravath, Richard F. Howe, Stanley McCormick, James Deering, and William Deering were elected directors. They found themselves suddenly in possession of this corporation. The dummies had folded their tents like the Arabs and silently stolen into the night. Thus these men who had been told they could not combine their properties in one concern without violating the criminal laws of the country now found themselves purged and washed of their sins, sitting serenely behind mahogany desks, in possession of just such a combination. They fondly imagined they could impose the fraud upon the people of the United States and upon the courts of justice. For 10 years that fiction has been kept up. The present directors of this company authorized a false answer, alleging that they had made independent sales to be filed in the courts at St. Paul, and upon that false and fraudulent answer they are standing to-day.

Mr. President, who were these dummies? I want to put the names in the RECORD. There was dummy Lane, president of the Standard Trust Co. He possessed one of those accommodating memories which enabled him on the witness stand in the Government's case to forget nearly everything that had transpired. Reading through his testimony I am led to believe that he only remembers his name from force of habit, and not from tenacity of thought.

Dummy Hyatt was vice president of the New York Security & Trust Co., who acted at the request of Perkins. (111–A.)

Dummy Miller was a stockbroker and could not even remember how he came to be a dummy. (111–B.)

Dummy Cravath was the South American agent of the Trinidad Asphalt Co., doing business principally in Venezuela. (112–A.)

Dummy Cotton was a law clerk. (112–B.)

None of these men was interested in the agricultural implement business. Some of them probably would have scared at the sight of a Jersey cow and would not have been able to distinguish the difference between a self-binder and a hayrake. A touch of humor, however, is found in the fact that after all their attempts at concealment and the claim that Lane was an independent purchaser, it transpires that all of the details were prepared in the office of a lawyer who was one of the counsel of Morgan & Co.

Mr. President, it is not difficult to tell how they got those dummies; it is not difficult to tell how they get directors. Morgan was a great attraction in his day and generation. There were men who would rather be a director in the house of Morgan than to dwell in the tents of the righteous. In every age of the world's history there have been men willing to serve. If I might be pardoned a paraphrase of Macaulay's lines, I would repeat:

> Wher'er you shed the honey, the buzzing fly will crowd,
> Wher'er you fling the carrion, the raven's croak is loud,
> Wher'er down Tiber garbage floats, the greedy pike you see,
> And whereso'er a Morgan's found, a Perkins sure will be.

[Laughter.]

And Perkins was an expert in the selection of dummies. I suppose we might account for these lesser lights by paraphrasing the ancient doggerel.

> So big fleas have little fleas, all smaller still to bite 'em;
> And so the game goes merrily, in fact, ad infinitum.

Morgan! Perkins! McCormick! Jones! I thus run down the scale.

Mr. President, what did these gentlemen proceed to do? Having created this monstrous thing, the first proposition was to perpetuate it. Accordingly they organized a voting trust; indeed, that was provided for in the original agreement. Every share of stock was put into the hands of the three voting trustees and by them in turn deposited with Pierpont Morgan. Instead of issuing shares of stock to the proprietors of the constituent concerns, so that the stock might by possibility have got upon the market, being afraid to trust each other, and knowing well how to estimate each other, they made sure of a common ownership and common management and a monopolistic control by requiring them actually to deposit, physically, every share of their stock with Pierpont Morgan. Then they issued certificates, not of stock, but certificates that Morgan held stock for them. They were even afraid to trust each other with the certificates showing that they were entitled to shares of stock; accordingly they required the hypothecation with Morgan of the greater portion of those certificates.

Mr. President, at the time I was interrupted I was talking about the voting trust. This trust was made up of George W. Perkins, Cyrus McCormick, and Mr. Deering, the three gentlemen most active in forming that criminal trust, the three men most active in seeking deliberately to debauch the law by perpetrating a fraud upon the law. It was agreed that for 10 years these men, exercising through the power of voting trustees, should completely control the Harvester Trust. From

that day to this blessed hour every director in the corporation has been selected by these three men. If you can imagine three gentlemen sitting down and organizing a trust in defiance of the law, paying Mr. Morgan three million four hundred and fifty-odd thousand dollars as a fee for working out the consolidation and tying it all together for 10 long years—if you can imagine gentlemen inspired by such motives and such purposes electing directors for the purpose of having those directors reform the institution they had created in fraud, brought forth in iniquity, and cradled in crime, then you can imagine something beyond my inventive genius. The stream——

Mr. NELSON. Mr. President——

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

Mr. REED. In one moment. The stream does not rise higher than the fountain source; the creature is not often better than the master; the devil has not yet been known to seek out saints that saints may reform perdition. I now yield to the Senator from Minnesota.

Mr. NELSON. Mr. President, are any of the directors operating under a voting trust such as this, anything except mere dummies?

Mr. REED. I can not see how they could be. This voting trust expired in 1912, and my remarks should be confined to those directors holding that position prior to that time. But since 1912, when the voting trust expired by limitation, it appears that the old directors are still largely in office, and so much did the McCormicks love the trust idea that they got up a voting trust of their own after the original voting trust had expired.

Mr. HITCHCOCK. Mr. President——

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

Mr. REED. I yield.

Mr. HITCHCOCK. While the voting trust expired in 1912, it should be borne in mind that the voting trust elected the directors for a term of years, and that in the case of Mr. Jones particularly that term has not yet expired. My recollection is that the election is for five years.

Mr. REED. When you talk about a director elected under those circumstances reforming and breaking down the policies of the man who elected him, you arouse laughter. Absurdity knows no extreme beyond the acceptance of such a statement.

Mr. President, when they created this voting trust, how much water there was in the stock I can not tell. I heard it testified the other day that the assets far exceeded the amount of the capital stock, but I find on examination that the appraisal of these properties was turned over to gentlemen the majority of whom, if my recollection serves me right, were nominated by the Morgan interests. However that may be, they took over the properties at what was called their book value, and every man who knows anything about the term "book value" when it is applied to old concerns understands that it is generally vastly in excess of real value. But, sir, after they had put these properties in at their book value they still increased that amount by some $16,946,542; not so great an increase as is frequently found, but upon the very face of their own books there was that much water put into the company. I have not the slightest doubt, estimating the properties according to the real value, there was at least 50 per cent of water. I ask to have printed a tabulation of these figures which I have taken from the report of the Bureau of Corporations.

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

The tabulation referred to is as follows:

WATERED STOCK OF THE INTERNATIONAL HARVESTER CO.

At the time of the organization of the trust, the physical value of the properties transferred, as appeared on the books of the various companies, was as follows (Bureau of Corporations report, p. 125):

McCormick	$19,761,821.80
Deering	13,758,401.87
Plano	2,708,982.48
Champion	3,824,251.45
Milwaukee	3,000,000.00
Total actual value as appeared on the books of the companies	43,053,457.60

Value as raised by the International Harvester Co. upon its organization:

McCormick	$29,461,481.03
Deering	28,081,514.69
Plano	2,708,982.48
Champion	3,824,251.45
Milwaukee	3,000,000.00
Total value as raised by International Harvester Co	67,076,229.65

For this amount the company paid $60,000,000 in stock.

Company was organized with capital stock of $120,000,000; cash stock subscription was $60,000,000; actual value of property, $43,053,457.60; total of actual value, $103,053,457.60; leaving the difference between the $120,000,000 and the $103,053,457.60, or $16,946,542.40 watered stock.

This was not in payment of good will, as appears in the following statement (Bureau of Corporations report, p. 100):

In view of the evidence that the higher appraisals, particularly of natural resources, were frequently excessive, the bureau is satisfied that the appraisal of $4,963,909 for this McCormick land was altogether too high. One of the officials of the International Harvester Co., when questioned on this point, said:

"The higher valuation was adopted in the books for two reasons: First, because it was considered a reasonable valuation at that time; and, second, because there being no good will in the capitalization of the International Harvester Co. it was considered only fair and proper that the higher valuation of the appraisal should be used."

This statement clearly indicates that the valuation placed upon this real estate was excessive in that one reason why the International Harvester Co. felt justified in adopting it was that the company did not take account of good will in computing its assets.

Mr. REED. Mr. President, being organized in this wise, the proprietors of the concern set about to carry out its evil designs. Its first great acquisition was the last large single manufacturer of agricultural implements outside of the combination. I omitted to say, but now say, that they took in through Morgan & Co., the Milwaukee Harvester Co. at the time of organization; but immediately after the organization they took in the Osborne Co., and paid for it $3,365,000.

Now I challenge the attention of the Senator from Nevada [Mr. NEWLANDS], who has given so much study to the question of fair trade, to the prevention of those evils which we are asked to sit here in this sweltering weather to prevent, namely, the secret devices and the fraudulent practices by which great concerns crush their small rivals—I challenge all of you who believe in that kind of legislation, and who are willing to sit here and abide the summer's heat and the fatigues of the season and jeopardize your health, to hearken while I read you a few chapters out of the book, not of unfair competition, but of destructive and often criminal competition.

THEIR CRIMINAL COURSE.

They acquired early in 1903 the great Osborne Co., but they kept secret the fact that they had acquired it. Why? Because if they could keep that fact from the public they could use this supposedly independent concern in a way to deceive the public. They could use it to cut prices. They could use it to invade the territory of rivals. They could divide the trade of those who were unwilling to purchase from a trust, obtaining part of it for themselves through the instrumentality of this supposedly independent concern. So they kept the purchase secret, and they advertised all over the country the Osborne products as goods made by a concern independent of the trust and engaged in fighting the trust. Aye, they required or permitted—I know not which—their agent to go into the State of Missouri and apply for permission to do business there, and to make this affidavit:

That the company is not a party to any agreement or combination to fix prices or output; that it has not entered into any arrangement with any other corporation or persons, or placed the management and control in the hands of trustees for such purposes, or made any arrangement that in any way tends to interfere with full and free competition in the manufacture or sale of its products.

And yet when these gentlemen sent this agent to the State of Missouri to sign this false affidavit they knew that he would be required to swear falsely or that they could not do business within that State. This is the concern that through one of its agents announced that it was "organized according to the divine plan."

Mr. President, some two years later they had to or did publicly announce their ownership of this company, and then for the first time they elected new officers. Up to that time they kept the names of the officers of the old company at the head of the institution.

I pass from this piece of attempted fraud upon the public, from this specimen of unfair competition, which I commend to those who seek to set up new tribunals that we may prevent unfair competition as one device that ought to be included. I commend to the attention of those who seek to bring to the bar of law all who are guilty of unfair practices this particular device of this particular company.

Mr. NEWLANDS. Mr. President, may I inquire during what years that device was resorted to?

Mr. REED. In 1903, 1904, and part of 1905.

The next step in the onward march of this beneficent institution was the acquisition of the Minnie Harvester Co. They acquired that in 1903. They operated it for two seasons as an independent plant, advertised it as an independent plant, and then, having squeezed all the juice out of that lemon, having removed it from the field of competition by absorbing it, they

closed down the works and dismantled them—another evidence of the beneficence of monopoly.

Here had been a hive of human industry; here the whirring wheels and the blazing furnaces had made a scene of industrial activity and prosperity; here was a place from which wages flowed; here was a means of enriching a local community. Here was an industry put out of commission, the furnaces drawn, the smoke of the chimney died out, and the thousands of poor people dependent upon it for a livelihood turned out of employment and compelled to seek labor elsewhere; and here was another fraud being perpetrated upon our farmers.

Why, I can imagine one of these rugged old fellows, who hates a trust with that instinctive hatred which springs from the heart and soul of every honest man, driving to town and saying: "I will not patronize a trust," falling into the hands of an agent of the trust, and being told, "Why, neither the Minnie machine nor the Osborne machine is in a trust; we are fighting the trust." And so, believing that he was doing a little service to his country and his country's God by patronizing a concern that was fighting the trust, the old fellow goes down in his pocket and pays for a machine. The agent chuckles and laughs at the ignorance of the farmer, and remarking "How easy it is to do up those old fellows," remits the money to Perkins. I can see the smile that passes over that pious countenance, almost as beatific as it is when he sits in the presence of the great Roosevelt, basking in the light reflected from his noble brow—I can see the smile of pleasure upon the Perkins countenance as he counts the sheckels that came from the farmer who thought he was not buying from a trust.

The *Aultman-Miller* Co.—I do not know who battered the Aultman-Miller Co. down. I do know that very naturally it would be crushed by such a rival. Later on I shall give some evidence of the fact that all independent companies suffered from the unfair and unjust conduct of this company; but the Aultman-Miller Co. was gobbled up by the Harvester Trust. The interest of the Harvester Co. in this concern was kept secret for two long years. It was advertised as an independent concern. It owned the patents and the good will of the old Buckeye machine.

Why, sir, that was one of the first machines ever made in this country. When I was a boy it was singing its merry song in the meadows of my State. It was regarded as one of the few machines that could be relied upon to cut through everything from underbrush to wire grass. They put the old Buckeye out of business. It is no longer manufactured. If the plant had been sold to some independent company, the Buckeye would still be manufactured. But why should this concern, which had a monopoly, continue to manufacture the old Buckeye mowing machine? Accordingly it ceased to be.

Then they acquired in 1904 the Keystone Co. That was a company engaged in the manufacture of corn shellers, hay tools, and tillage implements.

What else did the trust do? It discharged numerous agents. Its method of economy was to cut off men's bread and butter to increase the profits of its proprietors.

Herein lies a good illustration. Put 20 concerns in the market doing business. Each will have a great number of agents soliciting business. Accordingly a part of the profits of the concerns is distributed to the agents. Consolidate them all now as a trust, make the monopoly complete, and it can and will discharge substantially every agent. What happens then? Instead of the profits being divided between the proprietor and the large number of agents, the proprietor gets all. The agents must go elsewhere and find work. So the trust discharged a vast number of agents employed before the consolidation.

Mr. President, the trust made low prices in order to shut out competitors, to destroy its weaker rivals. I read from the Government's brief, which contains a copy of the report of the meeting of the sales committee. This committee, meeting in the city of Chicago, reported as follows:

> It considers it of the utmost importance, for the purpose of encouraging and promoting the sale of grain harvesters, that the retail price be kept low.

That does not make the purpose very plain. Follow me on:

> Second. It believes a reasonably low price on twine this season will discourage smaller manufacturers from competing for the business for 1903 and for the future.
>
> Third. It believes the present price of fiber would enable a manufacturer to produce twine at a cost of not to exceed 9 cents per pound, and that any price over 10 cents would make the business more attractive to the smaller manufacturer than is desirable.

And so, not because they loved the people, but because they wanted to crush the smaller manufacturer, they continued low prices in the particular instances to which I have called attention.

I cite the item, not because of its inherent importance, but because it points a policy and manifests a purpose.

They undertook—and again I challenge the attention of the students of unfair competition—to deprive their rivals in the twine business and in the smaller agricultural-implement business of their good agents. I read briefly from the Government's argument:

> In the summer of 1903 the only companies competing with the International in selling harvesting machines in the great grain sections of the Central West were the Acme Co., of Peoria, Ill., which was in the hands of a creditors' committee, the Aultman Miller Co., of Dayton, Ohio, bought by the International Harvester Co., July, 1903, and the Minnie Harvester Co., of Minneapolis. The latter company started in business in the early part of 1902. It put on the market in that year 2,500 machines, and in 1903, 3,000 machines. The following sales report, dated April 30, 1903, signed by each of the sales committee, and approved by the executive committee of the International, discloses the character of the competition the Minnie Co. encountered:
>
> The Grass Twine Co. has a few good agents in points in Minnesota, the Dakotas, Iowa, Kansas, and Oklahoma. It is desired to keep the trade of these agents as small as possible and get them as agents for this company next year, and it is believed this can be accomplished if the divisions are especially active at these places. It is therefore decided that each division shall be permitted to locate a canvasser at each of these places where the volume of trade will justify it and where the division is well enough organized at the town to make the work effective, these men not to count on the regular allotment.

Translating that, it means that they had organized a "flying squadron" of experts, who were to invade the territories where the weaker companies had good agents. They were to work so assiduously as to ruin the business of those agents and take away their trade, and then, the agents having been discouraged in this way, this company intended to hire them the next year.

I call the attention of the author of the bill on unfair competition to that practice and to this shining example of fairness and virtue and of the beneficent results flowing from trusts.

Further on the Government elaborates this point, not now in the mere lawyer's brief, but in the lawyer's brief that quotes the record and sets forth the documents.

The report I have just read was "approved and ordered placed on file" at a meeting of the executive committee at which were present Charles Deering, Cyrus H. McCormick, James Deering, William H. Jones, Harold F. McCormick, and J. J. Glessner. Each one of these gentlemen is still employed by the International Harvester Co. Those of you who think this trust has been reformed, that it has been regenerated, that it has been baptized, that it has seen a great light, remember that the men who set up that infamous scheme to crush a weaker rival, who were present and approved the plan—a plan that would have done credit to a buccaneer sailing the Spanish Main in the fourteenth century—are still the officers of this company. Of course there have been a few added since who can see nothing wrong in all it has done, and who are yet uncertain whether the original organization was not an act of good morals.

But I proceed; and at this point, in order that the record may be complete, I ask leave to print from the Government's brief the names of the defendants in the Government's suit.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

> International Harvester Co., International Harvester Co. of America, International Flax Twine Co., Wisconsin Steel Co., the Wisconsin Lumber Co., Illinois Northern Railway, the Chicago, West Pullman & Southern Railroad Co., Cyrus H. McCormick, Charles Deering, James Deering, John J. Glessner, William H Jones, Harold F. McCormick, Richard F. Howe, Edgar A. Bancroft, George F. Baker, William J. Louderback, Norman B. Ream, Charles Steele, John A. Chapman, Elbert H. Gary, *Thomas D. Jones*, John P. Wilson, William L. Saunders, George W. Perkins.

Mr. REED. I proceed. Here is a later sales report:

> Sales committee report of April 30 recommends some additional canvassing in Minnesota, the Dakotas, Iowa, Kansas, and Oklahoma to meet grass twine competition. Recommendations from the general agents for a plan to meet this competition were submitted, and the sales committee, after revising these plans, suggests the following allotment of men to the different divisions for this work, in accordance with the recommendations of paragraph 1 in report of April 30:
>
> McCormick division, 20; Deering division, 20; Champion division, 15; Plano division, 10; Milwaukee division, 10.
>
> These figures to represent the maximum and not to be reached unless the expense seems justifiable.

That report was also approved by the executive committee.

The record—

Says the Government—

contains other instances of action taken by the sales committee, to employ extra canvassing agents against the Minnie Co.

Finally the Government adds:

> No wonder the company was glad to sell out in the fall of 1903; it could not get capital to continue its business. For two years thereafter the International operated it as a fake "independent."

Mr. President and Senators, if there be a trick, a device, a method known for the propagation of trusts and the destruction of honest rivalry in business which has not been adopted by this concern, then I am not aware what that device may be; and yet, through all of it there runs a vein of cant and false

pretense, a brand of hypocrisy that nauseates manhood and violates every idea of self-respect.

Here is a letter which Mr. O. W. Jones, one of these managers, sent out to the agents:

The International Harvester Co. of America has not been organized for the purpose of monopolizing or creating monopoly, and so no agent will have a monopoly on more than one machine on the International Harvester Co.'s lines.

Protesting that they were not organized for the purpose of monopoly, they refused to give to any one agent the agency for all their machines, thus compelling a number of agencies to be established in a city, or compelling the public to buy only one machine; but even if there were a number of agencies established in a city, they would all be agencies for the same concern, although each of them would have a different machine.

So this gentleman continues:

We believe that in the near future this great company—

After saying they were not organized for the purposes of monopoly—

We believe that in the near future this great company will do practically all the harvester business of the world, for the company is organized wisely and it is going to be, and is, managed on broad-gauged, unselfish principles.

Ah, how unselfish they were when they were sending out their "flying squadron" to crush their weaker rivals! How unselfish they were when they were lowering the prices in certain places to destroy competitors! How unselfish they were when they forced these struggling concerns over the precipice of bankruptcy in order that they might fatten upon the ruins that were left, while they occupied the field alone!

But I continue to read:

It is going to sell its goods for reasonable prices and deal justly with all men, employees, agents, and farmers, and that sort of treatment and operation will succeed everywhere. It is according to and in harmony with the divine plan.

Having reached out and gathered in all the agricultural business of the United States they now set up the pretense that Almighty God is their partner in the enterprise, or at least that they have a patent on divine plans.

Here is another excerpt illustrating some unfair competition, for I adopt that phrase for the present.

At their meeting held September 9, 1902—

It was decided that on an order for a carload of hayrakes for the use of one agent only it would be permissible to name a discount of $1 per rake when necessary to meet outside competition. If any cases arise where this is not sufficient to take the trade from outside competitors, the matter is to be brought up at a sales committee meeting for their consideration. Each division is to inform the other divisions of any sales made at less than schedule and give the price.

And so on.

CRUSHING COMPETITION.

I will not now take the time to read further. It would require hours to cover the field. I content myself in closing this particular branch of my remarks by reading from the hearings before the Committee on Rules of the House of Representatives, held January 17, 1912, long enough ago to permit the light to penetrate into the heart and soul of any director of the company so that he need not have further notice by decree of courts. I read from page 38, "Undermining of independents":

The International Harvester Co., by spreading false and so-called confidential reports, led the dealers to believe that it had acquired control of independent manufacturers and would soon discontinue their models, thus driving the independent machines off the market.

That is another variety of fraudulent competition. I say to the distinguished chairman, who has in charge the bill covering unfair practices, that if he will just study the practices of the International Harvester Co. he can obtain a university education along that particular line of fraud and oppression. I continue to read:

The International Harvester Co., through its interlocking directorates and interests with the great Morgan and Rockefeller financial groups, has been able to dry up the channels of credit of its competitors and to overcome all resistance.

How true and how pointed now are the words of President Wilson, which I read in the early part of my remarks, wherein he warns us against the financial power that is centralized in this country. Here we find it manifest, and here, according to the evidence contained in the report of the House of Representatives, are the certain proofs of its existence and of its devestation:

The International Harvester Co. has secured a discrimination in the price of steel from the United States Steel Corporation, and the Steel Trust refunds to the Harvester Trust $3 a ton on all steel used in the manufacture of machinery exported, thus proving beyond a doubt that steel can be and is produced in this country and sold profitably at the foreign price; in other words, showing that the tariff on steel is indefensible.

I read further:

The International Harvester Co. receives rebates from the railroads both in the East and in the West.

This is a present charge, or was a present charge on January 17, 1912. If that be true, then here is another violation of the law. If that be correct, here is another act of felony. I read further:

The International Harvester Co. makes its agents pay transportation and other charges out of their commissions and then defrauds them in the computation of these charges.

That is unfair treatment, to say the least. I read further:

The International Harvester Co. has been guilty of legislature bribing and tax dodging.

BINDING-TWINE MONOPOLY.

The International Harvester Co. conspired to create and did create a binding-twine monopoly; it took advantage of the elimination of competition to reduce the quality of its goods, greatly to the detriment of the agricultural interests.

Why, of course. There never was a monopolist yet who kept up the standard of his output unless he was forced to do it by present competition or by threatened competition.

The International Harvester Co. has extended its operations to other implements, and is bending all its efforts—

When? In 1902? No. In 1909? No. In 1912, when this hearing by the House of Representatives took place, a body certainly of equal dignity and importance with this. At that time—

The International Harvester Co. has extended its operations to other implements, and is bending all its efforts to the establishment of a monopoly in the manufacture of cultivators, harrows, manure spreaders, wagons, cream separators, gasoline engines, etc.

Further, in addition to the above criminal or illicit acts, information of which is in the possession of the Department of Justice, the International Harvester Co. has directly hampered the farmers of the country and increased the cost of living by suppressing the best and most efficient machinery to continue the manufacture of models that gave a greater profit, and has maintained retail prices which by no method of reasoning can be justified by the cost of production.

We are not talking about something that happened in the remote past. We are not considering acts where the statute of limitations can be plead. We are not going back of present conditions. I am reading this evidence from the report of the committee of the House of Representatives, because I believe it is entitled to respectful weight here.

Mr. VARDAMAN. When was the report made?

Mr. REED. The report was made January 17, 1912. [Reading:]

Since competition has been eliminated and a monopoly formed, the sole aim of the Harvester Trust has been to reduce its cost of manufacture and increase its profits, regardless of the interests of the farmers or of the country at large.

That does not refer to things that happened prior to 1909. That refers to things that were occurring up to the date of this report in 1912. You see the old pirate ship, the keel of which was laid with loving care by Perkins and Morgan and McCormick and Deering in 1902 still is sailing under the same black flag. It is commanded by the same officers, except as they occasionally put in a dummy who is willing to take orders and do their bidding. It is headed for the same port. It is as much deserving to be sunk now as it was the day it was launched. Those who man its decks and swarm through its yards are as well entitled to be tried, convicted, and punished as were the men who first gave its criminal hulk to the waters of the ocean of commerce.

Says this report:

The manner in which Mr. Perkins organized the Harvester Trust and the subterfuge he employed in his efforts to escape the meshes of the law were worthy of a man whose masterful mind has been whetted on the grindstone of corporation cunning. This is how he did it.

Then follows an account of the organization of this company, which is substantially as I have given it, and I ask leave to print it without reading.

The VICE PRESIDENT. Without objection, it will be so ordered.

The matter referred to is as follows:

At the beginning of 1902 there was keen competition between the various manufacturers of harvester machinery in the United States. The most powerful was the McCormick Harvester Machine Co., controlled by John D. Rockefeller, whose daughter is married to Harold F. McCormick.

Mr. Perkins, still flushed with the success of the billion dollar steel merger, proposed a plan for the merger of the harvester interests. He first approached Cyrus J. McCormick, who fell in with his views, and it was determined that McCormick should obtain an option on the entire capital stock of $1,000,000 of the Milwaukee Harvester Co., a Wisconsin corporation which manufactured the best and most efficient harvesting machine then invented, and was the only one of the larger firms in which the control was not centered in a few individuals.

The concentration of the harvester business in the hands of comparatively few firms, the concentration of the control of the principal competitors among a few stockholders, made the formation of a monopoly relatively easy. Rockefeller, through the McCormick family, controlled the McCormick machine; the Deering family controlled the Deering; the Jones family controlled the Piano; the Glessner family controlled the Champion.

In July, 1902, Cyrus J. McCormick exercised the option he had obtained on the stock of the Milwaukee company, and Mr. Perkins invited the McCormicks, the Deerings, the Joneses, and the Glessners to New York to effect the combination of their interests. The consolida-

tion was discussed in the offices of J. P. Morgan & Co. and a preliminary agreement was reached. It was decided that the various manufacturers should return to their homes and make inventories of their plants. This they did.

TROUBLE OVER INVENTORIES.

They returned in two weeks with the inventories made, but all of them had valued their assets highly, and each interest, while sticking to its own valuation, stoutly refused to accept the valuations its competitors had placed on their plants. It appeared they would never agree.

But Mr. Perkins was equal to the situation. He conducted all the negotiations and devised and executed the plan finally agreed on. Mr. Perkins suggested that the harvester people should consolidate anyhow and leave the value of their various plants to be afterwards appraised at their full value by independent appraisers, and that all of the properties about to be merged should be immediately transferred to a trustee pending the appraisements.

Mr. Perkins then suggested that the five companies should not all be merged into the International Harvester Co., but that the separate corporate existence of one of them should be preserved, and for this he selected the Milwaukee.

MILLIONS OF WATER.

On August 12, 1902, the International Harvester Co. was organized under the laws of the State of New Jersey with a capital of $120,000,000, which was about $15,000,000 in excess of the most rosy figure at which the constituent companies had estimated their assets in the inventories.

On the same day all of the capital stock of the Milwaukee Harvester Co. and all of the property of the four other companies was conveyed to one William C. Lane as trustee, and subsequently conveyed by him to the International Harvester Co. At the same time all the capital stock of the International Harvester Co. was issued and delivered to Mr. Lane as trustee. On the next day Lane entered into a voting trust agreement with Cyrus J. McCormick, James Deering, and George W. Perkins as voting trustees, by the terms of which all the capital stock of the International Harvester Co. was transferred to this voting trust, with authority to exercise its voting power only, trust stock certificates to be issued by the voting trustees to the various parties entitled thereto.

TO MORGAN, $5,000,000.

The appraisements were made on a most liberal scale, and stock trust certificates issued by the voting trustees as follows:

To the stockholders of the McCormick Harvester Machine Co	$51,000,000
To the partners of the Deering Harvester Co	40,000,000
To the stockholders of the Piano Manufacturing Co	4,000,000
To the stockholders of the Wardner, Bushnell & Glessner Co	8,000,000
To Cyrus J. McCormick for the $1,000,000 stock of the Milwaukee Harvester Co	2,700,000
To J. P. Morgan & Co., for services	5,000,000
Balance sold for cash (to John D. Rockefeller and others)	9,300,000
Total	120,000,000

On August 14 the International Harvester Trust was doing business. It had its offices in Chicago, where all the business is done, and where its officers are all located, notable exceptions being Mr. Perkins and one other local director in New Jersey to comply with the law.

Then on September 5 Mr. Perkins completed his plans by changing the name of the Milwaukee Harvester Co. to the International Harvester Co. of America. The amount of its capital stock remained unchanged, $1,000,000. It had the same directors and almost the same name as the $120,000,000 International Harvester Co.

PERKINS ENLISTS PERKINS.

Mr. Perkins of the big International Harvester Co. then suggested to Mr. Perkins of the little International Harvester Co. of America that they enter into an agreement. This was done. The agreement is a very simple thing. The International Harvester Co. sells all its products at the price it likes to the International Harvester Co. of America, which in turn sells to the trade at a nominal profit.

By this altruistic device the International Harvester Co.—the trust—avoids participation in interstate commerce. It is purely a State concern; it does not come under the jurisdiction of the Federal Government. That, at least, was Mr. Perkins's intent.

The International Harvester Co. of America, on the other hand, with its small capitalization and its very modest profits, is the model corporation which does business in other States, and is required by the laws of many of them to render statements as to financial condition, profits, etc., and in some cases to pay taxes accordingly. Mr. Perkins has used the same device in Canada, where the International Harvester Co. of Canada (Ltd.) is a model corporation and sells at a modest profit to itself the products of its parent company.

The Harvester Co. of America is a straw corporation, all of the stock of which has been owned by the International Harvester Co. ever since August 13, 1902, when it still had its old name of the Milwaukee Harvester Co. All the stock of the International Harvester Co. of America is still owned by the International Harvester Co. It was and is merely a subterfuge to escape the jurisdiction of the Federal courts.

BUY PLANTS TO CLOSE THEM.

Immediately after the merger the International Harvester Co., the trust, acquired by purchase four of its principal competitors—D. M. Osborne & Co., for $4,000,000; Aultman, Miller & Co., for $700,000; the Minneapolis Harvester Co., for $700,000; and the Keystone Co., for $460,000. The plants of the Minneapolis company, manufacturing the "Minnie" harvester, and of Aultman, Miller & Co., manufacturing the "Buckeye," were at once shut down, the two plants having been bought for $1,400,000, simply to destroy them. In less than one year from the establishment of the trust it controlled more than 90 per cent of the total harvester business of the United States.

The only independents of any consequence left were the Acme Harvester Machine Co., the Walter A. Wood Harvester Co., the Johnson Harvester Co., and the Adriance Platt Co. Of these the most important was the Acme, but the Department of Justice has its doubts as to whether it is not secretly controlled by the trust.

Mr. Perkins, having created his trust and laid the basis of a complete monopoly in "everything the farmer buys," then proceeded to "cinch the farmers." Trade conditions and the patent laws made it easy.

Mr. REED. The report further on charges under the heading "Rebates from railroads":

But Mr. Perkins, who, as he admitted under oath to Attorney General Major, of Missouri, controlled the entire business of the International Harvester Co., was not content with profits alone. He wanted rebates from the railroads, and he got them.

The information in the possession of the Department of Justice shows that the International Harvester Co. receives rebates from the railroads of both the East and the West. It gets a rebate of $6 a car in thousands from eastern railroads. This payment is made through the legal department of the railroads to some individual, ostensibly for legal services. The Harvester Trust gets the money.

In the West, where the International Harvester Co. owns short terminal railways connecting its factories with the railroads, the terminal allowance system was used to cover up rebates. A switching charge of $12 a car was billed against the railroads in 1906. But at last the railroads refused to stand for this; so Mr. Perkins invented a new plan.

The Harvester Trust, which has large warehouses in the West, made arrangements with the railroad companies to defraud its agents, who are obliged to pay transportation and other charges out of their commissions. The plan was as follows: The railroads billed against the agent the local tariff from Chicago to the intermediate warehouse, then a charge of $5 for transfer, and then the local tariff from the intermediate warehouse to the point of destination. They then refunded the Harvester Trust the $5 transfer charge plus the difference between the through rate and the aggregate of the two local rates.

Under the head, "Perkins deals with Perkins," I find this:

But profits and rebates were not enough for Mr. Perkins. He wanted more, and he got it from the Steel Trust. Mr. Perkins, chairman of the finance committee of the International Harvester Co., obtained from Mr. Perkins, chairman of the finance committee of the United States Steel Corporation, a special rate on all steel used by the Harvester Trust and a refund of $3 a ton on all steel used in the manufacture of machinery exported. The prices of raw material were manipulated with a discriminating favor murderous to those who dared to compete with the International Harvester Co.

Mr. Perkins, chairman of the finance committee of the International Harvester Co., was also able to obtain from Mr. Perkins, member of the New York Clearing House committee, accurate information as to the financial standing and the loans of the independent harvester companies.

MR. JONES.

Is it not strange that all this could go on; that it was cried from the housetops; that a wayfaring man, though a fool, could see it; and yet there is only one man left in the United States who can not see it until the court shall some day so adjudge it? Is it not marvelous that one so obtuse should be a member of the great Jones family? There was no other—just Jones. He alone, like a bat lurking in the shadows, "drops his blue-fringed lids" and, looking toward the plain, bald fact, "cries out, where is it?" That is a bad paraphrase of Milton. I apologize. Jones can not be convinced. He is not willing to say its original organization was wrong. Although it has been thrice condemned by the courts, although condemned by this report of the House of Representatives, although condemned at the bar of public conscience, although charged by the Government solemnly in suits to be a criminal against the law, but one man in all this world is not convinced. His name is Jones.

I continue to read:

Mr. Perkins, chairman of the finance committee of the International Harvester Co., was also able to obtain from Mr. Perkins, member of the New York Clearing House committee, accurate information as to the financial standing and the loans of the independent harvester companies. The banks which had made loans or were handling the business of the independents were controlled either by Morgan, whose partner Mr. Perkins then was, or by Rockefeller, who is equally interested in the fortunes of the International Harvester Co. The independent manufacturers, paying higher prices for their raw material, with their credit at the mercy of their giant competitor, were forced either to sell out or go to the wall.

I have read that a second time. I should like to have it read every morning until the Senate is inspired to action that will help sweep these combinations out of existence; until a public sentiment shall be aroused that will make it impossible for men to conspire to destroy the property of their neighbors; until a time shall arrive when he who is guilty of acts like these will be classed with the common thief and the highwayman. I read on:

FARMERS AT MERCY OF TRUST.

To-day Mr. Perkins's methods have placed the International Harvester Co. in control of the agricultural resources of the United States. The trust makes the plows, the disks, the harrows with which the soil is prepared. It makes the seeders and the drills. It makes the mowers, the hayrakes, the corncutters, the corn shredders, the headers, the reapers, the binders, the harvesters, the engines, the windmills, the wagons, the hoes, the rakes, the forks, the spades, the dairy machinery and implements used to produce almost all the $9,000,000,000 worth of farm and agricultural wealth which is the backbone of the prosperity of this country.

Mr. President, these statements that I have read are incorporated in this report and were from the New York World of July 24, 1911, and are accepted by the committee as of evidentiary value.

Before I conclude my remarks, and because the question was asked me, I want to put into the RECORD a tabulation from the report of the Department of Commerce and Labor, at page 254, which shows the prices of farm machinery to have been raised.

The VICE PRESIDENT. Without objection, permission to do so is granted.

The matter referred to follows.

The following table shows the general contract wholesale prices for specified grain binders, mowers, and corn binders in the chief grain States of the West from 1903 to 1911:

Contract list prices, f. o. b. Chicago, for two fall payments of specified Deering harvesting machines, by years, 1903–1911.

Machine.	1903	1904	1905	1906	1907	1908	1909	1910	1911
Grain binder:									
6-foot	$100.00	$100.00	$100.00	$100.00	$100.00	$107.50	$107.50	$107.50	$107.50
7-foot	103.00	103.00	103.00	103.00	103.00	110.50	110.50	110.50	110.50
8-foot	115.00	115.00	115.00	115.00	120.00	130.00	130.00	130.00	130.00
Mower:									
5-foot regular	36.00	36.00	36.00	36.00	36.00	38.50	38.50	38.50	38.50
5-foot vertical	37.00	37.00	37.00	37.00	37.00	39.50	39.50	39.50	39.50
6-foot	39.00	39.00	39.00	39.00	39.00	42.00	42.00	42.00	42.00
Corn binder	100.00	100.00	100.00	100.00	100.00	107.50	107.50	107.50	107.50

An inspection of the foregoing table shows that for 6 and 7 foot grain binders the only change in the regular contract prices was in 1908, when they were advanced $7.50. This advance does not take any account, of course, of the fact that the company also began to require payment, generally, for attachments which previously were usually thrown in gratis. (See p. 250.) The 8-foot grain binders, on the other hand, were advanced $5 in 1907 and $10 additional in 1908, giving a total advance during this period of $15.

The changes in the prices of mowers were parallel to those for 6 and 7 foot grain binders, only one advance being made, namely, $2.50 for the 5-foot mowers and $3 for the 6-foot mowers.

The list price of corn binders was the same as that of 6-foot grain binders in each year, advancing $7.50 in 1908.

The contract prices of harvesting machines shown above, while given specifically for Deering brands, were also applicable to the McCormick brands of harvesting machines of the corresponding kinds and sizes.

Mr. REED. Mr. President, I have but a few words to say in conclusion. I could stand here and mass facts of the character I have presented from now until to-morrow's sun might rise. I have said enough, however, to convince all men who are open to conviction of the character of this institution. I shall be prepared to defend these statements whenever any man has the temerity to rise here and on behalf of the Harvester Trust challenge aught I have said.

So far as I am concerned, my fight against monopoly has been a good-faith fight, and my fight against monopoly is not upon narrow or personal lines. I believe that where monopoly exists liberty is dead just to the extent that monopoly is potential. When I have attended conventions and voted for platforms declaring that monopoly is indefensible and intolerable; when I have attended conventions and voted for platforms declaring that the criminal provisions of the law ought to be enforced; when I have tossed my hat in the air and joined with the cheers of the multitude, as from the lips of Bryan and Clark and all other great Democrats, including the President himself, has come the demand for personal responsibility and for personal punishment for personal guilt—when I have acclaimed those sentiments, I have done it in good faith.

I am about to vote in the Senate for a bill wrought out here in the summer's heat declaring that the directors of corporations shall be held personally and criminally responsible for the criminal acts of the corporation. I shall, sir, keep the faith; I will not say in one breath that men should be made felons for their acts and in the next declare they should be the recipients of honorable distinction. I do not possess that quality of mind which enables me to insist that a man should look out upon the world through the bars of a cell and at the same moment insist that he should stand among the honored and the great.

Mr. President, the Democratic Party has a splendid history. Its foundation stones were laid by the master builder of all the ages—Thomas Jefferson. It has from that day to this hour been the enemy of privilege, the enemy of every scheme and device that sets up and creates a special privilege. Those who fight for special privilege fight against Democracy; those who advantage the enemies of Democracy fight for special privilege.

Mr. President, I have done, and I have done my duty.

EXECUTIVE SESSION.

Mr. KERN. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 10 minutes spent in executive session the doors were reopened.

FEDERAL TRADE COMMISSION.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 15613) to create an interstate trade commission, to define its powers and duties, and for other purposes.

Mr. NEWLANDS. Mr. President, there are two amendments pending, I think.

The VICE PRESIDENT. There are no amendments pending.

Mr. NEWLANDS. Then, I offer these two amendments. They sprang out of an amendment which was offered by the Senator from Iowa [Mr. CUMMINS] with reference to the antitrust laws, to the effect that the creation of the interstate trade commission should not in any way affect the antitrust laws. The amendment which the Senator from Iowa offered was divided into two parts, one being an addition to section 5 and the other being an additional section.

The addition to section 5 is as follows:

Provided, That no order or finding of the court or commission in the enforcement of this section shall be admissible as evidence in any suit, civil or criminal, brought under the antitrust acts.

Section 11 provides:

That nothing contained in this act shall be construed to prevent or interfere with the enforcement of the provisions of the antitrust acts or the acts to regulate commerce, nor shall anything contained in the act be construed to alter, modify, or repeal the said antitrust acts or the acts to regulate commerce or any part or parts thereof.

Mr. CUMMINS. Mr. President——

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

Mr. NEWLANDS. Certainly.

Mr. CUMMINS. I do not know what the record shows, but during the course of some observations I presented not long ago I offered an amendment——

The VICE PRESIDENT. The Chair was in error. The Secretary informs the Chair that the Senator from Iowa did offer an amendment, and the Senator from Nevada offered a substitute for that amendment, which is the pending question.

Mr. CUMMINS. I thought that was the state of the record.

Mr. President, the two amendments which have now been offered by the chairman of the committee cover exactly the ground which I sought to cover in the amendment offered some time ago. I therefore ask the consent of the Senate to withdraw the amendment which I offered and allow the chairman of the committee to offer his two amendments directly to the bill.

The VICE PRESIDENT. The Senator from Iowa has a right to withdraw his amendment.

Mr. NEWLANDS. Then I ask the consideration, first, of the proviso at the end of section 5.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. It is proposed to add, at the end of section 5, the following——

Mr. SMOOT. The Senator is not offering that to be voted upon to-night?

Mr. NEWLANDS. I am.

Mr. SMOOT. If that is the case, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

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

Ashurst	Jones	Newlands	Smith, Md.
Bryan	Kenyon	Page	Smoot
Burton	Kern	Pittman	Stone
Camden	Lea, Tenn.	Pomerene	Thomas
Chilton	Lee, Md.	Ransdell	Thornton
Cummins	Lewis	Shafroth	Walsh
Hollis	Martine, N. J.	Sheppard	West
Hughes	Myers	Shively	White
James	Nelson	Simmons	

Mr. PAGE. I wish to announce the necessary absence of my colleague [Mr. DILLINGHAM]. He is paired with the senior Senator from Maryland [Mr. SMITH].

The VICE PRESIDENT. Thirty-five Senators have answered to the roll call. There is not a quorum present. The Secretary will call the names of absent Senators.

The Secretary called the names of absent Senators, and Mr. BRANDEGEE, Mr. GALLINGER, Mr. OVERMAN, Mr. POINDEXTER, and Mr. SMITH of Georgia answered to their names when called.

Mr. ASHURST. I wish to announce that my colleague [Mr. SMITH of Arizona] has been called from the Chamber on a very important matter. He is necessarily absent temporarily.

The VICE PRESIDENT. Forty Senators have answered to the roll call. There is not a quorum present.

RECESS.

The VICE PRESIDENT. The hour of 6 o'clock having arrived, the Senate stands in recess until 11 o'clock to-morrow morning.

The Senate thereupon (at 6 o'clock p. m.) took a recess until to-morrow, Friday, July 24, 1914, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate July 23, 1914.

CONSUL GENERAL AT LARGE.

Roger S. Greene, of Massachusetts, now consul general at Hankow, to be consul general at large of the United States of America, vice Alfred L. M. Gottschalk, appointed consul general at Rio de Janeiro.

CONSULS GENERAL.

Julean H. Arnold, of California, now consul at Chefoo, to be consul general of the United States of America at Hankow, China, vice Roger S. Greene, nominated to be consul general at large.

Fred D. Fisher, of Oregon, now consul general at Mukden, to be consul general of the United States of America at Tientsin, China, vice Samuel S. Knabenshue, resigned.

P. Stewart Heintzleman, of Pennsylvania, now Assistant Chief of the Division of Far Eastern Affairs, Department of State, to be consul general of the United States of America at Mukden, China, vice Fred D. Fisher, nominated to be consul general at Tientsin.

CONSULS.

John K. Caldwell, of Kentucky, now assistant Japanese secretary, to be consul of the United States of America at Vladivostok, Siberia, vice John F. Jewell, nominated to be consul at Chefoo.

John F. Jewell, of Illinois, now consul at Vladivostok, to be consul of the United States of America at Chefoo, China, vice Julean H. Arnold, nominated to be consul general at Hankow.

JUDGES OF CIRCUIT COURTS.

Clarence W. Ashford, of Honolulu, Hawaii, to be first judge of the circuit court of the first circuit of the Territory of Hawaii, vice Henry E. Cooper, whose term has expired.

William S. Edings, of Honolulu, Hawaii, to be judge of the circuit court of the second circuit of the Territory of Hawaii, vice Selden B. Kingsbury, whose term has expired.

THIRD LIEUTENANTS OF ENGINEERS, REVENUE-CUTTER SERVICE.

Cadet Engineer Chester Arthur Beckley to be a third lieutenant of Engineers in the Revenue-Cutter Service of the United States, to fill an original vacancy.

Cadet Engineer Aaron Matheis to be a third lieutenant of Engineers in the Revenue-Cutter Service of the United States, to fill an original vacancy.

Cadet Engineer Paul Revere Smith to be a third lieutenant of Engineers in the Revenue-Cutter Service of the United States, to fill an original vacancy.

Cadet Engineer Isaac John Van Kammen to be a third lieutenant of Engineers in the Revenue-Cutter Service of the United States, to fill an original vacancy.

PROMOTIONS IN THE ARMY.

INFANTRY ARM.

Lieut. Col. Omar Bundy, Eleventh Infantry, to be colonel from July 20, 1914, vice Col. George Bell, jr., Sixteenth Infantry, appointed brigadier general.

Maj. Evan M. Johnson, jr., Infantry, unassigned, to be lieutenant colonel from July 20, 1914, vice Lieut. Col. Omar Bundy, Eleventh Infantry, promoted.

Capt. John K. Miller, Infantry, unassigned, to be major from July 20, 1914, vice Maj. Evan M. Johnson, jr., unassigned, promoted.

First Lieut. Franklin P. Jackson, Second Infantry, to be captain from July 20, 1914, vice Capt. John K. Miller, unassigned, promoted.

Second Lieut. Blaine A. Dixon, Fifteenth Infantry, to be first lieutenant from July 20, 1914, vice First Lieut. Franklin P. Jackson, Second Infantry, promoted.

CONFIRMATIONS.

Executive nominations confirmed by the Senate July 23, 1914.

PROMOTIONS IN THE ARMY.

COAST ARTILLERY CORPS.

Maj. William C. Davis to be lieutenant colonel.

Capt. Thomas F. Dwyer to be major.

First Lieut. Rollo F. Anderson to be captain.

Second Lieut. Wallace L. Clay to be first lieutenant.

Second Lieut. Walter L. Clark to be first lieutenant.

APPOINTMENTS, BY TRANSFER, IN THE ARMY.

Second Lieut. Cedric Watterson Lewis to be second lieutenant of Infantry.

Second Lieut. Joseph Webster Allison, jr., to be second lieutenant of Cavalry.

POSTMASTERS.

VERMONT.

Anna M. Allen, West Pawlet.

George E. Randall, Wells River.

WITHDRAWAL.

Executive nomination withdrawn July 23, 1914.

Thomas D. Jones, of Illinois, to be a member of the Federal Reserve Board.

HOUSE OF REPRESENTATIVES.

THURSDAY, *July 23, 1914.*

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 to Thee in gratitude, Almighty God our Father, for all the disclosures Thou hast made of Thyself. That we may know somewhat of Thy wisdom Thou hast displayed most marvelously the wonderful adaptation of means to ends. That we may know somewhat of Thy power Thou hast spread out before us the vast and stupendous heavens, all of which move in harmony with Thy will. That we may know somewhat of Thy love Thou hast bound us together into families by the tender ties of affection which time nor space can sever, all of which are reassuring.

May we hallow Thy name by a faithful service in the things whereunto Thou hast called us, for Thine is the kingdom and the power and the glory forever. Amen.

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

DISPOSITION OF USELESS PAPERS IN THE EXECUTIVE DEPARTMENTS.

The SPEAKER laid before the House a report (No. 997, 63d Cong., 2d sess.) by Mr. TALBOTT of Maryland, from the Joint Select Committee on Disposition of Useless Executive Papers, relative to the report of the president of the United States Civil Service Commission in House Document No. 245, Sixty-third Congress, first session; the report of the Secretary of the Department of the Interior in House Document No. 912, Sixty-third Congress, second session; and the report of the Secretary of War in House Document No. 1005, Sixty-third Congress, second session, which report was ordered to be printed.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Tulley, one of its clerks, announced that the Senate had passed with amendments bills of the following titles, in which the concurrence of the House of Representatives was requested:

H. R. 16345. An act 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;

H. R. 16294. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war;

H. R. 17482. An act 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; and

H. R. 15959. An act 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.

The message also announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 6106. An act validating locations of deposits of phosphate rock heretofore made in good faith under the placer-mining laws of the United States.

ENROLLED BILL SIGNED.

The SPEAKER announced his signature to enrolled bill of the following title:

S. 5462. An act to authorize the county of Barry, State of Missouri, to construct a bridge across the White River in Barry County, Mo., at or near a point known as Goldens Ferry.

SENATE BILL REFERRED.

Under clause 2, Rule XXIV, Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee as indicated below:

S. 6106. An act validating locations of deposits of phosphate rock heretofore made in good faith under the placer-mining laws of the United States; to the Committee on the Public Lands.

SUNDRY CIVIL APPROPRIATION BILL.

The SPEAKER. When the House adjourned on Tuesday the matter in controversy was the conference report on the sundry civil appropriation bill; and the particular matter was the motion of the gentleman from California [Mr. KAHN] to recede and concur in Senate amendment 145.

Mr. SHERLEY. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Kentucky suggests the absence of a quorum. Evidently there is no quorum present. There is no use pretending to count.

Mr. UNDERWOOD. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The SPEAKER. The Doorkeeper will lock the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

The Clerk proceeded to call the roll, when the following members failed to answer to their names:

Adair	Elder	Korbly	Reilly, Conn.
Ainey	Estopinal	Kreider	Riordan
Anthony	Evans	Lafferty	Roberts, Mass.
Ashbrook	Fairchild	Langham	Rubey
Aswell	Farr	Langley	Sabath
Austin	Fields	Lazaro	Saunders
Barchfeld	Finley	L'Engle	Scully
Bartlett	Frear	Lesher	Sherwood
Beall, Tex.	Gallagher	Lewis, Md.	Shreve
Bell, Ga.	Gardner	Lewis, Pa.	Slayden
Borland	George	Lindquist	Small
Bowdle	Gill	Linthicum	Smith, Md.
Broussard	Gillett	Lobeck	Smith, J. M. C.
Brown, N. Y.	Glass	Loft	Smith, Tex.
Brown, W. Va.	Goldfogle	Logue	Stafford
Browne, Wis.	Gorman	McClellan	Stanley
Browning	Graham, Pa.	McGillicuddy	Stephens, Miss.
Bruckner	Griest	McLaughlin	Stephens, Nebr.
Buchanan, Ill.	Griffin	Maher	Stringer
Bulkley	Gudger	Martin	Sumners
Burke, Pa.	Guernsey	Merritt	Sutherland
Byrnes, S. C.	Hamill	Metz	Switzer
Byrns, Tenn.	Hamilton, Mich.	Miller	Taggart
Calder	Hamilton, N. Y.	Mitchell	Taylor, Ark.
Callaway	Hammond	Moore	Temple
Candler, Miss.	Hardwick	Morgan, La.	Ten Eyck
Cantrill	Hart	Morin	Thomas
Carew	Hayes	Moss, W. Va.	Thompson, Okla.
Carlin	Henry	Mott	Vare
Cary	Hinds	Murray, Mass.	Vaughan
Chandler, N. Y.	Hinebaugh	Murray, Okla.	Vollmer
Coady	Hobson	Neeley, Kans.	Walker
Connolly, Iowa	Houston	O'Brien	Wallin
Cooper	Howard	O'Leary	Walters
Copley	Hoxworth	O'Shaunessy	Watson
Covington	Hughes, Ga.	Padgett	Weaver
Crisp	Hughes, W. Va.	Paige, Mass.	Whitacre
Crosser	Hulings	Palmer	White
Dale	Igoe	Parker	Willis
Davenport	Jacoway	Patten, N. Y.	Wilson, Fla.
Dies	Johnson, S. C.	Payne	Wilson, N. Y.
Donohoe	Jones	Peters, Mass.	Winslow
Dooling	Keister	Platt	Woods
Driscoll	Kennedy, Conn.	Porter	Young, N. Dak.
Eagan	Kiess, Pa.	Powers	Young, Tex.
Eagle	Kinkead, N. J.	Prouty	
Edmonds	Kitchin	Rauch	
Edwards	Knowland, J. R.	Rayburn	

The SPEAKER. On this roll call 240 Members have answered to their names. A quorum is present.

Mr. UNDERWOOD. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

Mr. DONOVAN. Mr. Speaker, I wish to make a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. DONOVAN. I am going to make a charge of sharp practice being made here this morning on the part of one of the attachés of the House, who, at the behest of the gentleman from California, is pairing absent Members with Members who are present for the purpose of affecting the vote on this proposition.

The SPEAKER. Neither the House nor the Speaker nor the gentleman from Connecticut has any control over pairs. The question is on the motion of the gentleman from California to lay on the table the motion to reconsider.

Mr. MURDOCK. Mr. Chairman, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MURDOCK. Very often in parliamentary procedure a motion to lay on the table carries the substantive measure with it. Why does it not do it in this case?

The SPEAKER. Because it is not an amendment. If an amendment is laid on the table, it tables the whole thing.

Mr. MURDOCK. And this tables only the motion itself?

The SPEAKER. This is a summary proceeding. Usually the Member makes the motion to reconsider and lay on the table in one motion, but there is nothing pending before the House at this particular instance except the motion. The other day, in the hurry of the proceedings, and it being the first time that a request to sever such a motion has been made since the present occupant of the Chair has been in the House, the Chair erroneously put the first half of the proposition first.

Mr. SHERLEY. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. SHERLEY. If the motion to lay on the table is voted down, does the question recur on the motion to reconsider the vote to appropriate this money for the San Francisco exposition?

The SPEAKER. The Chair thinks so.

Mr. SHERLEY. If the motion to lay on the table is voted down, does not that bring up the question of reconsideration?

The SPEAKER. Yes; on the question of reconsideration the other night the House adjourned because it could not get a quorum. The question is on the motion to table the motion to reconsider.

Mr. MANN. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. MANN. The Speaker having decided on Tuesday that the question was on the motion to reconsider, and the House having ordered the yeas and nays on that, is it not too late to correct the error?

The SPEAKER. The situation was that no quorum developed, and the whole proceeding was absolutely nugatory.

Mr. FITZGERALD. The ordering of the yeas and nays was not nugatory.

The SPEAKER. The yeas and nays were ordered on the motion to reconsider, and the Chair had forgotten that. What is the query of the gentleman from Illinois?

Mr. MANN. The Speaker having decided on Tuesday, as the Speaker now thinks erroneously, that the question was on the motion to reconsider, and the yeas and nays having been ordered on that question, is it not too late to correct the ruling?

The SPEAKER. The Chair thinks that under that state of the case the vote ought to be taken on the motion to reconsider.

Mr. UNDERWOOD. Mr. Speaker, as I understand the parliamentary situation, after the item had been agreed to the gentleman from California moved to reconsider and lay that motion on the table. There was great confusion in the House at the time, due to the fact that there was not a quorum present. The Speaker said the motion before the House was the motion to reconsider. Probably if the gentleman from California had made the point of order at the time the question before the House was to lay the motion on the table, I have no doubt the Speaker would have ruled with him.

The SPEAKER. Of course he would; and if the Chair had had a few minutes to think of the matter, he would have put the other motion first.

Mr. UNDERWOOD. But without objection, without the point of order having been made, the motion to lay on the table was passed over practically by unanimous consent, and we come to the question of reconsideration; and as there is no desire to debate that question, it seems to me that it would expedite business, the yeas and nays having been ordered on the motion now before the House, the question of reconsideration.

Mr. MURDOCK. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. MURDOCK. Would it be in order now to move to lay the motion on the table?

The SPEAKER. That motion has already been made. If the vote on the motion to reconsider goes one way, it ends it, and if it goes the other, it does not. The Chair thinks, on the whole, that the vote ought to be taken on the motion to reconsider.

Mr. SHERLEY. If the vote is taken on the motion to reconsider and it is voted to reconsider, then the question comes on the original motion for the House to recede and concur in the Senate amendment.

The SPEAKER. The vote will be taken on the motion to reconsider the vote by which the motion of the gentleman from

California was agreed to. The yeas and nays are ordered on it, and the Clerk will call the roll. All those in favor of reconsidering the vote whereby the motion of the gentleman from California was agreed to will answer "aye," and those opposed will answer "no."

Mr. MURDOCK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MURDOCK. I have already voted upon this proposition to reconsider.

The SPEAKER. But no quorum developed on that vote, and we must take the vote again, de novo.

Mr. BARNHART. Mr. Speaker, what was the result of the original vote taken on this? What was the outcome of the vote?

The SPEAKER. The motion made by the gentleman from California [Mr. KAHN] carried.

Mr. CLARK of Florida. Mr. Speaker, I demand the regular order.

The SPEAKER. The Clerk will call the roll.

The Clerk called the roll; and there were—yeas 108, nays 134, answered "present" 9, not voting 181, as follows:

YEAS—108.

Abercrombie	Danforth	Hensley	Rouse
Adamson	Decker	Hill	Rubey
Aiken	Dickinson	Hull	Russell
Ansberry	Difenderfer	Humphreys, Miss.	Seldomridge
Ashbrook	Dixon	Johnson, Ky.	Shackleford
Bailey	Donovan	Key, Ohio	Sherley
Baltz	Doolittle	Lee, Ga.	Sims
Barkley	Doremus	Lenroot	Sisson
Barnhart	Doughton	Lever	Sparkman
Bathrick	Faison	Lloyd	Stedman
Blackmon	Fergusson	Lonergan	Stephens, Miss.
Borchers	Fitzgerald	Maguire, Nebr.	Stephens, Nebr.
Brockson	Flood, Va.	Mahan	Stephens, Tex.
Brumbaugh	Foster	Mann	Stevens, N. H.
Buchanan, Tex.	Fowler	Mitchell	Tavenner
Burgess	Garrett, Tenn.	Morrison	Taylor, Colo.
Burnett	Garrett, Tex.	Moss, Ind.	Thacher
Caraway	Gerry	Neely, W. Va.	Townsend
Carr	Goeke	Oglesby	Tribble
Claypool	Gray	Page, N. C.	Tuttle
Cline	Gregg	Payne	Underwood
Collier	Hamlin	Peterson	Walsh
Connelly, Kans.	Hardy	Pou	Watson
Conry	Harris	Quin	Webb
Covington	Harrison	Ragsdale	Whaley
Cox	Helm	Reed	Williams
Cullop	Helvering	Reilly, Wis.	Witherspoon

NAYS—134.

Alexander	Esch	Kent	Raker
Allen	Evans	Kettner	Roberts, Nev.
Anderson	Falconer	Kindel	Rogers
Avis	Fess	Kinkaid, Nebr.	Rothermel
Baker	FitzHenry	Kirkpatrick	Rupley
Barchfeld	Floyd, Ark.	Konop	Scott
Bartholdt	Fordney	La Follette	Sells
Barton	Francis	Lee, Pa.	Sinnott
Beakes	French	Levy	Slemp
Bell, Cal.	Gallivan	Lindbergh	Sloan
Britten	Gilmore	McAndrews	Smith, Idaho
Brodbeck	Gittins	McGuire, Okla.	Smith, Minn.
Broussard	Godwin, N. C.	McKellar	Smith, N. Y.
Brown, W. Va.	Good	McKenzie	Smith, Saml. W.
Bryan	Gordon	MacDonald	Stephens, Cal.
Burke, S. Dak.	Goulden	Madden	Stevens, Minn.
Burke, Wis.	Graham, Ill.	Manahan	Stone
Butler	Greene, Mass.	Mapes	Stout
Campbell	Greene, Vt.	Mondell	Talbott, Md.
Cantor	Haugen	Morgan, Okla.	Talcott, N. Y.
Casey	Hawley	Mulkey	Taylor, Ala.
Church	Hayden	Murdock	Taylor, Ark.
Clancy	Heflin	Nelson	Thomson, Ill.
Clark, Fla.	Helgesen	Nolan, J. I.	Towner
Cramton	Holland	Norton	Treadway
Curry	Howell	O'Hair	Underhill
Davis	Humphrey, Wash.	Oldfield	Volstead
Deitrick	Johnson, Utah	Patton, Pa.	Watkins
Dent	Johnson, Wash.	Peters, Me.	Wingo
Dershem	Kahn	Phelan	Woodruff
Dillon	Kelley, Mich.	Platt	Woods
Drukker	Kelly, Pa.	Plumley	Young, N. Dak.
Dunn	Kennedy, Iowa	Post	
Dupré	Kennedy, R. I.	Rainey	

ANSWERED "PRESENT"—9.

Gard	Hay	Lieb	Park
Garner	Keating	McCoy	Rucker
Green, Iowa			

NOT VOTING—181.

Adair	Browning	Carter	Dooling
Ainey	Bruckner	Cary	Driscoll
Anthony	Buchanan, Ill.	Chandler, N. Y.	Eagan
Aswell	Bulkley	Coady	Eagle
Austin	Burke, Pa.	Connolly, Iowa	Edmonds
Bartlett	Byrnes, S. C.	Cooper	Edwards
Beall, Tex.	Byrns, Tenn.	Copley	Elder
Bell, Ga.	Calder	Crisp	Estopinal
Booher	Callaway	Crosser	Fairchild
Borland	Candler, Miss.	Dale	Farr
Bowdle	Cantrill	Davenport	Ferris
Brown, N. Y.	Carew	Dies	Fields
Browne, Wis.	Carlin	Donohoe	Finley
Frear	Jacoway	Moon	Smith, J. M. C.
Gallagher	Johnson, S. C.	Moore	Smith, Md.
Gardner	Jones	Morgan, La.	Smith, Tex.
George	Keister	Morin	Stafford
Gill	Kennedy, Conn.	Moss, W. Va.	Stanley
Gillett	Kless, Pa.	Mott	Steenerson
Glass	Kinkead, N. J.	Murray, Mass.	Stringer
Goldfogle	Kitchin	Murray, Okla.	Sumners
Goodwin, Ark.	Knowland, J. R.	Neeley, Kans.	Sutherland
Gorman	Korbly	O'Brien	Switzer
Graham, Pa.	Kreider	O'Leary	Taggart
Griest	Lafferty	O'Shaunessy	Taylor, N. Y.
Griffin	Langham	Padgett	Temple
Gudger	Langley	Paige, Mass.	Ten Eyck
Guernsey	Lazaro	Palmer	Thomas
Hamill	L'Engle	Parker	Thompson, Okla.
Hamilton, Mich.	Lesher	Patten, N. Y.	Vare
Hamilton, N. Y.	Lewis, Md.	Peters, Mass.	Vaughan
Hammond	Lewis, Pa.	Porter	Vollmer
Hardwick	Lindquist	Powers	Walker
Hart	Linthicum	Prouty	Wallin
Hayes	Lobeck	Rauch	Walters
Henry	Loft	Rayburn	Weaver
Hinds	Logue	Reilly, Conn.	Whitacre
Hinebaugh	McClellan	Riordan	White
Hobson	McGillicuddy	Roberts, Mass.	Willis
Houston	McLaughlin	Sabath	Wilson, Fla.
Howard	Maher	Saunders	Wilson, N. Y.
Hoxworth	Martin	Scully	Winslow
Hughes, Ga.	Merritt	Sherwood	Young, Tex.
Hughes, W. Va.	Metz	Shreve	
Hulings	Miller	Slayden	
Igoe	Montague	Small	

So the motion to reconsider was rejected.

The Clerk announced the following pairs:

For the session:

Mr. METZ with Mr. WALLIN.

Mr. SCULLY with Mr. BROWNING.

On the vote:

Mr. GREEN of Iowa (for motion) with Mr. STEENERSON (against).

Mr. MOON (for motion) with Mr. AUSTIN (against).

Mr. SHERWOOD (for motion) with Mr. KEATING (against).

Mr. MCCOY (for motion) with Mr. CARTER (against).

Mr. LIEB (for motion) with Mr. KORBLY (against).

Mr. PARK (for motion) with Mr. GOODWIN of Arkansas (against).

Until further notice:

Mr. HAY with Mr. PAIGE of Massachusetts.

Mr. DAVENPORT with Mr. J. M. C. SMITH.

Mr. HENRY with Mr. HINDS.

Mr. DALE with Mr. MARTIN.

Mr. STEPHENS of Nebraska with Mr. LEWIS of Pennsylvania.

Mr. VAUGHAN with Mr. SHREVE.

Mr. THOMAS with Mr. FAIRCHILD.

Mr. SLAYDEN with Mr. BURKE of Pennsylvania.

Mr. GOLDFOGLE with Mr. LANGHAM.

Mr. HUGHES of Georgia with Mr. MERRITT.

Mr. HARDWICK with Mr. J. R. KNOWLAND.

Mr. YOUNG of Texas with Mr. AINEY.

Mr. LAZARO with Mr. PARKER.

Mr. SABATH with Mr. SWITZER.

Mr. SAUNDERS with Mr. WINSLOW.

Mr. LOBECK with Mr. POWERS.

Mr. GORMAN with Mr. MCLAUGHLIN.

Mr. BUCHANAN of Illinois with Mr. COOPER.

Mr. ASWELL with Mr. CARY.

Mr. BROWN of New York with Mr. CHANDLER of New York.

Mr. STRINGER with Mr. PROUTY.

Mr. CALLAWAY with Mr. WILLIS.

Mr. KITCHIN with Mr. ROBERTS of Massachusetts.

Mr. JACOWAY with Mr. HULINGS.

Mr. IGOE with Mr. HINEBAUGH.

Mr. ESTOPINAL with Mr. FREAR.

Mr. BOWDLE with Mr. BROWNE of Wisconsin.

Mr. ADAIR with Mr. ANTHONY.

Mr. BYRNES of South Carolina with Mr. KREIDER.

Mr. GARNER with Mr. TEMPLE.

Mr. MCGILLICUDDY with Mr. GUERNSEY.

Mr. WILSON of Florida with Mr. HAMILTON of New York.

Mr. BYRNS of Tennessee with Mr. HUGHES of West Virginia.

Mr. GLASS with Mr. HAYES.

Mr. BARTLETT with Mr. GILLETT.

Mr. BELL of Georgia with Mr. CALDER.

Mr. BOOHER with Mr. COPLEY.

Mr. CANDLER of Mississippi with Mr. EDMONDS.

Mr. CARLIN with Mr. FARR.

Mr. DONOHOE with Mr. GRAHAM of Pennsylvania.

Mr. EDWARDS with Mr. GRIEST.

Mr. ELDER with Mr. MILLER.

Mr. FIELDS with Mr. LAFFERTY.

Mr. FINLEY with Mr. HAMILTON of Michigan.

Mr. HOUSTON with Mr. KEISTER.

Mr. HOWARD with Mr. KIESS of Pennsylvania.
Mr. JOHNSON of South Carolina with Mr. MOORE.
Mr. MORGAN of Louisiana with Mr. LINDQUIST.
Mr. PADGETT with Mr. MORIN.
Mr. PALMER with Mr. VARE.
Mr. REILLY of Connecticut with Mr. MOSS of West Virginia.
Mr. SMALL with Mr. MOTT.
Mr. WALKER with Mr. PORTER.
Mr. PATTEN of New York with Mr. SUTHERLAND.
Mr. WEAVER with Mr. WALTERS.

Mr. MOORE. Mr. Speaker, I desire to vote "no."

The SPEAKER. Was the gentleman in the Hall listening when his name should have been called?

Mr. MOORE. I was not.

The SPEAKER. The gentleman does not bring himself within the rule.

Mr. MOORE. May I be recorded as present, Mr. Speaker?

The SPEAKER. If the Chair needs a quorum, he will count the gentleman.

Mr. KEATING. Mr. Speaker, I am recorded in the negative. I am paired with the gentleman from Ohio, Mr. SHERWOOD. I desire to change my vote of "no" and answer "present."

The SPEAKER. The Clerk will call the gentleman's name.

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

Mr. LANGLEY. Mr. Speaker, I desire to inquire if the record shows I am paired with my colleague, Mr. FIELDS? I did not hear it announced.

The SPEAKER. The proper way to find that out is to determine whether or not the gentleman is recorded. He is not recorded.

Mr. LANGLEY. I am not recorded, but I want to know if the record shows that I am paired with my colleague, Mr. FIELDS?

The SPEAKER. The Chair is informed that the gentleman is not paired.

Mr. LANGLEY. That was my understanding with the gentleman. He is absent and I am paired with him.

The SPEAKER. The Chair has nothing to do with that.

Mr. McCOY. Mr. Speaker, is the gentleman from Oklahoma, Mr. CARTER, recorded?

The SPEAKER. He is not recorded.

Mr. McCOY. Mr. Speaker, I have a pair with the gentleman. I wish to withdraw my vote of "aye" and answer "present."

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

Mr. PARK. Mr. Speaker, I wish to know if the gentleman from Arkansas, Mr. GOODWIN, voted?

The SPEAKER. He is not recorded.

Mr. PARK. I wish to withdraw my vote of "aye" and answer "present."

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

The result of the vote was announced as above recorded.

Mr. FITZGERALD. Mr. Speaker, I move that the House further insist upon its disagreement to Senate amendment numbered 146.

The SPEAKER. The gentleman from New York [Mr. FITZGERALD] moves that the House further insist on its disagreement to Senate amendment numbered 146, which the Clerk will report.

The Clerk read as follows:

The Government Exhibit Board, for which provision was made in the sundry civil act approved June 23, 1913, shall, after consultation, by correspondence or otherwise, with the heads of the executive departments and the Regents of the Smithsonian Institution, the Isthmian Canal Commission, the Interstate Commerce Commission, the Civil Service Commission, the Commissioners of the District of Columbia, the American National Red Cross, the Commission of Fine Arts, the Librarian of Congress, the Public Printer, the Governor of Porto Rico, the Governor of Alaska, the Governor of Hawaii, and the United States Geographic Board, determine the nature, character, and extent of the exhibits of the United States Government to be made at the Panama-Pacific International Exposition, to be held at San Francisco, Cal., in 1915, and shall be charged with the selection, purchase, preparation, safe-keeping, exhibition, and return of such articles and materials as said board may decide shall be exhibited; and the said board is empowered to select, purchase, and exhibit articles or materials representing the activities of any department, office, commission, or organization named in this paragraph.

The SPEAKER. The question is on the motion of the gentleman from New York to further insist on its disagreement to the Senate amendment just read.

The question was taken, and the motion was agreed to.

Mr. FITZGERALD. Mr. Speaker, I move that a conference be asked of the Senate.

The SPEAKER. The gentleman from New York moves to ask for a conference.

The question was taken, and the motion was agreed to.

The SPEAKER announced the following conferees: Mr. FITZGERALD, Mr. SHERLEY, and Mr. MONDELL.

LEAVE OF ABSENCE.

The SPEAKER. The Chair lays before the House the following personal request:

Mr. GARNER requests leave of absence for Mr. RAYBURN, indefinitely, on account of death in his family.

The SPEAKER. Without objection——

Mr. MANN. Mr. Speaker, what is the request?

The SPEAKER. The request is for leave of absence for Mr. RAYBURN, on account of death in his family. Is there objection? [After a pause.] The Chair hears none.

CONFERENCE REPORT—GENERAL DEFICIENCY BILL.

Mr. FITZGERALD. Mr. Speaker, I call up the conference report on the general deficiency bill and ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. The gentleman from New York [Mr. FITZGERALD] calls up the conference report on the general deficiency bill and asks unanimous consent that the statement may be read in lieu of the report. Is there objection? [After a pause.] The Chair hears none, and the Clerk will read the statement.

The statement was read.

The conference report and statement of the House conferees are as follows:

CONFERENCE REPORT (NO. 1003).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 17824) making appropriations to supply deficiencies in appropriations for the fiscal year 1914 and for prior years, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 62, 101, 117, 119, 120, 125, 128, 129, 130, 131, 132, 133, 134, 138, 139, 144, 145, 146, 147, and 150.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 121, 122, 123, 124, 126, 127, 135, 140, 141, 142, 143, 148, 151, 152, 153, 154, 155, 156, and 157, and agree to the same.

Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment as follows: In line 2 of the amendment strike out the word "continuation" and insert the word "commencement"; and the Senate agree to the same.

Amendment numbered 118: That the House recede from its disagreement to the amendment of the Senate numbered 118, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "$4,393.51"; and the Senate agree to the same.

Amendment numbered 136: That the House recede from its disagreement to the amendment of the Senate numbered 136, and agree to the same with an amendment as follows: On page 29 of the bill, after line 7, insert the word "Senate," and in lieu of the matter inserted by said Senate amendment insert the following:

"For employees of the Committee on Expenditures in the Department of Labor from July 1, 1914, to June 30, 1915, both dates inclusive, as follows: Clerk, $2,220; assistant clerk, $1,440; messenger, $1,200; in all, $4,860."

And the Senate agree to the same.

Amendment numbered 137: That the House recede from its disagreement to the amendment of the Senate numbered 137, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"The Secretary of the Senate is authorized and directed to pay from the appropriations for salaries to clerks, messengers, and others in the service of the Senate, for the fiscal year 1913, the following: To James M. Porter, at the rate of $2,000 per annum, from March 26 to April 6, 1913, and Nettie K. de Freitas, at the rate of $1,200 per annum, from March 26 to April 14, 1913, as clerk and stenographer, respectively, to Senator SHERMAN.

And the Senate agree to the same.

Amendment numbered 149: That the House recede from its disagreement to the amendment of the Senate numbered 149,

and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"To reimburse the official reporters of debates for moneys actually and necessarily expended by them to June 30, 1914, $3,000."

And the Senate agree to the same.

Amendment numbered 158: The committee of conference have been unable to agree on the amendment of the Senate numbered 158.

JOHN J. FITZGERALD,
T. U. SISSON,
FREDK. H. GILLETT,
Managers on the part of the House.
THOMAS S. MARTIN,
N. P. BRYAN,
J. H. GALLINGER,
Managers on the part of the Senate.

STATEMENT.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 17824) making appropriations to supply deficiencies in appropriations for the fiscal year ending June 30, 1914, and for other purposes, submit the following written statement in explanation of the effect of the action agreed upon by the conference committee and submitted in the accompanying report as to each of the said amendments, namely:

On amendment No. 1: Strikes out the appropriation proposed by the Senate of $82,975 to reimburse certain insurance companies for losses paid on certain property in Hawaii destroyed by the Government in suppressing the bubonic plague.

On amendments Nos. 2 to 61, 63 to 100, and 102, to 115, inclusive: Appropriates, in all, $1,038,685, as proposed by the Senate, for sites or sites and commencement of public buildings within their respective authorized limits of cost as recommended in estimates submitted by the Treasury Department in Senate Document No. 551.

On amendments Nos. 62 and 101: Strikes out the appropriations proposed by the Senate of $20,000 and $7,500 for the public buildings at Martinsburg, W. Va., and Spanish Forks, Utah, respectively, the same not being recommended as necessary at this time or estimated for by the Treasury Department.

On amendment No. 116: Inserts the provision proposed by the Senate authorizing the Secretary of the Treasury, in his discretion, to waive, in cities and towns of less than 10,000 population, the requirements of law providing that sites for public buildings shall face on two streets.

On amendment No. 117: Strikes out the appropriation of $75,000 proposed by the Senate for furniture for the public building in Boston, Mass.

On amendment No. 118: Appropriates $4,393.51 for the Revenue-Cutter Service.

On amendments Nos. 119 and 120: Strikes out the appropriations proposed by the Senate of $5,000 each for aid to the blind and for the library for the blind in the District of Columbia.

On amendment No. 121: Appropriates, as proposed by the Senate, $100,358.05 to pay the American Surety Co., of New York, the amount of a judgment in its favor rendered June 19, 1914.

On amendment No. 122: Appropriates, as proposed by the Senate, $5,000 to pay for legal services rendered in connection with acquirement of land at Front Royal, Va., for remount station.

On amendment No. 123: Authorizes payment of salary of $1,000 for one year to the secretary of the Lincoln Memorial Commission.

On amendment No. 124: Appropriates $75,000, as proposed by the Senate, to erect a monument to the memory of Francis Scott Key and the soldiers and sailors who participated in the Battle of North Point and the attack on Fort McHenry in the War of 1812.

On amendment No. 125: Ratifies action of the Secretary of War in transferring submarine mines and appliances from stock on hand for use in continental United States for protection of harbors in the Philippine Islands, as proposed by the House.

On amendments Nos. 126 and 127: Authorizes credit of $1,000 in accounts of the disbursing clerk of the Interior Department and appropriates $51.07 to pay a transportation account of the Department of Justice, as proposed by the Senate.

On amendments Nos. 128, 129, 130, 131, 132, and 133: Strikes out appropriations, proposed by the Senate, of $25,000 for the fish hatchery at Saratoga, Wyo.; $4,500 for the fish hatchery at Baker Lake, Wash.; and two claims of $25.10 and $121.42 arising under the Coast and Geodetic Survey.

On amendment No. 134: Strikes out the provision, proposed by the Senate, authorizing the use of the miscellaneous fund of the Bureau of Labor in the employment of temporary personal services.

On amendments Nos. 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, and 150, all relating to the Senate: Appropriates for certain expenses of that body, as proposed, except the following, which are stricken out: Additional payment for 60 days to employees of the Committee on Revolutionary Claims, and payments to certain persons for extra or additional services, amounting in all to $2,667.83.

On amendments Nos. 151, 152, 153, 154, 155, 156, and 157: Appropriates for payment of certain judgments of the United States courts, Court of Claims, and amounts found due by accounting officers of the Treasury, all duly certified to Congress subsequent to the passage of the bill by the House.

The committee of conference have been unable to agree on amendment No. 158, to pay not exceeding $175,000 on account of claims for longevity and other allowances of certain Army officers under the act of July 6, 1914.

JOHN J. FITZGERALD,
T. U. SISSON,
FREDK. H. GILLETT,
Managers on the part of the House.

The SPEAKER. The question is on agreeing to the conference report.

Mr. DUPRÉ. Mr. Speaker, I would like to ask the gentleman from New York a question about amendment No. 121, proposing to pay the American Surety Co. something like $100,000.

Mr. FITZGERALD. The House receded from that.

Mr. DUPRÉ. The House receded from that? I believe the amendment was inserted by the Senate.

Mr. FITZGERALD. The House agreed to the amendment.

Mr. DUPRÉ. Why have the House managers agreed to it? I would like to know something in regard to it.

Mr. FITZGERALD. Mr. Speaker, the American Surety Co. was the defendant in an action brought by the United States against it as surety on a bond. Judgment was rendered against the surety company for $100,358.05, and the American Surety Co. paid that sum over to the Government under protest, and an appeal was taken from the judgment rendered. The United States Supreme Court reversed the judgment and directed that there should be a new trial. Upon the matter being presented again to the district court the petition of the Government was dismissed. Under these circumstances, the money having been paid in satisfaction of a judgment which has been overturned and the petition of the United States having been dismissed, it seemed to the managers upon the part of the House that the company was entitled to have this money back; and particularly is that true since no attempt has been made to make any allowance for interest during the time the money has been in the possession of the United States.

Mr. DUPRÉ. I will ask the gentleman, if he will permit me, why he considers this a proper item to put in a deficiency bill?

Mr. FITZGERALD. Under the circumstances stated I think we should give this money back to the company. I understand there had been some objection from some sources because there is a controversy about the compensation to some attorneys in the litigation, but that is a matter to be determined between the attorneys and the company. It is a company which paid into the Treasury the amount of a judgment rendered against it. The Supreme Court reversed the judgment, and upon a retrial the petition was dismissed and the Solicitor General of the United States states that the money should be returned to the company. It is our duty to return it as speedily as possible.

Mr. ALLEN. Will the gentleman yield?

Mr. FITZGERALD. Yes.

Mr. ALLEN. The company took the precaution to preserve its rights by its protest.

Mr. DUPRÉ. Since the gentleman adverted to the question of attorneys' fees I will say that this litigation was initiated in my State of Louisiana and that I am familiar with it, and I think the return of the money is perfectly proper under these circumstances, but the American Surety Co. received from the Sandstone & Gravel Co., on which it was a bondsman, certain sums of money and certain bonds as indemnity and now refuses to adjust its affairs with its principal, and under those circumstances it did seem to me that the rights of other persons in interest should be protected. The Government, in restoring this money to its lawful owners, ought to see that it goes to the lawful owners and not simply to the surety company.

Mr. FITZGERALD. But the trouble is that we can not determine such conflicting claims. Of course, the defendant in the action who paid the money was the American Surety Co. I doubt if Congress is able to determine the questions which may arise between the surety company and the persons for whom it acts as surety. The question of adjusting such rights is hardly a thing which can be done by Congress.

Mr. DUPRÉ. Yet in view of the fact that such a condition exists, it occurs to me that there is no necessity for such haste in attaching this amendment to the general deficiency bill and asking the House here, without any knowledge of the subject, to acquiesce in the amendment.

Mr. FITZGERALD. Well, in view of the facts in the case and the statement of the Solicitor General of the United States that the money should be paid back to the company, and the fact that it is proposed to give it back to them without interest during the period it has been in the possession of the Government, it seems to me we are not doing anything too much for this company. We have no right to the money.

Mr. DUPRÉ. May I ask the gentleman where the hearings were? Were they before the House Committee on Appropriations?

Mr. FITZGERALD. There were no hearings before the committee. This information was obtained by the managers upon the part of the House before we consented to agree to the amendment, and the agreement was upon the representations upon the part of the Department of Justice that in its opinion the money should go back.

Mr. DUPRÉ. It seems to me they are displaying great consideration for this company——

Mr. FITZGERALD. I think not.

Mr. DUPRÉ. While ordinary claimants have to knock at the doors of the Congress for a long time.

Mr. FITZGERALD. If I had paid money under judgment to the Government and the courts had finally determined that the judgment was erroneous and that the Government was not entitled to the money, the least I could expect would be to get it back as quickly as possible, particularly if I were not to be paid interest for the period during which the Government had possession of the money.

Mr. DUPRÉ. I know there are many claims as meritorious as this that have never been engrafted on a bill of this character and put through the House in this way. I do not mean there is anything shady about this claim, of course.

Mr. FITZGERALD. I think the gentleman is mistaken. The general deficiency bill carries all judgments against the Government. Now, what is this item? If it be not a judgment against the United States, then the company is not entitled to this money. It was paid pursuant to judgment rendered by the court. This bill is filled with items of judgments of the United States courts, judgments of the Court of Claims, judgments in Indian depredation claims, and audited and certified claims. Those are items that properly belong on this bill. There is no question but that this company is entitled to the return of this money from the Government. As to any dispute that may arise or may exist, or any claim that may properly be made against the company by some one who is not involved in the matter between the Government and the company, we have no knowledge, and we attempt to avoid taking cognizance of it.

Mr. OGLESBY. Will the gentleman yield to me for a question?

The SPEAKER. Will the gentleman from New York yield to his colleague?

Mr. FITZGERALD. I will.

Mr. OGLESBY. There has been no question raised as to the solvency of this company?

Mr. FITZGERALD. No. The managers on the part of the House insisted on knowing whether upon this decision of the lower court, by which the petition of the Government was dismissed, there was any question if upon appeal the Government might be successful. But the Solicitor General of the United States had notified the Senate that the money should be returned to the company. The American Surety Co., I suppose, is among the most solvent surety companies in the United States. There can be no question that if the Government has any claim against it for $100,000 it is amply able to meet it. We have taken their money under a judgment and we have held it. The courts have decided they should not have paid it, and we are returning it to them, and we are not giving them any interest for the period during which they have been deprived of the use of the money.

Mr. OGLESBY. And even if the Government should act as a ward for these other claims, since the company is perfectly solvent, it would be only a matter of holdup on their part to compel a settlement with the company?

Mr. FITZGERALD. I would not want to go that far. I think if there is a dispute now as to whether the American Surety Co. or somebody else is actually entitled to this money, under the procedure in the District of Columbia that can be determined and the money impounded while the question is being litigated.

Mr. TREADWAY. Will the gentleman yield?

The SPEAKER. Does the gentleman from New York yield to the gentleman from Massachusetts?

Mr. FITZGERALD. I yield.

Mr. TREADWAY. I would like to ask the conferees in regard to amendment No. 117, adopted by the Senate, which has been stricken out of the conference report. It is for furniture equipment of the new customhouse in Boston, $75,000. This item was inserted by the Senate owing to the fact that the building is practically completed and will be ready for occupancy by January 1. I would like to inquire why this item is stricken out, which was inserted with the idea of securing steel furniture for the new building and having it ready by the time the building is to be occupied on January 1.

Mr. FITZGERALD. The House conferees insisted upon that item being eliminated because the sundry civil appropriation bill carries $825,000 for furniture and repairs to furniture for public buildings.

Mr. TREADWAY. May I ask, Mr. Speaker, whether in this $825,000 any part is estimated for the furnishing of the Boston customhouse?

Mr. FITZGERALD. I am unable to state. It can be spent upon any building that is to be furnished, and as much spent upon any building as desired. The committee does not believe it is good policy to insert special items for special buildings. Last year a request was pressed very hard for a specific appropriation of $150,000 to furnish the New York post office, then recently completed.

The Committee on Appropriations insisted that the general appropriation for furniture be used for that purpose. That building was furnished out of the general appropriation without making the special appropriation of $150,000. There is no reason that can be advanced for a singling out of some particular building for a specific appropriation for furniture. Eight hundred and twenty-five thousand dollars is carried in the sundry civil bill, and can be spent upon any building, and as these buildings become ready for furniture the department will proceed to furnish them. There is another objection to appropriating specifically for any building. I suppose the most indefensible expenditure of public money that has ever come under my observation has been for the furnishing of the customhouse in the city of New York. The character of the furniture and the price paid for it were absolutely without justification. If a specific sum be appropriated for a particular building for furniture, the department officials seem to proceed upon the theory that it is their duty to expend the entire amount for the furniture, and the character of the furniture is determined by the amount of money placed at their disposal. An effort has been made and has been successful, and it is being perfected from year to year, by which furniture in public buildings shall be standardized and suitable furniture for public offices shall be installed in all public offices of the same character. There is furniture in the New York customhouse that would be creditable to the palaces of any of the effete monarchs of Europe, and it is so wholly out of place in a public office of the United States that it arouses the indignation of everyone who sees it.

We did not wish to have a repetition of that situation at any place in the United States. If $75,000 is needed to furnish the Boston customhouse, it can be spent out of the $825,000 general appropriation. If $100,000 be needed, it can be spent out of that appropriation. Whatever sum is necessary is available for that purpose.

Mr. TREADWAY. Has the gentleman any information as to how the department reaches the conclusion making the figures $825,000, and whether or not in that estimate Boston is included?

Mr. FITZGERALD. They really asked for $1,000,000. Last year they asked for $900,000 in the general appropriation and $150,000 additional for the post office at New York City. They succeeded in furnishing the New York post office out of the $900,000 without any specific appropriation, and in view of the fact that there was no other building coming into commission that would require furniture of such an expensive character, the committee believed that with the observance of proper economy the department would probably have all the money it required,

or so nearly so that whatever additional money might possibly be required could, upon proper showing made, be provided in the deficiency bill at the next session of Congress without delaying in any respect any building. The next session of Congress adjourns on the 4th of March, and there will be three months from that time during which expenditures will be made on public buildings.

Mr. PHELAN. Mr. Speaker, will the gentleman yield?

Mr. FITZGERALD. Yes.

Mr. PHELAN. I would like to ask one question in the same connection. There is nothing to prevent the Treasury Department from spending anything that is necessary under the $825,000?

Mr. FITZGERALD. They can spend all of it if necessary. The appropriation is for that purpose. It is to furnish public buildings; and they will be furnished when they come into commission.

It is suggested that unless a special appropriation is made for the Boston customhouse it will be permitted to stand idle, unfurnished, because while it is ready for occupancy the money will be needed for some buildings to come into commission in May or at some other time. I can not assume that the business of the department will be conducted in such an idiotic manner. I believe the money will be expended for the furniture that is required; and if not enough money has been given, Congress will do what has been its custom—give the requisite money when the time comes.

Mr. BROWN of West Virginia. Mr. Speaker, may I ask the gentleman as to the Martinsburg, W. Va., item, on page 11, Senate amendment numbered 62? There is an appropriation there of $20,000 to install an elevator. This is a very antiquated building, of old style, and really the people there ought to have a new building. The department is very anxious to have an elevator constructed to the fourth floor, where they now have to climb up flights of stairs. I think it a meritorious case. The gentleman will find it on page 11, amendment 62.

Mr. FITZGERALD. Mr. Speaker, there were two public-buildings items included in this bill by the Senate which have not been agreed to. One is for the building at Martinsburg, W. Va., referred to by the gentleman from West Virginia [Mr. BROWN]. It was not agreed to because no estimate had been submitted for it. The Assistant Secretary of the Treasury in charge of public buildings said that it was not needed, and if it were appropriated it could not be expended.

The first reason was sufficient for the Members of the House; that is, that it could not be expended, because it could not be reached in the order of the arrangement to be followed in time to be used next December. There are some 20 items, in which is included the Martinsburg item, which in all probability will be requested at the session of Congress that commences in December.

Mr. BROWN of West Virginia. I am very glad of that. It is an appropriation that is badly needed.

Mr. FITZGERALD. I have no doubt that the situations as to some of these buildings are perhaps somewhat pressing. The policy of the Committee on Appropriations has been one that is absolutely fair to all of the Members of the House. That policy is to give all of the money requested by the department for public buildings and sites which the department says can be used before the next bill becomes a law, and to insist that no other items be placed in the bill. If an item be placed in the bill at the request of one Member or one Senator, it is an injustice to everyone else who has items that can not be inserted, and it causes confusion and embarrassment and difficulty. We try to be absolutely fair in the manner in which we recommend these items.

Mr. SMITH of New York. Mr. Speaker, will the gentleman yield?

The SPEAKER. Does the gentleman from New York yield to his colleague?

Mr. FITZGERALD. I do.

Mr. SMITH of New York. I would like to ask my colleague from New York why the two items on pages 22 and 23, amendments numbered 119 and 120, were eliminated? These are the items that make appropriations of $5,000 in each case for the Association for the Blind in the District of Columbia.

Mr. FITZGERALD. They were eliminated because it has been the policy not to have the general deficiency bill or urgent deficiency bill used as courts of appeal from other committees. These items were included in the District of Columbia appropriation bill by the Senate. They were considered by the conferees, by the representatives on the part of the House who had charge of the District of Columbia appropriation bill, and they insisted that these items be eliminated. The representatives on the part of the House on the District bill were the men most familiar with the situation. When the same amendments were placed on the deficiency bill the managers on the part of the House took the position that the matter had been settled and that we would not carry on this bill items for the current service of any department of the Government that had already been passed upon and determined by those in charge of the bills to which they properly belong if they should be appropriated for at all. For that reason the items were eliminated.

Mr. Speaker, I ask for a vote.

The SPEAKER. The question is on the adoption of the conference report.

The conference report was agreed to.

Mr. FITZGERALD. Mr. Speaker, there is but one amendment undisposed of in this bill. It is amendment numbered 158, and I ask that the Clerk be directed to report the amendment.

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

Amendment 158, page 59, line 23: "The accounting officers of the Treasury are hereby directed to adjust, settle, and pay, out of any money in the Treasury not otherwise appropriated, not to exceed in all the sum of $175,000, to officers of the Army, their heirs or legal representatives, pay as commutation for longevity rations, or other pay or allowances that may be due said officers, their heirs or legal representatives, under the decisions of the Supreme Court of the United States, any statute of limitations to the contrary notwithstanding, which claims have been heretofore barred from adjustment and settlement by section 3480, United States Revised Statutes, repealed by act of Congress approved July 6, 1914."

Mr. FITZGERALD. Mr. Speaker, I move that the House further insist upon its disagreement.

The SPEAKER. The gentleman from New York moves that the House further insist upon its disagreement to the amendment just read.

Mr. UNDERWOOD. Mr. Speaker, I think this is an amendment that ought to be concurred in. I do not like to differ with the chairman of the committee, but I think the House should understand this amendment, and I think it ought to be concurred in. I would like to make the preferential motion that the House recede and concur.

The SPEAKER. The gentleman from Alabama [Mr. UNDERWOOD] makes the preferential motion that the House recede and concur in the amendment just read.

Mr. MANN. Mr. Speaker, will the gentleman yield? Does the gentleman from Alabama want some time?

Mr. UNDERWOOD. I would like to have five minutes, unless I have to yield to somebody for reply. Then I may ask the gentleman later on for more time.

Mr. FITZGERALD. I yield to the gentleman from Alabama.

Mr. UNDERWOOD. Mr. Speaker, as I understand this proposition it is this: A number of years ago Congress passed a law that allowed officers in the United States Army additional pay for each five years of their service in the Army. It was contended that the service at West Point should be included in the five years, which contention was contested by the comptroller or by one of the departments. The case went on appeal to the Supreme Court of the United States, and the Supreme Court of the United States decided that the four years at West Point should be included in the time of service for the allowance of this pay. Under that decision a large number of officers in the United States Army received their additional compensation, based on the four years' service at West Point. I am informed that the amount that was paid out for that reason amounted to something like a million dollars.

Now, Mr. Speaker, there were certain officers in the United States Army who resigned while this question was pending in the Supreme Court, and after resigning from the United States Army joined the Confederate Army. Of course when the decision was rendered they were ineligible to make a claim by reason of section 3480 of the Revised Statutes, which prohibited any officer who resigned from the United States Army to enter the Confederate Army from making any claim of this kind. But within the last month the House has passed a bill, on the motion of a distinguished gentleman who occupies a seat on the other side of the House and who made one of the most eloquent pleas to this House that I have ever listened to. This bill authorizes these soldiers, their heirs or their widows, to make the claim under existing law; that is, that an officer who served at West Point and subsequently resigned and went into the Confederate Army shall for his service before he resigned be placed on the same footing as his brother officers in the United States Army. There can be no question about what Congress intended, because here is the report made by the gentleman from Pennsylvania [Mr. GRAHAM] when he presented this bill to the House, in which report he says:

In the passage of this bill there is no question of opening up any other claims—

That is, no other claims except these claims of officers who resigned—

Nothing will be opened up by the repeal of section 3480 by the language of the proposed act except certain claims which can be presented to the Office of the Auditor for the War Department covering pay due some 173 persons accruing prior to April 13, 1861. These persons were West Point graduates, who were afterwards officers in the Confederate service. The claims total about $165,000.

Now, this proposition does not ask Congress to decide the case. Congress in its liberality and in its justice has already decided the case. It does not come from this side of the House. It does not come from the South, but comes, as I say, on the motion of a distinguished Member of this House and a member of the Republican Party, Mr. GRAHAM of Pennsylvania, on whose motion the Congress itself has already decided that these claims shall be paid.

Now what is there to be determined? There is only to be determined the question whether the man was at West Point and was in the Union Army. That is a matter of record. There can be no dispute about it one way or the other. The only other question is the amount of additional pay that he should receive by decision of the Supreme Court of the United States, which amount his brother officers who served with him have already got, and that is only a question of an auditor figuring the amount. Now, it can not embrace anybody else. As the gentleman from Pennsylvania [Mr. GRAHAM] points out, it can only embrace these men. The only thing to be determined is a question of record fact, as to the length of the man's service, and whether he was in the Army.

Now, you may answer that and say that when this fact is ascertained it will be time for Congress to make the appropriation; and possibly in an ordinary case that might be true. But as the gentleman from Pennsylvania [Mr. GRAHAM] said in his eloquent speech, this act wiped out the last barrier that stood between the South and the North. This bill passed, not by a partisan vote, not by partisan efforts, not as the result of some claims lobby, but by the unanimous vote of a Congress that wanted to say that there is but one flag and one country. Now, after Congress has written this law on the statute book, it is only a question as to whether we shall pay these old soldiers or their widows to-day or next December, when the auditor has ascertained their names and figured up the amounts. Whether we shall pay them then or pay them to-day is the only question which confronts Congress.

The SPEAKER. The time of the gentleman has expired.

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

Mr. UNDERWOOD. They can not receive this money until the auditor ascertains the facts; and there is some reason why they should get it to-day instead of next winter, because many of them have reached that point in life when the span of their days may be measured between the adjournment of this session and the meeting of the next. It is only a few hundred dollars apiece. It does not amount to much. But these few hundred dollars may be of inestimable value to these old soldiers, or to their widows, in their declining days. Why should we hesitate now, when we have already determined that we will pay the amount? Why withhold it, when under the law that we passed we must pay it next fall?

Let me call attention to some of the distinguished officers who, although they may not have served on the side that this House recognized during the war between the States, yet bear names and places in history cherished by every American citizen, no matter on which side of that controversy his allegiance may have fallen. Every American citizen cherishes their names and their memories as worthy of American manhood, and as soldiers whose reputations are untarnished and whose names will live in the history of the people of our Republic. [Applause.]

The soldiers whose heirs will receive a few hundred dollars from this appropriation are Gen. Robert E. Lee, of Virginia; Gen. P. G. T. Beauregard, of Louisiana; Gen. J. E. B. Stuart, of Virginia; Gen. Dick Ewell, of Virginia; Gen. Joseph Wheeler, of Alabama; and Gen. Fitzhugh Lee, of Virginia; and the widows of Gen. "Stonewall" Jackson, of North Carolina; Gen. Simon Buckner, of Kentucky; Gen. Bell, of South Carolina; and Gen. A. P. Hill, of Virginia.

Mr. Speaker, a recital of those names is sufficient, in my judgment, to authorize the passage of the appropriation; and I think that, now that Congress has passed a just law in recognition of the wiping out of the past, Congress should not hesitate at this time to make this appropriation and let these old soldiers and their widows have these few hundred dollars that may not reach them if we postpone action in this matter. [Applause.]

Mr. FITZGERALD. Mr. Speaker, I yield 10 minutes to the gentleman from Illinois [Mr. MANN].

The SPEAKER. The gentleman from Illinois [Mr. MANN] is recognized for 10 minutes.

Mr. MANN. Mr. Speaker, if I understood this case as the gentleman from Alabama [Mr. UNDERWOOD] does, I should be for his proposition. But unfortunately he has had his attention attracted to this matter only recently, and he is now favoring the proposition upon the theory that this measure is to do justice only to certain Confederate soldiers who had been officers of the United States Army. That is not the case at all. Let me very briefly endeavor to outline what is before the House. In 1838 Congress passed a law providing for longevity pay, providing that officers in the Army who had served five years should have their pay increased 10 per cent, and an increase of 10 per cent for each five years of service until the increase amounted to 40 per cent. That is still the law. That law was passed in 1838. It was construed by the Government for many years, and no change in the construction was made until the eighties. We had a military academy at West Point where the Members of Congress sent cadets. The Government paid the expenses of the cadets. After four years at the Military Academy—and the same thing is true after six years' service at the Naval Academy—the boy came out of the academy and received a commission in the Army or the Navy.

The department construed the law to be that the date of service commenced when the commission was granted, after he came out of the Military Academy, and did not count the four years of service at the Military Academy, or the six years of service at the Naval Academy in determining the longevity pay.

In other words, if the six years of service at the Naval Academy was to be included as service in the Navy, when the boy received his commission as an ensign he was already entitled to his first longevity pay, an increase of 10 per cent over the amount provided by law, on the ground that he had been more than five years in the service.

This was the construction of the department and the Government from 1838 until along in the eighties. It never was questioned. The Government said that the service in the Army and the Navy upon which to compute longevity pay did not begin when the boy entered the academy, but began when he came out and went into the Army or the Navy. To an ordinary man that would seem like a sensible construction. But some genius in the course of time conceived the idea that the military and naval service commenced when the boy entered the academy, and a claim was made against the Government, which went to the Supreme Court of the United States, and the Supreme Court decided that the service did commence when the boy entered the academy and that longevity pay was to be computed accordingly. In other words, the boy who came out of the Military Academy received his 10 per cent increase after he had been in the Army one year instead of five years, computing the four years at West Point; and in the Navy it commenced at once, because he had already been five years in the service of the Navy.

Congress changed that law recently and said that the service at West Point should not count in fixing longevity pay. When the Supreme Court made this decision all of the officers who were in the service practically filed their claims in the Court of Claims and received the allowance for the increase of longevity pay which had occurred within six years, as under the law the statute of limitations barred all claims more than six years old. Ever since that time these claims have been floating around Congress. The Senate has on more than one occasion put these claims upon the omnibus claims bill. They never have received a vote in the House on any previous occasion. No one has ever defended them in the House. The Senate sent a lot of these claims to the Court of Claims for findings, and the court made the finding of facts that the man entered the service at a certain time, was in the service a certain length of time, and that if the decision of the Supreme Court was to be followed by Congress his increase in longevity pay would be so much.

These claims are not confined to the Confederate officers who have been in the Army of the United States. They apply to all officers who have been in the Army at any time, and by like comparison are applied to all officers who have been in the Navy. The gentleman from Alabama [Mr. UNDERWOOD] believes that the claims only apply to these Confederate officers.

Mr. UNDERWOOD. I will ask the gentleman, if he will allow me—I would not mislead anybody——

Mr. MANN. I know the gentleman would not, and I am coming to what I think is in the gentleman's mind.

Mr. UNDERWOOD. This proposition is limited to officers who are affected by section 3480, and only Confederate officers can be affected by that statute.

Mr. MANN. We recently passed a law repealing section 3480 of the Revised Statutes. That section did not as a matter of fact bar any of these claims, but some of the very shrewd claim

agents who have been urging these claims for years thought that if they could repeal that statute, which was intended to shut out claims of Confederate soldiers against the Government, they could pursue the very course which is now being pursued, and commit the Government to the payment of these claims. I said to the gentleman from Pennsylvania [Mr. GRAHAM], who had this bill in the House, that it amounted to nothing, that it did not do anything; but if anybody wanted to repeal any provision of the law that appeared to discriminate against the Confederate soldier I was quite willing to vote for that proposition.

Mr. BURKE of Wisconsin. Will the gentleman yield?

Mr. MANN. Yes.

Mr. BURKE of Wisconsin. When was the decision of the Supreme Court rendered to which the gentleman has referred?

Mr. MANN. It was some time, I think, in 1884. It is the United States against Tyler, One hundred and fifth United States.

Mr. BURKE of Wisconsin. When was the statute changed? I understood the gentleman to say that after the Supreme Court decision Congress passed a law providing that the service at West Point should not count.

Mr. MANN. The statute was changed in the last Congress.

Mr. GARNER. May I ask the gentleman whether the statute applied to the Naval Academy as well as to West Point?

Mr. MANN. We changed it as to the Military Academy, and I am not sure whether it was also changed as to the Naval Academy or not, but I think it was.

Mr. GARNER. It seems to me anomalous that it should be changed with reference to the Military Academy and not with reference to the Naval Academy.

Mr. MANN. The Military Academy was included in the Army bill from the Military Committee. I know the same proposition was before the Naval Committee, but I am not sure whether it was passed or not. It is not important except to show the opinion of Congress as to the ruling of the Supreme Court. This is one of the cases that is pending. You can not pay the Confederate soldiers who have these claims and refuse to pay the Union soldiers who have these claims, and while this proposition in this pending amendment, it is true, only pays the Confederate soldiers who had the claims, it is nonsense to say that we can do that and then refuse to pay the Union soldiers who had the claims. No one would claim that. No portion of the claims has yet been paid to anyone.

Mr. ADAMSON. Mr. Speaker, will the gentleman yield?

Mr. MANN. Certainly.

Mr. ADAMSON. As I understand the contention of the gentleman from Illinois, the act passed the other day at the instance of the distinguished gentleman from Pennsylvania [Mr. GRAHAM] did not enlarge or affect the rights of all these claimants, but merely removed such disabilities as had been imposed upon those claimants who had been in the Confederate Army.

Mr. MANN. That is all. Those people did not have any claim against the Government which could be enforced, because it was barred by the statute of limitations in any event; and the only way they could ever get their money is by a new provision of law authorizing its payment and waiving the statute of limitations, so that they are not in any different position by reason of the law passed the other day from what they would be in if this law were passed without the other law having been passed.

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

Mr. FITZGERALD. Mr. Speaker, I yield the gentleman 10 minutes more.

Mr. SISSON. Mr. Speaker, will the gentleman yield?

Mr. MANN. Yes.

Mr. SISSON. The gentleman is familiar with section 3480 of the Revised Statutes passed in 1867?

Mr. MANN. Yes.

Mr. SISSON. Were all these claims barred at the time of the passage of that act?

Mr. MANN. Oh, these claims had not arisen at the time of the passage of that act. No one had dreamed of claims at that time.

Mr. SISSON. What I meant is the pay, for example, of an officer who resigned his commission in the United States Army and joined the Confederacy, having money due him at that time.

Mr. MANN. Oh, this has nothing to do with that.

Mr. SISSON. Those were the claims I had in mind.

Mr. MANN. This has nothing to do with that. This does not affect the pay that was due to the officer, except in the matter of the computation of the longevity pay.

Mr. SISSON. But that would be affected by the passage of this act in 1867.

Mr. MANN. Oh, it would have been affected then when the claims were alive, before the statute of limitations run, but they could not have been paid after the statute of limitations had run, and if we should enact a law to pay them, they would be paid regardless of section 3480.

Mr. SISSON. That would be true irrespective of whether the claimant was a Confederate or Union soldier.

Mr. MANN. Yes.

Mr. SISSON. The question is whether this statute had barred the longevity pay in 1867.

Mr. MANN. There is no difference between this case and any other claim that the Government orders paid to an individual. Whenever the Government orders it paid, that statute is not effective.

Mr. SISSON. If the claims were not barred at the passage of this act, then this act operated as a bar?

Mr. MANN. It operated as a bar if they bring the claim before the accounting officers, but it did not operate as a bar before Congress. No one ever pretended that that section forbade Congress to provide for the payment of the claims. It applies only to the accounting officers and the officers of the Government.

Mr. SISSON. At that time I doubt whether the feeling would have permitted the passage of an act, however just the claim might be. The only question is whether or not they have been dealt with just as they would have been dealt with and as other claims have been dealt with.

Mr. MANN. Absolutely, that is all.

Mr. GARNER. Mr. Speaker, I understood the gentleman to make a statement a while ago that similar cases of this character had been put on in the Senate for Union soldiers.

Mr. MANN. I did not say Union soldiers. I do not think it has been confined to Union soldiers.

Mr. GARNER. Officers of the United States Army?

Mr. MANN. Yes.

Mr. GARNER. And that they had been universally refused by the House?

Mr. MANN. Yes.

Mr. GARNER. If the Congress permits these claims to be paid, I agree with the gentleman that we can not well resist similar claims offered by gentlemen who have not been incapacitated by their service somewhere else.

Mr. MANN. Undoubtedly.

Mr. OGLESBY. Mr. Speaker, will the gentleman yield?

Mr. MANN. Yes.

Mr. OGLESBY. After the United States Supreme Court decided that this longevity pay should apply from the entrance to the Military or Naval Academies, it was then too late, because the statute of limitations had run, to make any claim prior to 1867.

Mr. MANN. I endeavored to state a while ago that it was too late to succeed in any claim where six years had elapsed. This has nothing to do with 1867.

Mr. OGLESBY. So that no Union soldier collected anything which accrued prior to that time?

Mr. MANN. No.

Mr. OGLESBY. Therefore the Confederate soldiers are in no worse situation than the Union soldiers?

Mr. MANN. No Union soldier has ever collected a cent that was barred by the statute of limitations.

Mr. UNDERWOOD. But before it was barred they collected $1,000,000.

Mr. MANN. They collected the million dollars only for the six-year period where the statute of limitations did not bar them, just prior to the decision of the Supreme Court.

Mr. DUPRÉ. Mr. Speaker, will the gentleman yield? My information is, I will state to the gentleman——

Mr. MANN. Ask me a question—well, go ahead.

Mr. DUPRÉ. I simply want to clear up the matter. My information is since 1907 a million dollars of claims of this character accruing to old soldiers have been paid.

Mr. MANN. Well, that is not true. There has been no money paid to any Union soldier for any service prior to 1875 on these claims.

Mr. WEBB. Mr. Speaker, will the gentleman yield?

Mr. MANN. I will.

Mr. WEBB. Since the decision of the Supreme Court of the United States in the case of Watson, handed down in 1889, wherein they say the time of the service in the Military Academy at West Point is to be reckoned as a part of the time an officer served in the Army, within the meaning of the act of July 5, 1838, and should be counted in computing the longevity

pay—I will ask if since that time these cadets have not been drawing this pay? What information has the gentleman on that point?

Mr. MANN. Of course the cadets do not draw longevity pay. The service at the Military and Naval Academies was counted as part of the five years in order to fix his increase of 10 per cent until a Democratic Congress—wisely, in my judgment—repealed that provision, changing it. [Applause.]

Mr. WEBB. Then, since the——

Mr. MANN. And did it without opposition, by the way.

Mr. WEBB. Since the rendition of this opinion, however, they have been entitled to it until a Democratic Congress repealed it.

Mr. MANN. Certainly. They received longevity pay from that time until Congress repealed the law in the last Congress based upon the proposition that their service at West Point and Annapolis was service in the Army and Navy, and they also, those who could, filed claims within the six-year limitation after the decision of the Supreme Court had been rendered, and if they had legal claims against the Government they were paid.

Mr. WEBB. Will the gentleman permit this question, as the gentleman seems to be remarkably familiar with the facts of the case: Up to the time the Supreme Court rendered the opinion in the Morton case in 1884, which is in line with the case I have referred to, had any officer ever applied for longevity pay based upon service at the Military Academy?

Mr. MANN. Of course some filed or there never would have been a case in the Supreme Court.

Mr. WEBB. Of course Mr. Morton did; but was there any general attempt?

Mr. MANN. There was not, and it never was even dreamed of, except some shrewd attorney got it up, and they probably worked the Supreme Court through social influence.

Mr. PAYNE. Did not a claim agent institute that proceeding and did he not claim he had done a great thing in originating it?

Mr. MANN. Now, for instance, the gentleman from Alabama [Mr. UNDERWOOD] seemed to believe—and I have no doubt of his good faith in the matter—that the only claims were Confederate soldiers who had been discriminated against. Here is a man who entered the Military Academy June 11, 1838, served continuously from that date until the date of his death, in September, 1847. This is a finding of the Court of Claims, and I have quite a large number of them. He received all the pay he thought he was entitled to. He knew what the law was; he received all the pay that Congress appropriated for him; he received all the pay that the Government thought he was entitled to. The question had never been raised. The Army thought it was very lucky, indeed, to have secured from Congress a law providing for a 10 per cent increase in pay every five years from entrance into the Army and the Navy and not from the entrance in the academy, and yet this man, dead since 1847, has a claim pending amounting to $590.80. Of course, you would have supposed his longevity pay would have been lost entirely, because there is only 20 years to raise the 40 per cent between the time he went in the academy in 1838. I do not know how they figure it out, but they do. I have a large number of these findings here, not of Confederate soldiers but of Union and Confederate soldiers, of men who died years before the war commenced, of men who entered the service long after the war ceased—all of them have claims. Every officer who was in either the Army or Navy during the last century, who was in the Military or Naval Academy, had one of these claims. It is inevitable that they should have. They supposed they were getting the pay to which they were entitled. We supposed they were getting the pay to which they were entitled, and after they have died and passed away some claim agent worked up the claim for the estate. My friend from Alabama said, Pay these claims and let these poor—I will not say "poor"—but let these old soldiers have this money in their declining years. Well, I hold in my hand the omnibus claims bill of the last Congress, where there were a large number of these claims specifically inserted. Virginia Forse, administratrix; Flora A. Janes, administratrix; James M. Seawell, administrator; Julia E. Wilcox, administratrix; Edgar L. Swaine, administrator; Albert B. Greene, administrator; Lizzie F. Remington, administratrix; Catherine Du B. Beale, administratrix. That does not sound much like taking care of old soldiers in their declining years, and I have read them as they come. There are a great number of these claims specifically provided for in the omnibus section of the bill as a Senate amendment. Then the bill originally contained a general provision authorizing these claims for all officers in the Army.

Of course, if we allow them for the Army we must allow them for the Navy. When that bill came over to the House with the Senate amendments, attention was called to these claims. The gentleman from Tennessee [Mr. SIMS], who had charge of the omnibus claims bill, stated on the floor of the House that they never would be agreed to; that there was absolutely no justice in them. Now, I know what the social influence is. Old Gen. Mackenzie, one of the finest men I ever met, used to be Chief of Engineers, and has one of these claims. Old Gen. Marshall, one of the finest men I ever met, used to be Chief of Engineers, and has one of these claims. All of these old officers on the retired list living in Washington, and there are a number of them, who were in Annapolis or West Point, have these claims. I have met the social touch in connection with these claims myself, but not until I knew more about them than some of the gentlemen who have succumbed to the social influence. Now, as to the pending amendment, there can be no justification for it. That only appropriates money to pay those portions of the claims where the men had been in the Union Army or the Army of the United States, and resigned and went into the Confederate Army, without paying the claims of those who remained in the United States Army. The claims of the men who remained in the United States Army are still unpaid. I am not in favor of paying them.

The SPEAKER. The time of the gentleman from Illinois has again expired.

Mr. FITZGERALD. Mr. Speaker, I yield five minutes more to the gentleman.

Mr. OGLESBY. May I ask the gentleman a question?

Mr. MANN. Yes.

Mr. OGLESBY. I think I understand the gentleman, but I would like to put this question to him: If the Graham bill, which passed in July of this year, had been passed in 1884, at the time the Supreme Court rendered that decision, were there then any men who had gone into the Confederate Army who could have filed a claim? Were there any of those men who had a claim that had arisen within six years prior to that date?

Mr. MANN. There were not. If section 3480 had never been passed at all, not one of these claims could have been paid except by direct legislation or appropriation by Congress. So that section of the statute made no difference. It never affected our right to legislate or appropriate. That statute did not affect a thing. Some wise, bright claim agent got up the idea of repealing that statute, knowing it did not affect anything, but in order to work the sympathetic, patriotic racket on Congress. I think the statute ought to have been repealed. I do not think it has any place on the statute books now. But it has nothing to do, in fact, with these claims.

Now, we have always resisted these claims in the House of Representatives. No one knows how much they amount to. It is proposed here to appropriate $175,000 only to take care of the claims of the United States Army officers who resigned to go into the Confederate service. These claims cover a period from 1813, the date of entering the service, as I have just illustrated, down to the time of the decision of the Supreme Court of the United States. And if it takes $175,000 to take care of all those officers who resigned from the United States Army to go into the Confederate Army, who can tell how much it will take to pay the claims of all of the officers who have been in the Army during all of these years? And, then, who can tell how much more it will take to pay similar claims of the officers of the Navy? We can not pay one of these claims without paying all of them. We have no right to discriminate. I would not discriminate against a Confederate officer, and I do not believe we ought to discriminate in his favor. The claim agents, if they can get one of these claims paid, know very well that justice and equity will require us to pay all of them. We might as well pay the claims of men whose property was destroyed by the flood. There never was any justice in the claims, and we never supposed they were to be paid. [Applause.]

Mr. FITZGERALD. Mr. Speaker, I yield five minutes to the gentleman from Alabama [Mr. UNDERWOOD].

Mr. UNDERWOOD. Mr. Speaker, the gentleman from Illinois is undoubtedly one of the most diligent men in this House in attending to his business, and he is usually accurate in the information which he furnishes to the House; but he has evidently made a very great mistake in presenting the facts to the House in reference to this question.

Now, the gentleman would lead you to believe from what he states that Congress has paid no claims of this kind to Union soldiers. As a matter of fact, since 1907 it has paid about $1,000,000 worth of them. I hold in my hand just one bill, because I have not had a chance to get them all—a deficiency bill, approved March 4, 1913—and on page 26 of that bill, under "Claims allowed by the Auditor of the War Department for

pay, etc., of the Army," there is allowed $23,354.02. And this was for longevity pay for northern officers since 1838. So the gentleman is in absolute error in his statement to the House that the officers of the northern army have not been paid these claims heretofore. I do not mean to say that there are not some pending now. That may be true, but that some of them have been paid is unquestionably a fact. That they have amounted in the neighborhood of $1,000,000 is absolutely a fact. Now, I do not contend for one minute that you should pay these officers who served in the Union Army and resigned and went to the Confederate Army, and not pay other officers in the Union Army in a like manner, but you have been paying them, and are paying them, and last year's deficiency bill carried an item to pay some of these claims.

Now, when this repeal of section 3480 was passed here within the last month, what was the purpose for which it was repealed? It was not repealed to occupy an idle hour or to amuse Congress. It was repealed for the specific purpose, because the report said so, to give these very officers an opportunity to file these claims. No statute of limitations has debarred these officers. There is no laches on their part. They were barred by a statute that prohibited an officer who had been in the Union Army and entered the Confederate service from bringing a claim against the United States Government. There was no laches on their part, because they never had an opportunity to act until within the last 30 days. And if you want to repudiate your action of a month ago, if you want to say that these claims shall not be considered, that is another question. But to repudiate these claims on the basis that the officers in the Union Army have not been paid their longevity pay, where they filed their claims before the statute of limitations ran against them, is wrong, and that there have not been claims paid by this Congress to officers who did let the statute of limitations run against them is equally unjustified by the facts.

Mr. MANN. Will the gentleman yield to a question?

Mr. UNDERWOOD. Certainly.

Mr. MANN. Under what authority would the auditor have a right to audit a claim where the statute of limitations had run against it?

Mr. UNDERWOOD. He had the authority of Congress.

Mr. MANN. Where is the authority?

Mr. UNDERWOOD. I do not know that, but I refer the gentleman to a claim that is in a bill, where we did pay it.

Mr. MANN. That could only refer to audited claims.

Mr. FITZGERALD. The gentleman read something that was not in the bill. The statute expressly prohibits the certification of an audited claim for longevity pay except six years prior to the decision of the Supreme Court, and I have sent for the statute. These men could not have obtained any favors. It was a decision made in 1884.

Mr. MANN. The gentleman from Alabama was misled by some one. There is no such thing.

Mr. UNDERWOOD. I have the proposition here in my hand, in the act I have referred to: "For pay, and so forth, in the Army," of claims to the extent of over $23,000 for longevity pay.

Mr. MANN. How does it read?

Mr. UNDERWOOD. "Claims allowed by the Auditor for the War Department for pay, and so forth, of the Army, $23,354.02."

Mr. MANN. Claims allowed for pay of the Army. That has nothing to do with these old longevity claims.

Mr. UNDERWOOD. Those claims, I am informed, were for this very longevity pay.

Mr. MANN. The gentleman has been misinformed.

Mr. UNDERWOOD. I do not think so. I have the information from a source that I am satisfied with; and I know, further than that, that the officers in the Union Army, where there was no statute, were paid these longevity claims. Now, how can you, in any justice, say that laches or the statute of limitations applies, if you are going to pass a bill and wipe out the barrier that existed against those men? They had no chance to present their claims. How can you say laches or the statute of limitations ran against these men when you but yesterday opened the door to them to make their claim?

The SPEAKER. The time of the gentleman from Alabama has expired.

Mr. FITZGERALD. Mr. Speaker, how much time have I remaining?

The SPEAKER. The gentleman has 20 minutes.

Mr. MANN. Will the gentleman give me a few minutes more while he is looking up that reference?

Mr. FITZGERALD. I yield five minutes to the gentleman from Mississippi [Mr. SISSON].

The SPEAKER. The gentleman from Mississippi [Mr. SISSON] is recognized for five minutes.

Mr. SISSON. Mr. Speaker, the statute that was passed a few days ago, with which the Members of the House are familiar, repealed all of that portion of section 3480 which affected the right of an officer of the United States Army who resigned his commmission in the Army and joined the Confederacy. The language repealed by that statute is this:

SEC. 3480. It shall be unlawful for any officer to pay any account, claim, or demand against the United States which accrued or existed prior to the 13th day of April, 1861, in favor of any person who promoted, encouraged, or in any manner sustained the late rebellion, or in favor of any person who during such rebellion was not known to be opposed thereto, and distinctly in favor of its suppression; and no pardon heretofore granted, or hereafter to be granted, shall authorize the payment of such account, claim, or demand until this section is modified or repealed.

Now, that statute was passed in 1867 for the purpose of preventing any Confederate officer, who was previously a Union officer, getting any pay which the Government of the United States owed him at the time of the beginning of the War between the States, which he had the right to prior to the 13th of April, 1861. The statute which was passed here the other day was passed for the purpose of enabling these officers to get that longevity pay which was due them at that time, together with pay and allowance they resigned, which they would have gotten if they had remained in the Union Army, because, as was argued on the floor here—which argument prompted the Members of this House in voting for the repeal and prompted the Members of the Senate—the accounting officers of the Government were not permitted to compute this pay and could not pay this money was because of the existence of that old statute of 1867, section 3480, which was specifically repealed, and repealed for that purpose, and that purpose only. That is the object of that, and the item in this bill is for the purpose of enabling the officers of the Government to make the computation as to what was due these officers under the law at that time, just as if they had remained Union officers, and the appropriation does not do more than that. That is all that it does do, and in the passage of this appropriation in this bill it does not enable these people to do more than that. If the gentleman will get the appropriation act——

Mr. MANN. Mr. Speaker, will the gentleman yield there for a question?

Mr. SISSON. Yes; I yield.

Mr. MANN. If those officers were Union officers now, could they recover their claims now?

Mr. SISSON. Union officers?

Mr. MANN. Yes.

Mr. SISSON. Well, it is possible that the Union officer who, having no such statute barring him as the statute in section 3480, would be barred by the statute of limitations; but, as was stated the other day in the discussion of this repealing act, these men could not assert their claims. The accounting officers had no right to pay the claims. No officer in the Government could pay them. But every Union officer got his pay as it became due, without an exception.

Mr. MANN. The gentleman knows that most of these claims commenced long before the Civil War. I read one awhile ago of one officer.

Mr. SISSON. I understand that is bound to be true as it affects a Confederate officer. As the gentleman says, it must have happened before April 13, 1861, unless the officer reenlisted in the Union Army after the Civil War, as, for example, in the Spanish-American War, and should have become an officer under the statute.

Mr. MANN. The statute of limitations would run if that had not been in the law at all.

Mr. SISSON. The statute of limitations would have run against these men if the doors had been open to them.

Mr. MANN. They were open before the war. They had the theoretical claim, but did not know it.

Mr. SISSON. The point in the whole matter is that those men who entered the Confederate service should be dealt with just as the Union officer. They were officers of the Army of the United States, and should have gotten what was due them when they resigned. They rendered the service to the Government up until they resigned. They should be put identically on the same plane. To do this they should be paid what was due them.

Now, I will state frankly to the gentleman that it is not my purpose or my aim or object to open up any floodgate, but irrespective of the question of whether or not it is a Union officer who went into the Confederate service, the only question in my mind is to have these men at this time, when we are all absolutely united, treated exactly like the others, and I do not believe the gentleman from Illinois [Mr. MANN] would have any other treatment accorded to those people. As I gathered from

what he said, that is the point he made in his speech—he wanted them to be dealt with alike. To do this, pay them what was due them on the date of their resignation.

Mr. MANN. But the gentleman knows that no Union officer has ever been able to receive one single cent for any time prior to April 13, 1861, and the claims of all these Confederate officers must have been prior to that time.

Mr. SISSON. That is what I am trying to make clear. They received it regularly under the law. It was paid as it became due. The statute of 1867 prevented any computation of any service rendered by a man who afterwards went into the Confederate service.

Mr. MANN. But the Union soldier at the same time could not secure any claim, because the statute of limitations debarred him. They were all before 1861.

Mr. SISSON. But they were all paid and could have no claim. These Confederate officers were not paid anything. The statute of limitations was suspended during the hostilities, during the actual war. But that is far from the point involved here. We simply say, pay these officers what was due them when they resigned. All Union officers, of course, got theirs. It was paid under the law as it fell due. If the statute ran against him after hostilities ceased, it would be laches on his part, for which he would be responsible; but if the statute stands in the way of a Union officer who afterwards joined the Confederacy, laches could not stand against him because of the statute which forbids the pay of what the Government owes him.

The SPEAKER. The time of the gentleman from Mississippi has expired.

Mr. MANN. But the Union soldier, having had a chance to make a claim——

Mr. SISSON. He would be able to press that now.

The SPEAKER. The time of the gentleman from Mississippi has expired.

Mr. FITZGERALD. I yield to the gentleman one minute more.

The SPEAKER. The gentleman from Mississippi is recognized for one minute more.

Mr. SISSON. I would be willing to do that, and the statute does exactly that. It treats the Union officer and is compelled to treat the Union officer who has not received his pay under this statute just as it would treat the officer under the Confederacy.

Mr. FITZGERALD. Mr. Speaker, this amendment provides for the payment of longevity claims of officers of the United States Army who left the United States Army and entered the Confederate service. No officer of the United States Army has received any allowance for longevity claims of this character during the period covered by this amendment. The only longevity claims of this character that have been paid are those for the six years prior to the decision of the United States Supreme Court. The adoption of this amendment means that men who were in the United States Army and who resigned from it to enter the Confederate Army are to be allowed these longevity claims, while no provision is made for men who were in the United States Army and remained in the Army and fought on the Union side.

This is the most ingenious amendment ever devised and presented to the House. Members of the House are not responsible for it; but the bright minds who devised it know that if this Congress provides that officers of the United States Army who resigned from that Army and went into the Confederate Army are paid these longevity claims an irresistible demand will arise that will open the Treasury to the millions of claims of the men who remained loyal to the Union and who were in the Army after the war and whose claims have been barred.

The gentleman from Alabama [Mr. UNDERWOOD] is wholly mistaken about the appropriations that have been made. I have in my hand House Document No. 1372, Sixty-second Congress, third session, which is the schedule of claims allowed by accounting officers, transmitted to Congress under date of February 10, 1913, and for which, under the head of audited claims, the deficiency bill carried $23,354.02 for pay of officers, and so forth, of the Regular Army. The gentleman from Alabama stated that it included claims dated as far back as 1838, and in that he is mistaken.

Mr. UNDERWOOD. But that is what the record discloses, from which I got this information.

Mr. FITZGERALD. I believe the gentleman is mistaken, and I believe I can demonstrate it. The fiscal year in which the expenditure occurred is stated in this document opposite the names of the claimants, together with the amount of the claims. Every single expenditure in that schedule, covering three pages, was incurred in the fiscal year 1910 and in prior years. They could not go back to a period antedating the six years prior to the decision of the United States Supreme Court, because they were claims of men in the Army in 1910, and none of them served before the war. For instance, in the general deficiency act in 1912 the sum of $220,000 was appropriated for certified claims. Questions like this continually arise: An officer is promoted and his commission issued. A controversy arises as to the date from which his pay should commence in his new grade. Controversies arise as to allowances to which he is entitled, when assigned on different duties. Such matters go to the auditor, are adjusted and are certified for inclusion in the deficiency bill. I am informed by the clerk of the Committee on Appropriations, who is very accurate in his knowledge and who has a vast fund of information in reference to these matters, that a statute prohibits the auditor certifying any claims for longevity for any period prior to six years before the United States Supreme Court decision. Suppose section 3480 of the Revised Statutes had been repealed when the Supreme Court rendered its decision, or suppose that provision of the Revised Statutes had never been enacted. Not a single one of the claims proposed to be paid in this amendment could now be paid or could have been paid at any other time. This amendment lifts the men who went into the Confederate service into a preferred class and permits them to be paid these longevity claims, for which no other man who served in the Army can receive pay or ever has received pay.

Mr. UNDERWOOD. Will the gentleman allow me to ask him a question?

Mr. FITZGERALD. Certainly.

Mr. UNDERWOOD. The statute of limitations can run against no man until the opportunity for the claim accrues. As these men were barred by reason of this statute, section 3480, the door was never open for them to make the claim until last month.

Mr. FITZGERALD. It was not barred to these men. They could have asserted a claim for this longevity pay at any time prior to their resignation from the Army, but nobody ever thought of making such claim; and the gentleman does not intend to contend that because of that statute a man who had been in the Confederate service should be given the right to file a claim which the man who remained in the Union Army was deprived of filing, except for the period of six years prior to 1884.

Mr. UNDERWOOD. No; but I do claim this: That when Congress passed this act last month repealing section 3480 it did so with the express purpose of authorizing the payment of these claims. It is so stated in the report. It was argued on the floor. The amount of the claims was stated to the House, and every Member of this House who voted to repeal that statute knew that it opened the door for $165,000 worth of claims to these soldiers; and with that knowledge before them, the House and the Senate enacted it into law; and I say that was the will of the House, the intention of Congress, and it seems to me that for the Committee on Appropriations to come here now and ask the House to repudiate its action is to put us in the attitude of merely maching up the hill and then marching down again.

Mr. FITZGERALD. Mr. Speaker, I was in the House that day and I heard the very eloquent speech of the gentleman from Pennsylvania [Mr. GRAHAM], and I never heard a suggestion, and I never imagined for a moment, and nobody else in this House imagined, that that was what Congress was doing in the passage of that act.

Mr. UNDERWOOD. It is stated in the report. I read it.

Mr. FITZGERALD. I do not care about the reports, because I do not read them very often. I do not have the chance. But nobody ever suspected that Congress was proposing to open the door to claims of men who left the Regular Army to go into the Confederate service, and at the same time denying the opportunity for claims for the same service for the same period to be presented by men in the Regular Army who remained loyal to the Union. I think for anybody to assert now that Congress intended that is to make an assertion that can not be justified.

Mr. UNDERWOOD. Why, the gentleman——

Mr. FITZGERALD. What was believed, Mr. Speaker, was that we were placing the men who had left the Army and gone into the Confederate service on an equal footing with men who remained loyal to the Union. But this amendment does not propose such action. We are giving them something that the men who remained loyal have not got and can not get. This House never intended and never knew what was being accomplished by that act. I would go as far as anyone to wipe out whatever lingering or smoldering animosities there may be arising out of that terrible conflict which divided this country from 1861 to 1865—and what I say is not for the purpose of arousing any feeling—but I would not have Congress do an act

which, in effect, puts a premium upon the action of the men who left the service of their country to take arms in the Confederate service, and that is what is done in this amendment.

If Congress wishes to enact a law so that every man who was in the Regular Army shall be able to present a claim for longevity service and be paid for it, so far as I am concerned I am willing to meet others and to let these men who did go into the Confederate service be placed on an equal footing with the men who remained in the Army or who did not go into the Confederate service. I would be willing to blot out and remove the effect of any action by which these men went into the Confederate service, because I have always believed that the men who took that side of the controversy were sincerely actuated by lofty and patriotic motives. The awful conflict, which resulted finally in the preservation of the Union, has long passed; it is the duty of everyone to cooperate as much as possible to obliterate the causes of ill feeling that so long remained and to do everything possible to restore the common brotherhood of this country. But to say that Congress intended, in order to meet the condition that existed and to bring about a better feeling, to enact a law which gave the men who went into the Confederate service an advantage and preference, and an opportunity to present a claim to which Congress has persistently refused to the men who remained in the Army and were loyal to the Union, is going far beyond what anyone can justify.

I believe that those who advocate this amendment do so in the honest belief that it puts the men who went into the Confederate service on a footing with those who remained in the Army and engaged on the Union side, but it does not do so. It *does much more*. There is no record that I have been able to find where anyone has been paid longevity pay for the period covered by this amendment. If this amendment be adopted, there can be no excuse, there can be no defense to the claims presented by every man who was in the Army and remained in it on the Union side.

Mr. WEBB. Will the gentleman yield?

Mr. FITZGERALD. Yes.

Mr. WEBB. It strikes me that under the decision of the Supreme Court both Confederate claims due these officers, as well as claims of the Federal officers, who were at West Point are entitled to the pay. Can the gentleman give any idea as to how much the amount would be due the Federal officers and widows who served at West Point during the same period as these in the Confederate service?

Mr. FITZGERALD. I have no idea, but I think it runs up into the millions. The gentleman will remember that this is merely for those men who went into the Confederate service.

Mr. WEBB. And there are 173 of those, I believe.

Mr. FITZGERALD. But it would take in the men in the Regular Army.

Mr. WEBB. They did not all serve at West Point.

Mr. FITZGERALD. It would include all the men in the Regular Army who were graduates of West Point.

Mr. MANN. Will the gentleman yield?

Mr. FITZGERALD. Yes.

Mr. MANN. The statement was made repeatedly that a million dollars has been paid, and the only men or officers paid were those that were not barred by the six years. The amount that has been paid accrued in six years, whereas the men who have not been paid the amount accrued between the years 1838 and 1878.

Mr. WEBB. That did not take into consideration the longevity pay based on service in the Military Academy?

Mr. MANN. Both academies.

Mr. WEBB. That was not based solely on the longevity that accrued at the academy.

Mr. MANN. That was the statement of the gentleman from Alabama, that a million dollars had been paid on these claims, and there was no claim paid except where the claim had accrued within six years.

Mr. SISSON. Will the gentleman from New York yield?

Mr. FITZGERALD. For what?

Mr. SISSON. For a question.

Mr. FITZGERALD. Yes.

Mr. SISSON. The gentleman has given the other side of this proposition 30 minutes and 5 minutes to the gentleman from Alabama and 5 minutes to myself.

Mr. FITZGERALD. The gentleman is mistaken. I gave the gentleman from Alabama all the time he desired, and so stated at the beginning.

Mr. SISSON. The gentleman from Alabama only occupied 5 or 10 minutes.

Mr. FITZGERALD. The gentleman is mistaken. He occupied nearly 15 minutes. I gave the gentleman from Misssisippi all the time he asked for.

Mr. SISSON. You only gave me five minutes.

Mr. FITZGERALD. That was all the gentleman asked for.

Mr. SISSON. I did not ask for more because the time was limited. But the question I want to ask is, Will the gentleman state positively that every officer has not received his longevity pay from 1861 to the present time? Is it not true that in appropriation bills almost every year since the Supreme Court delivered its opinion the Union officers have been receiving pay? I ask for information, for I have not had time to look it up.

Mr. FITZGERALD. I will state what I understand to be the fact——

The SPEAKER. The time of the gentleman from New York has expired. All time has expired.

Mr. FITZGERALD. Mr. Speaker, I ask unanimous consent that I may continue for five minutes.

The SPEAKER. The gentleman from New York asks unanimous consent to continue for five minutes. Is there objection?

There was no objection.

Mr. FITZGERALD. Mr. Speaker, my understanding is that the claims of no officer have been paid for a period antedating six years prior to the decision of the Supreme Court in 1884, if that be the correct date. These certified claims are not for periods prior to that date. I do say, and I am as absolutely certain as I can be, that claims of this character for the period of service covered by the service of the men to be affected by this amendment have not been paid to anybody. This gives to those who served in the Confederate Army payment of claims that has been denied to men who served in the Union Army.

Mr. UNDERWOOD. Will the gentleman let me ask him a question?

Mr. FITZGERALD. Yes.

Mr. UNDERWOOD. The Supreme Court decision that brought about this question was rendered in 1884. Since that time there have been no claims for officers in the Union Army, because it was added into their pay.

Mr. FITZGERALD. Of men who were in the service, yes.

Mr. UNDERWOOD. I am informed—I have not looked it up, but I have received the information from a gentleman who has and in whom I have the utmost confidence—that there has been in the neighborhood of a million dollars of these claims paid. They must have been claims that originated before 1880.

Mr. FITZGERALD. Claims that originated within six years prior to the decision of the Supreme Court. If the statute repealed the other day had never been enacted, when the Supreme Court rendered its decision about this longevity pay none of the men affected by the Senate amendment could have asserted a claim, because they were not in a position to do it. They had been out of the service for a period more than six years back. The claims were barred by the statute of limitations, the same as the claims of Union officers.

Mr. BURNETT. Mr. Speaker, will the gentleman yield?

Mr. FITZGERALD. Yes.

Mr. BURNETT. Unless claims of this character are paid, is there any field for the operation of the law we passed just a few days ago?

Mr. FITZGERALD. I do not know.

Mr. BURNETT. Was it not merely nugatory?

Mr. FITZGERALD. I do not know whether there be any field for it or not; but I have no hesitation in saying that in voting for the law passed the other day I had no intention, and I do not propose because I voted for that bill to be put in the position of voting to pay the claims of these men who went into the Confederate service, when Congress has decided it will not pay similar claims for men who remained in the Union service.

Mr. Speaker, I ask a division of the question, that the vote be taken first on the question of receding from the disagreement of the House to the amendment of the Senate.

The SPEAKER. The question is on receding from the disagreement of the House to Senate amendment 158.

Mr. BURNETT. Mr. Speaker, I ask unanimous consent that the amendment be again reported.

The SPEAKER. Without objection, the Clerk will again report the amendment.

There was no objection, and the Clerk again reported the amendment.

The SPEAKER. The question is on receding from the disagreement of the House to Senate amendment 158.

The question was taken; and on a division (demanded by Mr. UNDERWOOD) there were—ayes 24, noes 70.

Mr. UNDERWOOD. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 67, nays 154, answered "present" 1, not voting 210, as follows:

YEAS—67.

Abercrombie	Ferris	Igoe	Sherley
Adamson	FitzHenry	Johnson, Ky.	Sims
Aiken	Flood, Va.	Lee, Ga.	Sisson
Barkley	Garrett, Tenn.	Lever	Stedman
Broussard	Garrett, Tex.	Lloyd	Stephens, Tex.
Bryan	Godwin, N. C.	McKellar	Stout
Buchanan, Tex.	Hamlin	Montague	Talbott, Md.
Burgess	Hardy	Moon	Taylor, Ark.
Burnett	Harris	Mulkey	Tribble
Caraway	Harrison	O'Hair	Underwood
Carter	Hay	Park	Watkins
Collier	Hayden	Pou	Watson
Dent	Heflin	Quin	Webb
Dickinson	Helm	Ragsdale	Whaley
Dupré	Holland	Rubey	Wilson, Fla.
Elder	Hull	Rucker	Wingo
Faison	Humphreys, Miss.	Russell	

NAYS—154.

Allen	Doolittle	Kelly, Pa.	Platt
Anderson	Doremus	Kennedy, Iowa	Post
Ashbrook	Doughton	Kent	Rainey
Avis	Dunn	Key, Ohio	Raker
Bailey	Esch	Kindel	Reed
Baltz	Falconer	Kinkead, N. J.	Reilly, Wis.
Barchfeld	Farr	Kirkpatrick	Roberts, Nev.
Barnhart	Fergusson	Konop	Rogers
Barton	Fess	La Follette	Rouse
Bathrick	Fitzgerald	Langley	Rupley
Beakes	Floyd, Ark.	Lenroot	Scott
Bell, Cal.	Fordney	Lindbergh	Seldomridge
Borchers	Foster	Lonergan	Shackleford
Britten	Fowler	McAndrews	Sinnott
Brockson	Francis	McCoy	Sloan
Brodbeck	French	McKenzie	Smith, Idaho
Brumbaugh	Gallivan	MacDonald	Smith, Minn.
Burke, S. Dak.	Gard	Madden	Smith, N. Y.
Burke, Wis.	Garner	Maguire, Nebr.	Smith, Saml. W.
Butler	Gerry	Mahan	Stephens, Cal.
Campbell	Gilmore	Manahan	Stevens, Minn.
Cantor	Gittins	Mann	Stone
Carr	Good	Mapes	Tavenner
Casey	Gordon	Mitchell	Ten Eyck
Church	Goulden	Mondell	Thacher
Claypool	Graham, Ill.	Moore	Thomson, Ill.
Cline	Green, Iowa	Morgan, Okla.	Towner
Connelly, Kans.	Greene, Mass.	Morrison	Townsend
Conry	Greene, Vt.	Moss, Ind.	Treadway
Cox	Haugen	Murdock	Tuttle
Cramton	Hawley	Neely, W. Va.	Underhill
Cullop	Helgesen	Nolan, J. I.	Walsh
Curry	Helvering	Norton	Williams
Danforth	Hensley	Oglesby	Witherspoon
Deitrick	Hill	Page, N. C.	Woodruff
Dershem	Humphrey, Wash.	Palmer	Woods
Dillon	Johnson, Wash.	Payne	Young, N. Dak.
Dixon	Kahn	Peterson	
Donovan	Keating	Phelan	

ANSWERED "PRESENT"—1.

Slemp

NOT VOTING—210.

Adair	Dies	Hoxworth	Murray, Mass.
Ainey	Difenderfer	Hughes, Ga.	Murray, Okla.
Alexander	Donohoe	Hughes, W. Va.	Neeley, Kans.
Ansberry	Dooling	Hulings	Nelson
Anthony	Driscoll	Jacoway	O'Brien
Aswell	Drukker	Johnson, S. C.	Oldfield
Austin	Eagan	Johnson, Utah	O'Leary
Baker	Eagle	Jones	O'Shaunessy
Bartholdt	Edmonds	Keister	Padgett
Bartlett	Edwards	Kelley, Mich.	Paige, Mass.
Beall, Tex.	Estopinal	Kennedy, Conn.	Parker
Bell, Ga.	Evans	Kennedy, R. I.	Patten, N. Y.
Blackmon	Fairchild	Kettner	Patton, Pa.
Booher	Fields	Kiess, Pa.	Peters, Mass.
Borland	Finley	Kinkaid, Nebr.	Peters, Me.
Bowdle	Frear	Kitchin	Plumley
Brown, N. Y.	Gallagher	Knowland, J. R.	Porter
Brown, W. Va.	Gardner	Korbly	Powers
Browne, Wis.	George	Kreider	Prouty
Browning	Gill	Lafferty	Rauch
Bruckner	Gillett	Langham	Rayburn
Buchanan, Ill.	Glass	Lazaro	Reilly, Conn.
Bulkley	Goeke	Lee, Pa.	Riordan
Burke, Pa.	Goldfogle	L'Engle	Roberts, Mass.
Byrnes, S. C.	Goodwin, Ark.	Lesher	Rothermel
Byrns, Tenn.	Gorman	Levy	Sabath
Calder	Graham, Pa.	Lewis, Md.	Saunders
Callaway	Gray	Lewis, Pa.	Scully
Candler, Miss.	Gregg	Lieb	Sells
Cantrill	Griest	Lindquist	Sherwood
Carew	Griffin	Linthicum	Shreve
Carlin	Gudger	Lobeck	Slayden
Cary	Guernsey	Loft	Small
Chandler, N. Y.	Hamill	Logue	Smith, J. M. C.
Clancy	Hamilton, Mich.	McClellan	Smith, Md.
Clark, Fla.	Hamilton, N. Y.	McGillicuddy	Smith, Tex.
Coady	Hammond	McGuire, Okla.	Sparkman
Connolly, Iowa	Hardwick	McLaughlin	Stafford
Cooper	Hart	Maher	Stanley
Copley	Hayes	Martin	Steenerson
Covington	Henry	Merritt	Stephens, Miss.
Crisp	Hinds	Metz	Stephens, Nebr.
Crosser	Hinebaugh	Miller	Stevens, N. H.
Dale	Hobson	Morgan, La.	Stringer
Davenport	Houston	Morin	Sumners
Davis	Howard	Moss, W. Va.	Sutherland
Decker	Howell	Mott	Switzer
Taggart	Thomas	Walker	Willis
Talcott, N. Y.	Thompson, Okla.	Wallin	Wilson, N. Y.
Taylor, Ala.	Vare	Walters	Winslow
Taylor, Colo.	Vaughan	Weaver	Young, Tex.
Taylor, N. Y.	Vollmer	Whitacre	
Temple	Volstead	White	

So the motion to recede was rejected.

The clerk announced the following additional pairs:

Until further notice:

Mr. ALEXANDER with Mr. HINEBAUGH.

Mr. MOON with Mr. AUSTIN.

Mr. LIEB with Mr. BARTHOLDT.

Mr. KORBLY with Mr. DAVIS.

Mr. SHERWOOD with Mr. DRUKKER.

Mr. GOODWIN of Arkansas with Mr. TEMPLE.

Mr. BLACKMON with Mr. GRIEST.

Mr. CLARK of Florida with Mr. HAYES.

Mr. DECKER with Mr. HOWELL.

Mr. DIFENDERFER with Mr. STEENERSON.

Mr. CLANCY with Mr. HAMILTON of New York.

Mr. GLASS with Mr. SLEMP.

Mr. GOEKE with Mr. JOHNSON of Utah.

Mr. GREGG with Mr. KELLEY of Michigan.

Mr. TAYLOR of Alabama with Mr. HUGHES of West Virginia.

Mr. BYRNS of Tennessee with Mr. KENNEDY of Rhode Island.

Mr. LEE of Pennsylvania with Mr. KINKAID of Nebraska.

Mr. LESHER with Mr. MCGUIRE of Oklahoma.

Mr. MURRAY of Massachusetts with Mr. NELSON.

Mr. OLDFIELD with Mr. PATTON of Pennsylvania.

Mr. SPARKMAN with Mr. PETERS of Maine.

Mr. STEPHENS of Mississippi with Mr. PLUMLEY.

Mr. BROWN of West Virginia with Mr. SELLS.

Mr. COADY with Mr. VOLSTEAD.

Mr. GRAY. Mr. Speaker, I desire to vote "no."

The SPEAKER. Was the gentleman in the Hall?

Mr. GRAY. No, sir; I was not in the Hall.

The SPEAKER. The gentleman does not bring himself within the rule.

Mr. GRAY. Then I desire to vote "present" in order to make a quorum.

The SPEAKER. That will not be in order until after we find out whether we have a quorum or not.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the motion of the gentleman from New York, to further insist upon its disagreement to Senate amendment 158.

The question was taken, and the motion was agreed to.

The SPEAKER. The Chair announces the following conferees: Mr. FITZGERALD, Mr. SISSON, and Mr. VARE.

SUNDRY CIVIL APPROPRIATION BILL.

Mr. FITZGERALD. Mr. Speaker, I ask unanimous consent that the order of the House asking for a conference on the sundry civil bill with the Senate be vacated and that the House agree to the conference asked for by the Senate.

The SPEAKER. The gentleman from New York asks unanimous consent that the order of the House to ask for a conference with the Senate be vacated and the House agree to the conference asked for by the Senate on the amendments to the sundry civil bill. Is there objection? [After a pause.] The Chair hears none, and it is so ordered.

EXTENSION OF REMARKS IN THE RECORD.

Mr. MOORE. Mr. Speaker——

Mr. RUSSELL. Mr. Speaker——

The SPEAKER. The gentleman from Pennsylvania.

Mr. MOORE. Mr. Speaker, I ask unanimous consent to proceed for 10 minutes on a personal matter.

The SPEAKER. The gentleman from Pennsylvania [Mr. MOORE] asks permission to address the House for 10 minutes. Is there objection?

Mr. UNDERWOOD. Mr. Speaker, I do not like to interfere with the gentleman from Pennsylvania, but I object to anything except the regular order at this time.

The SPEAKER. The gentleman from Alabama objects.

Mr. MOORE. Mr. Speaker, I rise to a question of personal privilege.

The SPEAKER. The gentleman will state it.

Mr. MOORE. I will not do this if the gentleman will give me 10 minutes, although I think the question of personal privilege will be sustained.

Mr. UNDERWOOD. Mr. Speaker, if it is a matter that is personal to the gentleman, of course I will not object. I did not so understand.

Mr. MOORE. Mr. Speaker, it is a personal matter, and I so stated.

Mr. UNDERWOOD. I withdraw my objection.

The SPEAKER. Is there objection to the gentleman proceeding for 10 minutes? [After a pause.] The Chair hears none.

Mr. MOORE. Mr. Speaker, sometimes I wonder whether a man who utters a lie is more to be complained against than a man who builds upon a lie. The man who stabs in the dark strikes a blow that can not be repelled; and the man who writes an anonymous letter can not be found; so that the victim of a man who thus strikes or who writes anonymously is helpless unless he can find the man who lies about him. The man who builds upon a lie can not always be found and the effect of the lie passing from one to another may shatter a reputation. Therefore I am inclined to believe that the man who builds upon a lie is worse, perhaps, than he who gives the lie direct. As to the anonymous letter writer we may all have contempt for him because all of us, doubtless, have been his victims. He who thus writes anonymously writes in the spirit of cowardice because he leaves no trace, and no utterance of the truth or reply to the insinuations made may catch up to him. Hence the poisoned pen is one of the most vicious of all the offenses in the catalogue of crimes. It shatters character.

I would regret to think that there was a man in the House of Representatives who would lie, and I would regret sincerely to think that there was one in the House who would build upon a lie, or that there was one who would sanction an anonymous letter that would tend to destroy a reputation of a colleague. I do not impute motives of this kind to any Member of this House, but I do say that a practice has arisen here to which the public attention ought to be drawn, involving an abuse of the privilege of leave to print, the privilege which abused, might enable a Member to unjustly criticize or condemn a colleague without the latter having an opportunity, face to face, to meet the accusation.

I shall not put myself in the position of accusing anyone of having dealt so unfairly with me as these remarks might indicate I have it in mind to do toward any Member of the House. I am speaking of a practice that has arisen and of the abuse of it which the House by sufferance has tolerated. There ought to be a closer inspection of the leave to print and of the right of a Member, so inclined, to print that which in all good conscience and in honor should be unprintable in the CONGRESSIONAL RECORD. There ought to be that honor, at least, among Members of the House that is attributed to a worse class of our citizens—the honor of being fair with one another. If I can not trust my brother, a Member of this House, to be fair with me when by my silence I give him the leave to print, which I could prevent by offering an objection, then I am in a sorry plight, for I would regret to think there was any Member of this House who could not be trusted to do the right thing in courtesy by his colleagues, no matter to what party he belonged.

I make these observations because I believe they are important and that they may help to lead to a correction of the abuse to which I have referred.

Now, sometimes some of us get spectacular in this House and do those things which are calculated to attract attention in the newspapers. This may account in part for the abuse of privilege. The active working men on this floor sometimes go unnoticed for months because of the brilliant dashes of those who take chances to attract popular attention. There are those, perchance, who get to the newspapers quicker than the loyal worker upon the floor, and possibly there are those who work that practice to the limit, especially in preelection times. Now, I am not accusing anybody in particular in this respect, for I may be as amenable as others, but I am stating a fact of which all men may take notice.

In the RECORD of this morning, July 22, on page 12512, are the remarks of Mr. BRYAN, of Washington, printed under leave granted to him to print; that is to say, the presumption is that he obtained the leave of this House by unanimous consent to print. I will leave it to the gentleman from Washington [Mr. BRYAN] to say whether he obtained that unanimous consent or not. I presume he did. But these remarks to which I make reference were not uttered upon the floor of this House. If they had been, those to whom they apply would have had the opportunity to answer them, and to answer them in a manly way. It would have made no difference how forceful nor how pointed they were, if they were within the parliamentary limit they could have been answered; but it would have been fair only to utter them in the presence of those against whom they were directed.

I have nothing to say in regard to these extended remarks of the gentleman from Washington, not uttered upon the floor of the House, as they apply to my colleagues. I desire to say in regard to these remarks, not delivered upon the floor of the House nor uttered in open debate, where I could hear them, but shoved in under cover of darkness, as it were, under leave to print; pushed in so that I had no notice or opportunity to reply, and in a manner which I believe to be objectionable; that while I believe him guilty of a parliamentary offense, I am willing to pardon him on the ground of youth and inexperience.

Mr. BRYAN, if correctly quoted in the RECORD of this morning, on page 12512, said:

> The gentleman from Pennsylvania [Mr. MOORE], palms up, says, "Pisness is pisness. This can give time, but we need the interest." Yet he nearly talked himself into utter exhaustion to try to force through here a scheme to get the Government to buy a lot of waste lands in Philadelphia, near a powder plant, which was worthless almost and was not needed, and yet to cost a very large sum. He takes relays with other gentlemen here in pleading for "protection for the infant industries of Pennsylvania." He wants the Government to take from the people a sum of money to swell the profits of every trust-owned factory in his State—the infant industry known as the Steel Trust, the textile mills, and the shipping plants. He did not mind helping the ships with free tolls, but a farmer on the reclaimed arid plains of the West, making an American home, creating wealth, bringing up citizens who will fight for the flag when called, are not worth 3 cents. "Pisness is pisness."

And further along he adds:

> "U. S." does not stand for "Uncle Shylock."

Now, of course, that may seem amusing to some of you and to a certain extent it is amusing to me, because of the utter variance from the truth of the statement therein made. The inference is, so far as I am concerned personally, that I represent certain interests in this House unfair to the farmers of the land, for whom the gentleman from Washington attempts to speak. That is a totally unwarranted statement.

I have on previous occasions challenged anyone who wanted to question my record in that respect, and I do not hesitate to challenge them now. I am as free to vote with honor upon any public question that arises here as any man in this House, as free from the domination of corporation bosses as I am of labor bosses, or political bosses, or any other bosses. I know the people of my district, and I vote and labor here as I believe befits their welfare, and I labor here for that larger interest of the United States which, I believe, becomes me as a representative of all the people without regard to classes.

But, so far as my own feelings in this matter are concerned, I do not worry, because I am responsible to the people who send me here. I want to hear my course criticized, but in the open and not in the dark. I do not want to have it appear in the State of Washington under flaming headlines in the newspapers, and under the franking privilege when these speeches are sent out, that these violent assaults upon "the agents of evil" are made upon the floor of the House, when they are slipped into the RECORD under the cover of darkness.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. MOORE. Mr. Speaker, I ask unanimous consent to proceed for five minutes more.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to proceed for five minutes more. Is there objection?

There was no objection.

Mr. MOORE. Let us dispense with the personal side of it, Mr. Speaker, and take up that question which I regard as more serious—the slipping into the RECORD of those things not uttered upon the floor and that appear to an unsuspecting constituency at home as having been uttered here in fiery debate. The gentleman from Washington, I said, was guilty of this offense, and I charge him now with having violated the rules of courtesy, if not the parliamentary rules of the House, when he put quotation marks upon an expression which he attributed to me for the purpose of his argument and to which I never gave utterance. I not only object to his reflecting upon an honorable race of men and women, but to his putting me in the position of making a mockery of them. [Applause.]

If he has no respect for the great Jewish race in the United States and proposes to make fun of them in the public RECORD, he can not do it by putting the language in my mouth and using quotation marks upon remarks which he attributes to me and which I never used. "Pisness is pisness," and "palms up," says the gentleman from Washington, attributing those remarks to me, and putting the quotation marks upon them as if I had spoken them. Herein was his principal fault.

The gentleman from Washington manufactured this speech of his out of whole cloth. He manufactured this quotation from me out of the whole cloth, and by doing it gave offense to millions of worthy citizens of the land for whom apparently he has contempt and for whom I have always entertained the highest respect.

I believe, in the course of time, that this sort of abuse of the unanimous-consent privilege to extend remarks in the CON-

GRESSIONAL RECORD will be corrected. But I am glad of this opportunity to say, so long as I am placed in the limelight by reason of the thrust after dark of the gentleman from Washington, that those gentlemen in this House who hold themselves holier than others who are performing their duty honestly and conscientiously may some day be pointed out for the demagogues they are. [Applause.] I believe that the poor people of this land, the poor farmers in the district that the gentleman himself represents, the farmers upon this arid and semi-arid soil, for whom the Government of the United States is spending $7,500 per farm, which is not granted to any other farmer in the United States, would rather have the truth as it comes from "the gentleman from Pennsylvania" than they would to have the misstatements as they come from "the gentleman from Washington."

Mr. BRYAN. Mr. Speaker, I rise to a question of personal privilege.

The SPEAKER. The gentleman will state it.

Mr. BRYAN. The gentleman from Pennsylvania [Mr. MOORE] said several things just a moment ago——

Mr. UNDERWOOD. Mr. Speaker, I doubt very much whether a reply to the statement of the gentleman from Pennsylvania [Mr. MOORE] is a question of personal privilege. If the gentleman from Washington [Mr. BRYAN] wants an opportunity to reply, I suggest that he ask for 10 minutes.

Mr. BRYAN. I agree to the suggestion, Mr. Speaker, that my time be limited to 10 minutes.

The SPEAKER. The gentleman from Washington [Mr. BRYAN] asks unanimous consent to proceed for 10 minutes. Is there objection?

There was no objection.

Mr. BRYAN. Mr. Speaker, the first thing that I want to refer to—a thing that the gentleman from Pennsylvania [Mr. MOORE] has thrust at me—is that he has accused me of impugning or criticizing a race of people. I was not talking about any race of people. I was talking about the gentleman from Pennsylvania, J. HAMPTON MOORE. I did not say anything about the Jews of this country. I respect that race, and think he is the one who has insulted them and hurled an insult in their face.

Where is there anything about the Jewish race in what I said? Why should that gentleman rise here and accuse me, or suggest that the Jewish race of this country is referred to in that little suggestion that I made there about some one being rather parsimonious about money? The Jews of my district are not that kind of people. They may be in Philadelphia, if the gentleman looks at it in that way, but the Jews of my State are a progressive race of people. They are progressive, and they are found on the newspapers, they are found in the public marts and in the places of trade, and they are always standing for things that are uplifting and decent. I do not know how they are in Philadelphia; but if there is an insult to the Jews of this country, it is the Jews of Philadelphia, those that the gentleman from Pennsylvania knows, that have been insulted, and not the Jews that I know, because I do not know that kind of people in my district.

Now, Mr. Speaker, so far as the unanimous consent was concerned, I obtained unanimous consent. I do not know why that line was dropped out of the RECORD, but unanimous consent ought to have been lodged in the RECORD. I did request that my remarks be inserted and extended, and it ought to have appeared right after the unanimous consent was asked.

Now, the gentleman from Pennsylvania, in so far as he concludes that I intended by anything that I said to impugn the honor or integrity of the gentleman or his work on this floor, is entirely mistaken, and he has made an assumption that is not warranted by anything that I thought, and I do not believe by anything that I said. I respect the gentleman, and I want him to know, and I want this House to know, that I respect him as an honorable Member of this House.

The worst thing that I know of his doing is to get up here and openly and publicly insult a race that is represented in all the great cities of this country by men who are standing for something and doing something. I think that is the disgrace of this session.

So far as the gentleman's injustice goes, in coming here and pleading, as I said he did, times without number for all kinds of laws that will take away from the people of the West and from the people of the South and from the purchasers and consumers of this country their hard-earned money in their pockets and turn it over to the mills and the factories in his State, I think it is warranted. I think it is just to criticize that economic position of the gentleman; that persistent claim that he has always made, that we of the country elsewhere owe all our substance to his particular corporations, his Steel Trust, his textile interests, and other interests; so that what I had there in mind, what I suggested there, I believe, is based on the real truth, and they are real facts, as everyone in this House may know.

I want to repeat what I said at the start, that any statement that I have attempted, or that I had in my mind any desire to impugn the honorable motives of the gentleman is false. When the gentleman from Pennsylvania first started out, he used the word "lie," and I got up and walked around and sat in front of him, determined that if he applied that to me, I was going to make the best effort of my life to put him across the bench there. I was not going to let him say that; but he did not. He said he did not apply it to me; and all I want the RECORD to show is that my determined view in this matter is that I was only talking economics—what I considered just, honorable, and upright economics—and was not impugning the motives of any man. So far as the language incorporated in my extension, to which the gentleman from Pennsylvania [Mr. MOORE] referred, he did not use that identical language or quotation in the debate.

Mr. RUCKER. Mr. Speaker, I ask unanimous consent for five minutes, to say something in behalf of the Jews.

The SPEAKER. The Chair will put that question in a minute.

Mr. RUCKER. I withdraw the request.

The SPEAKER. The Chair will explain to the gentleman from Washington and all other Members that when a gentleman has the floor and is saying something that some other gentleman thinks reflects on him, the proper procedure is not to undertake to get up a row with the man who has the floor, but to address the Chair and ask that his words be taken down. That is the orderly procedure. This is not a school for pugilism. [Applause.]

RESERVED LANDS AT HEADWATERS OF MISSISSIPPI RIVER.

Mr. FERRIS. Mr. Speaker, I call up the bill (S. 1784) restoring to the public domain certain lands heretofore reserved for reservoir purposes at the headwaters of the Mississippi River and tributaries, and ask to agree to the conference asked by the Senate.

The SPEAKER. The Clerk will report the title of the bill.

The Clerk read the title of the bill.

The SPEAKER. The gentleman from Oklahoma asks unanimous consent to agree to the conference which has been asked for by the Senate. Without objection it is so ordered, and the Chair announces as conferees on the part of the House Mr. FERRIS, Mr. GRAHAM of Illinois, and Mr. LENROOT.

PENSIONS.

Mr. RUSSELL. Mr. Speaker, I ask unanimous consent to call up from the Speaker's table the bill (H. R. 16294) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war, and to concur in the Senate amendments.

The SPEAKER. The Clerk will report the title of the bill.

The Clerk read the title of the bill.

The SPEAKER. The Clerk will report the amendments of the Senate.

The Senate amendments were read.

The SPEAKER. The gentleman from Missouri moves to concur in the Senate amendments.

The motion was agreed to.

Mr. KEY of Ohio. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the following pension bills, H. R. 16345, H. R. 15959, and H. R. 17482, disagree to all of the Senate amendments, and ask for a conference.

The SPEAKER. The Clerk will report the title to the bills.

The Clerk read as follows:

H. R. 16345. An act 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.

H. R. 15959. An act 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.

H. R. 17482. An act 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.

The SPEAKER. The gentleman from Ohio asks unanimous consent to take the three bills just reported from the Speaker's table, disagree to all the Senate amendments, and ask for a conference. Is there objection?

Mr. HAWLEY. Do I understand that these are all House bills?

Mr. KEY of Ohio. They are all House bills.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER appointed as conferees on the part of the House Mr. KEY of Ohio, Mr. KEATING, and Mr. SELLS.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Tulley, one of its clerks, announced that the Senate had passed without amendment bills of the following titles:

H. R. 17005. An act authorizing the fiscal court of Pike County, Ky., to construct a bridge across Tug Fork of the Big Sandy River at or near Williamson, W. Va.; and

H. R. 16579. An act to authorize the construction of a bridge across St. John River at Fort Kent, Me.

The message also announced that the Senate had further insisted upon its amendments to the bill (H. R. 17824) making appropriations to supply deficiencies in appropriations for the fiscal year 1914 and for prior years, and for other purposes, numbered 158.

ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States, for his approval, the following bills:

H. R. 8630. An act to amend section 4 of an act entitled "An act granting a franchise for the construction, maintenance, and operation of a street railway system in the district of South Hilo, county of Hawaii, Territory of Hawaii," approved August 1, 1912; and

H. R. 15320. An act authorizing the Secretary of the Treasury to disregard section 33 of the public-buildings act of March 4, 1913, as to site at Owego, N. Y.

THE GENERAL DAM ACT.

Mr. ADAMSON. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 16053) to amend an act entitled "An act to regulate the construction of dams across navigable waters," approved June 21, 1906, as amended by the act approved June 23, 1910, and pending that I would like to take the sense of the House on a request for unanimous consent that not later than 6 o'clock to-night we take a recess until 8 o'clock and indulge in general debate until 11 o'clock p. m.

Mr. STEVENS of Minnesota. I think there will be ample time during the session for debate during the daytime, and I shall object.

The SPEAKER. The gentleman from Minnesota objects.

HOUR OF MEETING TO-MORROW.

Mr. ADAMSON. Then, Mr. Speaker, I will try another tack on the gentleman, and see if we can come in at 11 o'clock to-morrow. I will ask unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock to-morrow.

The SPEAKER. The gentleman from Georgia asks unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock to-morrow. Is there objection?

There was no objection.

THE GENERAL DAM ACT.

The motion of Mr. ADAMSON was then agreed to; accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. GARNER in the chair.

The CHAIRMAN. The House is now in Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 16053) amending the general dam act.

Mr. ADAMSON. Mr. Chairman, I hope the gentleman from Minnesota will find it convenient to consume some of his time.

Mr. STEVENS of Minnesota. Mr. Chairman, I yield 30 minutes to the gentleman from California [Mr. KENT].

Mr. KENT. Mr. Chairman, first of all, I wish to remark that there are no such things as property rights or property except as recognized and protected by such authority as is delegated by society, and, furthermore, that society in its own interest should never grant or protect rights that are not for the benefit of society. This axiom being accepted, our course is clear. Any other assumption leads to infinite muddlement.

In the evolution of orderly government there has come down some chaff with the wheat. Through our English antecedents there has come a belief in the supreme sanctity of land ownership, which to-day is being challenged and must be challenged in the interests of equalized opportunity. This preface may seem apart from the theme under discussion, but it has a vital relation.

The Federal Government in many cases has asserted its right to regulate the waters flowing over the public domain, but the question of the rights of riparian landowners to control the waters flowing by and over their property on navigable streams has been rendered complex and complicated by this system of private ownership of land, which, by an impudence of human speech, extends to heirs and assigns forever without control from the center of the earth to the surface.

Just as through the interstate-commerce clause of the Federal Constitution we have found means of breaking shackles that otherwise would have bound us to many misfit and superannuated traditions of the past; thus in the Chandler-Dunbar decision we have found a means whereby we may assert the right to control our navigable waters, for all purposes, in the interests of all the people through the violent assumption of benefiting navigation. Every man capable of clear analysis knows perfectly well that much of the navigation that is proposed as a means of regulating freight charges is absurd and extravagant. The Interstate Commerce Commission is empowered by a stretch of constitutional authority to regulate the railroads in their charges and their service, and in a vast number of cases it would be cheaper to furnish free railroad service than to improve river navigation. In this Chandler-Dunbar decision we find an assertion that the Federal Government is sovereign and supreme over the navigable waters of the country, whether or not abutting property, which supposedly runs to the middle of the stream, is in private ownership. Thus the Supreme Court gives us possession of untrammeled authority to regulate the generation of power on navigable streams.

Our duty is obvious and insistent. Either the Federal Government, as a corporate entity, should utilize this water power, or if it grants authority to an agent to utilize it, it should limit and control that agent. We by having the right to withhold have a corresponding duty to control. This is a matter but feebly comprehended and little understood in its full scope. We have been so prone to start at the wrong end of the argument and to consider private property as the foundation of society instead of considering society as the sole foundation and protection of private property that we do not recognize our social power or our social duty. Society demands the utilization of all natural resources in the public interest. Without the utilization of these resources we should be a pauper nation. Up to the present time we have gone on the presumption that there was too much of everything, and that the best policy for the Government to adopt is to alienate our common possessions into private hands and put them on the tax roll. Our forests have been wastefully cut, and men, under private ownership, have harvested and destroyed a crop in their short lifetimes that should have been perennial. Under the guise of private ownership they have destroyed three or four times as much timber as they or the community have used and have enjoyed. Our anthracite coal fields are all in private hands, and we must now beg of Mr. Baer and his successors and assigns "under Providence," as he contended, for the right to purchase the means of warming ourselves and of generating steam. Our vast resources of petroleum have been rounded up and cornered until the Navy can not find an adequate public supply. Our natural resource in iron-ore lands, whether in the North or in the South, has gone to make solvent an insanely overcapitalized Steel Trust. The man who desires to enter into manufacturing must now beg of the combinations that control the fuel for the necessary combustible to generate steam. The water power of the country, indestructible, perennial, must be held for public welfare or else there can be nothing ahead of us in times to come but a revolution that will surely demand an abrogation of the special privileges that we have so recklessly conferred.

It is not enough that our assets should be utilized, for there is no comfort in aggregate figures of national wealth; there must be an equalized distribution of benefits. We must never forget that the time will certainly come when our people through corporate entities, whether Federal, State, or municipal, will take over and operate this water power in the interests of the entire public.

Now as to this question of agency. If we, the people of the United States, choose to employ agents to do for us what we can do for ourselves, and what we have splendidly done for ourselves in the case of the Panama Canal, we must first of all see to it that our agents are fairly treated. They must be protected against unnecessary risk. They must be permitted to make reasonable combinations, for there is no such thing as practicable competition in public utilities, and next we must see to it that they are controlled in the public interest. Wherever the element of risk is large, whether from uncertain earnings or possible competition, we must admit a large element of profit. Wherever we exact unreasonable terms we must expect to pay unreasonable charges. But ever and always we must realize the necessity of leaving those who follow us a lawful opportunity to resume the powers that we, in our short lives and possibly in our short-sighted policy, have delegated to others.

The gentleman from Alabama set forth an obvious truth when he contended that a public utility of such a nature as water

power is inherently a monopoly and that competition in providing this facility means duplication and waste. As to this view, he can have no contention with anyone who believes in conservation. All the more reason, then, for full power of control and regulation. But the gentleman from Alabama overlooked the obvious fallacy embodied in an argument apparently favoring those great aggregations of capital that control water power in widely scattered sections of the country. We certainly need physical union to brace and strengthen the individual plant and supply. Adjoining plants may well be linked together, so as to render certain a continuity of service in the event of a breakdown in any plant. This physical fact has nothing whatever to do with that form of monopoly evidenced by the holding of stocks and bonds. The two sorts of monopoly are absolutely distinct and bear no relation whatever to each other. One recognizes physical and economic necessity, the other a stock-jobbing opportunity.

The bill as originally proposed is an utter absurdity. Its genesis is hidden in doubt. Somehow I feel as if the name of my genial friend from Georgia were put on as an afterthought, just as people put a sticker on a ballot to help an overlooked candidate. To any man who served on the Public Lands Committee of the House, and who heard the arguments of the water-power people and listened to their requests for amendments to the bill proposed by the Secretary of the Interior, this bill is a singular echo of their desires and a nullification of all we strove to attain. As originally drafted it canceled all our work. It is not at all like the bill proposed by the Secretary of War, nor does it in any way recognize the theories he propounded in his letter to the chairman of the Interstate Commerce Committee, both of which documents will be found in the hearings on the bill held before that committee.

It has been charged that we, who have been opposing some of the features of the bill, represent a jealous attitude as between two committees; that the jurisdictions over the public lands and over navigable waterways were distinct, and that we were going out of our preserves. As a matter of fact, the bill as originally drafted absolutely negatived any control by the Secretaries of Agriculture and the Interior over the waters in the public domain that were in any way tributary to any portion of any stream that was navigable. But it was not on this account that we have entered our objection. We who believe in the utilization of the common property of all the people for the benefit of all the people are not especially worried over questions of jurisdiction. It makes no difference to us whether the water power of the country rests in the hands of the Department of the Interior, the Department of War, or the Department of Agriculture, only provided that that jurisdiction is so enforced as to result in proper utilization, proper development, good service, and reasonable prices. The Government engineers have been given mandate to report on water power. This they have failed to do. Dams have been built on water under the jurisdiction of the Secretary of War, apparently without his consent. The War Department must wake up to its responsibilities. Some day there must of necessity be a strong Federal utilities commission to assemble control of national assets and to exercise the discretion called for by varying conditions. It is for such control that we have so insistently fought the original bill, and have insisted upon amendments. The amendments suggested up to date grant to the Department of the Interior jurisdiction over lands on the public domain. Furthermore, they, in an uncertain and halting way, destroy the provisions of the original bill which go to make the tenure of rights under the Secretary of War perpetual, and cut them down to the limitation of 50 years after the completion of the dam.

But the same blind language stands, compelling purchase of everything remotely connected with the dam before we can resume our ownership of our leased property. We are compelled to pay for the last mat or advertising space in the last street car before we can come into our own. The bill also provides for regulation in the public interest by the Secretary of War when the States have not been granted by legislation adequate authority to control the service in the public interest. But there are some serious lapses still to be cured. The gentleman from Alabama [Mr. UNDERWOOD], in his long address on the subject, spoke of the utilization of electrical power for the production of chemicals needed in agriculture. He spoke feelingly of the export duty on Chilean nitrates, amounting to upward of $11 a ton, which has largely supported the Government of Chile. Now, if this water power be utilized for the production of an electric energy that may be required by many separate individuals or by municipal or other corporations, it would come under the jurisdiction of the State commissions. But we are asked and have been asked to practically donate our greatest asset without limitation or control, if it be used for private manufacturing.

The gentleman from Alabama is hostile to the proposition of raising Federal revenue in consideration of granting our rights to water-power sites or to water power.

Now, first of all, why should not the Federal Government receive compensation for water power granted, where the Federal Government has the undoubted right to grant or to withhold? The answer will be made that such compensation would at once be taken out of the consumer. This sounds entirely plausible until we stop to analyze the situation. Let us suppose a municipal community that needs 100,000 horsepower to operate public lighting, street railways, and privately owned plants. Let us suppose that 25,000 horsepower may be furnished under water-power grant by the Federal Government. Let us suppose that this water power may be furnished at a cost of less than $20 per horsepower per year from water power, whereas coal will cost $40 per horsepower. Now, who is to receive the benefit of the cheapened power? It would be unfair to discriminate between those who, by the use of one natural resource, could receive the benefit of a cheapened rate, while those who by the use of another natural resource should have to pay more for the energy they need to perform their business functions. Here is a case where the Government, for the time being, at least, can and should step in with a demand for compensation which would not in any way oppress the average consumer but would detract from the swollen earnings of the agent. Take another case: Let us suppose that by the erection of a dam on a navigable waterway the Federal Government, by the expenditure of large sums of money, has created a potentially large horsepower. Under what process of reasoning should the Federal Government not charge for the utilization of this wealth created by Federal expenditure, and thereby relieve the burden of the general revenues from the tax made necessary by river improvements? There is no sense and no logic to be found in a contrary view. The right to exact compensation is the most fundamental method of control. It is essential, and without its recognition I believe this bill should be defeated.

The bill, even if the committee amendments are adopted, contains some extremely vicious features.

The gentleman from Wisconsin [Mr. LENROOT] answered the gentleman from Alabama as to the abuses perpetrated upon the unfortunate Alabama power company, which was driven into Canada. In Canada, at the expiration of their grant, they will practically forfeit everything they have to the Canadian Government. If at the expiration of their grant they receive anything at all, it will be because the Canadian Government believes that they possess something that ought to be bought and is of value to that Government. But in this bill, as originally drafted and even as now amended, there is a great twilight zone of doubt as to what the Government should be compelled to buy at the expiration of the term. The bill reads to the effect that the Government must purchase every item that may depend in whole or in part upon this water power for its support. In other words, if at the end of the lease there be found a trolley system connected with this hydroelectric supply, the Government must buy and pay for every broken-down car, every trolley pole, and every cash register in every car before the people of the United States can resume possession of their own common property. This section must be drastically amended or the bill will threaten perpetual franchises.

Now, let us revert for a moment to the plea of the gentleman from Alabama concerning the production of fertilizers. We know perfectly well, and I am sure that the gentleman himself would admit, that granting the right to private individuals to utilize these water powers for the purpose of manufacturing fertilizers would not result in any perceptible decrease in price of these invaluable necessities of agriculture. This business requires tremendous units of power and large investment. There will be few engaged in the industry. It will be naturally monopolized and not competitive. The people producing these rare products would not need to enter into any formal trust. They would simply have a gentleman's understanding that they should charge just a little less than the importers of the foreign fertilizers charge now, so as to get into the market, and if, as would be natural and has always been the case, they should arrive at any understanding with the foreign exporters and the local importers, the farmers of this country would still be paying a price equivalent to the cost of producing Chilean nitrates, plus a profit to the manufacturers of those nitrates, plus the export duty on those nitrates, and although we would have more fertilizer, it is more than doubtful whether we should get it at a cheapened price, and if the export duty should be raised, our business-like manufacturers would at once raise their prices correspondingly. So all this talk by the gentleman from Alabama of destroying a great bene-

ficial American industry by driving it out of our country is to me absurd. In view, first, of the fact that in Ontario, where they have taken refuge, they are subject to more rigid conditions than anything now proposed or anything in the original dam act; second, that if we liberalize our treatment of these water-power manufacturers they will still be in position to take all the rake-off of export Chilean duty and yield nothing to the consuming public.

I foresee with perfect clarity the time when the Agricultural Department will be granted authority to manufacture and sell these necessary fertilizers at a price representing cost of production plus a sinking fund, and under such conditions we can foresee a real benefit to our agriculture, which needs every legitimate and nonsubsidized encouragement that can be afforded. The gentleman from Wisconsin [Mr. LENROOT] has most ably discussed this bill. In my brief time I wish to request of every Member of the House that he read the gentleman's argument and also three bills bearing on this subject—first, the bill from the Public Lands Committee, then the letter of the Secretary of War and his proposed bill, the Adamson bill, and the agreed amendments.

The question of what capital is willing to do under certain circumstances is not hard to demonstrate. In the case of the Connecticut River dam the proponents were willing to accept the conditions proposed by the then Secretary of War, Mr. Stimson, which conditions were generally indorsed and included compensation. The Secretary of the Interior and his predecessor have entered into contracts with those who were willing to make developments under reasonable conditions of public control. The *Hetch Hetchy* bill passed in the last session of Congress absolutely controlled the use of the water from the source to the last trickle over irrigable territory and down to the city of San Francisco in the public interest. It provided for a considerable compensation. If a public utility operated by the public and for the public and without profit may meet such conditions, how much more should a private, profit-making concern submit to adequate control.

It is natural that the water-power crowd should want all they can get. I have personal knowledge of one project where, on the basis of a promise by a former Secretary of the Interior, a firm of brokers in water-power securities started out to sell an issue of $6,000,000 of bonds, when the entire project would have cost vastly less. I am proud to say that I was influential in stopping that particular grab.

I have had long and broad experience with those who represent capital, and I have found that capital is available on reasonable terms provided there is any certainty of payment of interest and repayment of principal. A long struggle in Chicago against the watered-up traction combination proved this definitely. Just as soon as we had fought out the fight, eliminated the water from the stock of the railways, recognized the traction companies as, for the time being, partners of the city, afforded them protection, guaranteed them as far as we could against the element of risk, then and there we secured good service and enormous revenue for the city. As a matter of course we should have transmuted this municipal revenue into lower fares, but the people of Chicago were so anxious for municipal ownership that we were forced to accept their verdict and set these great revenues aside for the ultimate purchase of the street railways, which will be bought out of their surplus earnings. The street railways of Chicago since that time have freely advertised that they are in partnership with the city of Chicago, and that their bonds are good, because their issuance is supervised by the city. In some such way as this these water powers must be handled. If we fail to operate them for ourselves in the public interest, if we believe that it is better policy to establish agents to operate them when we might ourselves perform this function, it is our bounden duty not only to treat our agents fairly but to see to it that those who come after us may in their day and generation have a fair chance to resume the functions which we, in our time, have seen fit to delegate to others, and this is the whole crux of the situation.

The question of Federal versus State rights is largely irrelevant. I, for one, thoroughly believe in the thought expressed by the President to the effect that the States have necessary functions, and that the question of proper performance of obvious duties is of more consequence than the continued assertion and wrangling over doubtful rights. The discussion should be rather as to what the States should do rather than as to what they can prevent the Federal Government from doing. The public welfare is the question, and not limitless gabfests over what men thought or did not think or said or did not say 150 years ago.

Whenever and wherever a State shows an intent and an ability to control public utilities in the interests of the people, then and in that event I am willing to delegate to that State large authority; but in the meantime, as Representatives of the National Government, empowered and commissioned to look after the public welfare, it is our solemn duty to use whatever power we have to secure that end.

And now, in passing, I wish to make a statement concerning the fallacy upon which rests this whole structure of private control of public assets, and that is the private ownership of land. I am not going to talk in favor of any theory of land taxation or land tenure. I merely wish to state that nothing more absurd from an economic standpoint was ever conceived than this theory of final private control of this fundamental necessity, without any restraint against waste or destruction, and dedicated to the grantee and his heirs and assigns forever. It is this fallacy that has destroyed our timber, that has monopolized our coal, our oil. It is this fallacy that has permitted the extortionate extravagance of land speculation and the most tremendous charge laid upon distribution, which charge will be found in the vast aggregated item of rent. In the Ferris bill we put into words a theory and a truth, namely, that lands, rights of way, and water rights should not be subject to the unearned increment; that those coming after us should not suffer by being more numerous than we are, which has been the affliction of every country guilty of increasing in population under this doctrine. In this bill it has been taken for granted that the water-power people were not only to be protected in rights that they were to acquire for practically nothing from the public, but they were to be granted privileges of speculation in land that was not acquired from the public; that they were to profit by the breeding of people, just as every landowner profits by that commonplace performance. This bill must be amended in this particular. We who fought the fight in the Public Lands Committee and put forward our bill thoroughly realize that our duty lay in using whatever power was ours to protect the future. In the Hetch Hetchy bill, where the city of San Francisco owned more than half the land to be flooded, and had made immense expenditures to obtain water rights, we used the leverage of the right to refuse in such a way as to impose conditions in the public interest. On the other hand, in this bill, as drafted, the water-power people could take anything they required on the public domain, whether or not it was the key to the situation, on payment of 5 per cent of its existing value. I leave it to the Members of this House which view is correct, whether it is our sworn duty to use every means in our power to protect the public welfare or whether, as trustees of the public domain, we should weakly surrender that public domain on any such absurd and inadequate basis.

In conclusion, Mr. Chairman, I would state that in our contention we have back of us the rising sentiment in favor of democracy and equalized opportunity; and it is my belief, although I am not authorized so to state, that we have back of us a man in the White House who will use a crowbar for a pen in vetoing any measure that is not duly protective of the public interest. [Applause.]

Mr. STEVENS of Minnesota. Mr. Chairman, on behalf of the gentleman from Georgia [Mr ADAMSON], I yield to the gentleman from Missouri [Mr. HENSLEY].

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

The CHAIRMAN. The gentleman from Washington asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

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

The CHAIRMAN. The gentleman from Missouri asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

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

The CHAIRMAN. The gentleman from Indiana asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

Mr. DONOVAN. Mr. Chairman, I am going to couple with that the condition that I made.

Mr. ADAMSON. Mr. Chairman, I am willing to couple with it also the gentleman from Connecticut.

Mr. DONOVAN. The gentleman from Connecticut will take care of himself.

Mr. STEVENS of Minnesota. Mr. Chairman, I demand the regular order.

The CHAIRMAN. Is there objection to all gentlemen who spoke upon this bill revising and extending their remarks in the RECORD?

Mr. DONOVAN. Mr. Chairman, I shall object unless the gentleman from Missouri is allowed to proceed for five minutes.

The CHAIRMAN. The gentleman from Connecticut objects.

Mr. GRAHAM of Illinois. Mr. Chairman, I ask unanimous consent that the gentleman from Missouri may proceed for five minutes.

The CHAIRMAN. Is there objection?

Mr. STEVENS of Minnesota. Mr. Chairman, reserving the right to object, I think there is no difficulty about the gentleman being yielded that much time.

Mr. HENSLEY. I only ask for three minutes.

Mr. STEVENS of Minnesota. I will yield the gentleman three minutes.

Mr. ADAMSON. I will yield him two.

Mr. HENSLEY. I thank the gentlemen.

Mr. Chairman, at the outset I want to say that it is my purpose to support the pending bill before the House, but that is not the purpose for which I have asked for time at present.

I hardly think any person on the floor of this House will charge me with being a partisan. While I am a Democrat, I have at all times put my country above my party. Vastly more concerned am I about the welfare of this Nation, the prosperity and happiness of the people, than I am about the success of my party and the achievement of my personal ambitions. In this frame of mind, and with a deep desire to know the whole truth and to do my full duty I have attended the sessions of this House continuously.

Yes; I have been here, regardless of the hot, sultry weather and in the face of opposition in my district. I have every day given close and careful attention to everything that has been said regarding the conditions of the country as the changes have been rung on this floor.

I have listened very patiently to many, very many, somewhat remarkable speeches. Many of these have been made by the gentleman from Washington [Mr. HUMPHREY]. When there has come a lull in business, for any reason whatever, the gentleman from Washington has always bobbed up serenely and filled in the time with a wail, the like of which has rarely been heard outside of Congress or a menagerie. I sincerely hope that his doleful story has been so often told that it has disgusted the Republican side of the House, as I feel sure it has the country at large.

I have tried hard to follow him in his skyrocketing oratory, but who can follow the eagle flights of that pessimestic mind? I have observed his grotesque antics in his attempts to marshal the masses under his flag of deception, and I have grown weary of his performances. Who cares to get down into the slime and mire in order to appreciate the purposes of the gentleman from Washington or the methods he employs to further them? I have also heard the fine tenor voice of my genial and brilliant friend from Wyoming joining in a like refrain, until between them they have almost led me to doubt conditions. I have almost been led to believe at times that the administration had committed some grievous error. But let us see.

What is it, gentlemen, that causes you to complain so vociferously against this Democratic administration? Let us put our heads together and think over these matters seriously and analyze the situation carefully and discover, if we can, the reason or basis in fact for all this noise. Do you think, my worthy friends, that you are voicing the sentiments of any considerable number of the plain people of this Nation in your carefully prepared tirades in this your systematic campaign of abuse against the administration? Do you suppose the people of this Nation desire a return to Cannonism in this House when committees were selected by the Speaker instead of by the membership, yea, when legislation was autocratically controlled by the man in the chair? Do you suppose the people you represent here desire to return to the old régime when legislation was throttled by the few? The gentleman from Kansas [Mr. MURDOCK] and many others have told us time after time of such performances in the past. Do you Republicans desire to return to power in order that you may repeal the pension law that bears the name of that grand old Roman, Gen. SHERWOOD, of Ohio? Dare you lay your hands on that law which, in a measure, was fashioned after the Sulloway bill, which failed of enactment in the Sixty-first Congress when you were in power? Do you suppose for a moment that the old soldiers of this land desire to see you returned to power in the face of this just legislation which properly recognizes their services and enables them to enjoy the comforts of life in their old age? You certainly do not desire an opportunity to repeal this legislation.

Do you think for a moment the people of this Nation wish to return to the Payne-Aldrich-Smoot tariff as against the Underwood law? The Underwood tariff bill was written intelligently and in the interest of the whole people, not for the favored classes. No master mind of the Manufacturers' Association guided the hand that wrote the schedules in the Underwood tariff bill. There was not the faintest suspicion that lobbyists influenced either the writing or passage of this law. It was enacted by a vote of 255 to 104, many Republicans voting for it. Are these loud lamentations caused by the administration having put upon the statute books the income tax, which requires the wealth of the country to bear a just share of the burdens of Government? As you know, this law requires the rich to pay taxes upon their riches and to that extent removes the burden from the poorer classes. You know that this law is popular with the masses, and you dare not lay hands upon it.

Mr. GOOD. Will the gentleman yield?

Mr. HENSLEY. I would rather not yield; but if it is just a question, I will.

Mr. GOOD. It is a question. I would like to ask the gentleman what Republicans voted for the tariff bill. I think he is mistaken about that.

Mr. MURDOCK. The gentleman from Wisconsin, Mr. STAFFORD, was one.

Mr. GOOD. He was not elected on a Republican ticket.

Mr. BOOHER. All the sensible Republicans voted for it. [Laughter.]

Mr. HENSLEY. Several Republicans of the House and Senate who were fearless and patriotic voted for it.

Now, Mr. Chairman, I can not yield further. Are you weeping and wailing because we Democrats in Congress routed the American Manufacturers' Association from these halls? Do you wish to see the representatives of this association again domiciled in this Capitol with Mulhall enthroned as its legislative agent on a fabulous salary? Are you sad because you no longer have the paid agents of giant combinations of capital acting as clerks of the committees of Congress and receiving large sums as presents from these powerful interests for their nefarious and corrupt practices? Do you not, gentlemen, remember how you ridiculed and scouted the idea that a lobby infested this Capitol when this fact was declared by the President of the United States? What have you to say now after you have read the testimony taken by the investigating committees of both Houses of this Congress? You know that this testimony shows conclusively that there existed a most powerful lobby which had for its original purpose the defeat of all legislation inimical to certain great corporations and protected interests. If this Democratic administration had only to its credit the routing from the Capitol of the most powerful and corrupt lobby that ever existed in this or any other country, I am quite sure the people would be entirely satisfied and would say, "Well done, thou good and faithful servant." If you were returned to power, would you allow this lobby to return? We found it here, and sent it into exile. [Applause on the Democratic side.] Why did not you? Do you desire its return?

Mr. CLINE. Will the gentleman yield?

Mr. HENSLEY. Certainly.

Mr. CLINE. I want to call the attention of the gentleman to the fact, since he has referred to the manner in which legislation was conducted during the Republican administration, that under the old régime a good many bills were carried to a well-ventilated morgue for the disposition of that kind of legislation that they were not in favor of. That was particularly true, as developed in the inquiry by the Judiciary Committee in the testimony of a gentleman who had charge of a subcommittee for the purpose of controlling legislation which it was not desirable to vote upon. He held that position for nearly seven years. That was the gentleman from Maine, Mr. Littlefield, who stated in his testimony that he was appointed for that purpose and had sufficient men appointed with him to see that no legislation got out of his committee that was not desirable. He thought that was the proper function of that committee.

Mr. HUMPHREY of Washington. What committee was that?

Mr. CLINE. The Judiciary Committee; and the members of the National Association of Manufacturers thought so much of what the gentleman did that they spent $18,000 for his election in Maine in 1908, and as a further testimonial of his ability they handed him $3,000 to defray his expenses to the Pacific coast to recuperate his health. The fact was that this committee constituted an automatic, self-oiling, ball-bearing institution that worked with the noiselessness of a passing summer cloud. [Laughter.]

Mr. HENSLEY. I thank the gentleman from Indiana. I recall that the gentleman from Indiana was on the special committee which investigated the lobby situation.

Do you desire to return to that condition when the great banking houses in New York maintained a secret agent in the Treasury Department to communicate in advance all important

rulings of the department that might affect their interests? Certainly such agents were not domiciled here to protect the interests of the masses of the people of the United States. Do you complain of these changes? Honestly, gentlemen, do you object to the Treasury Department's requiring banks to pay interest on Government deposits? Are you really sorry that some millions in interest have been paid on the people's money within the year? You did not require the great banks to pay interest on deposits when you were in power. Why did not you? While you did this for the powerful banks, yet when the people needed money they were compelled to pay the banks all the interest the traffic would bear. You did not make favorites of them. This was a beautiful plan of copartnership between the Government and the national banks at the expense of the people. Under a Democratic administration the Secretary of the Treasury distributes the money of the people, not to a few favored banking institutions free of charge, but all over the country as the needs of business require at a fixed rate of interest. Are the people of the United States complaining of these things?

For many years the laboring classes appealed in vain for progressive legislation, legislation which common decency and the instincts of humanity should have prompted you to enact. This legislation had for its purpose the improvement of labor conditions throughout the land, but in your committees all such bills "slept the sleep that knows no waking." When they "asked for bread, you gave them a stone"; when they "asked for a fish, you gave them a serpent."

This administration has responded in every way possible to the call of these millions of toiling citizens. If our form of government is to be perpetuated and our liberties vouchsafed to posterity, and if our flag is to be kept unsullied, if our homes are to be safeguarded against the despoiler, it will be through the efforts of the men and women of this land who "eat their bread in the sweat of their face." Why did not you respond to their reasonable demands?

A Democratic Congress originated the bill which placed a representative of labor in the Cabinet. I am proud of the fact that I was a member of the committee which reported the bill, and I appreciate the honor of having assisted in its passage. To-day we have a Secretary of Labor, the Hon. W. B. Wilson, who sprang from the loins of labor and whose heartbeats and emotions are in accord with the hopes and aspirations of the great body of toilers in this land. Do you gentlemen wish to take this Department of Labor out of the Cabinet? The bill passed the House by almost a solid vote, many Republicans voting for it. The labor people worked a long time to secure this recognition. Do you think the great body of American people will turn against the Democratic Party for responding to the call of labor in this way? Do you think, Mr. Standpatter, that labor will truckle at your feet and "kiss the hand that smote it in the past"?

This administration has enacted laws shortening hours of labor; this House has also passed a bill to prohibit the importation of convict-made goods. The anti-injunction law is to the credit of this Congress. Do you wish to be returned to power in order to repeal any of these? Would you dare touch one of them? The amendment to the Erdman Act, which provides mediation, conciliation, and arbitration in disputes between capital and labor, was a great achievement. The bill passed almost unanimously. The gentleman from Kansas [Mr. MURDOCK] commended not only the act but the President in unstinted measure.

In the name of high heaven, gentlemen, what is it that is troubling you? You can not be violently opposed to the currency law, for many of you voted for its passage. You were never able to write and put upon the statute books a currency law. Those of you who prize your country more highly than you do your party, especially the Progressives, joined hands with us in passing some of these remedial laws, and it is to your credit that you did so.

Big business tells us that no trust legislation should be enacted at this session. Do you agree with big business? Do you believe that we should adjourn and leave our work unfinished? However much I may desire to go home after being here nearly continuously for three years, I prefer to stay and discharge my duties to the people of the Nation, even though I suffer defeat for renomination at the hands of my constituents. This is the test, and every Member should meet it squarely. We promised to take this Government out of the deadly grasp of big business and restore it to the common people, and by the eternal we are going to do it, if it takes all summer.

This House has gone on record for good roads, something you never did in all the days you were in power. We believe in internal improvement, and are responding to the will of the people in this regard. Do you object to this? Then, why did you not register your votes against the good-roads bill? It passed the House almost unanimously.

Have we ruined the country by responding to the voice of the people in providing for the election of United States Senators by direct vote of the people? We also provided for publicity of campaign contributions, to prevent corruption in politics. The people believe these are good laws. Are you opposed to them? Why did so many of you vote for them?

I have briefly enumerated only a few of the accomplishments of this Democratic administration. We hope much may follow. I am persuaded that any candid individual, irrespective of party affiliations, will say, without equivocation or mental reservation, that this administration in less than two years has put more just remedial legislation upon the statute books than you placed there in all the 16 years you were in power. [Applause.] Strong Republicans subscribe to this fact, and many of them will join us. They are patriotic and more interested in the proper administration of affairs and the prosperity and happiness of all the people than they are in the success of the Republican Party.

As to our foreign policy, that you can hardly find language violent enough to condemn satisfactorily to yourself, what radical changes have been made in our foreign policy that merit such condemnation? What does the Republican Party desire as regards Mexico? Do you desire occupation by our Army? Do you want to go on record as favoring conquest? You do know that such a curse would necessitate, first and last, the sacrifice of thousands of American boys, saddening and desolating many homes in this beautiful land. Would you shoulder arms and go to the front, or would you send your boys? No; you would do neither, but would be found in company with our friend from Kansas, Mr. CAMPBELL, "staying here on the job." [Laughter.] Do you not know that big business, such as you and your party fostered for so many years when you were in power, is very largely responsible for existing conditions in Mexico? And do you not know that in case of war every American boy whose life would be sacrificed would be a sacrifice on the altar of big business? Our Nation could not profit by such a war. Only the vampires that are now sapping the lifeblood of that country would be benefited. The red blood of American youth spilled in such a war would only enhance the value of the investments of big business. Such a war would be destructive of the sacred principles upon which our glorious Republic is founded. Do you really want this thing done?

Do you not know that you can just as certainly dishonor the flag of your country and drag its folds in the mire by improper conduct on this floor as you could by turning your back to the enemy on the field of battle? War of this kind—or any other kind, in fact—I pray, may never come to our country. I do not want to entail an indebtedness of hundreds of millions of dollars unto our children and unto our children's children; much less do I wish to sacrifice the flower of American citizenship in such a war as a conflict with Mexico would be.

Thank God we have a President whose heart is made of flesh, not adamant; who is big enough, patriotic enough [applause]; yes, and determined enough, to repress and suppress the short-sighted, unpatriotic gentlemen who so foolishly counsel a declaration of war. [Applause.] I wish to call your attention and the attention of the country to the fact that during the last years of Mr. Taft's administration conditions in Mexico were about as bad as they are now. Men, women, and children were being killed even over the border line in the United States. These were our citizens, if you please, and while it appeared to be popular to assail President Taft at that time, for he was on his last pegs, yet not a Democrat raised his voice against the President of the United States, for he was the President of all the people. Not a Democratic voice was heard in condemnation of the foreign policy of the last administration. But how times have changed since a Democrat occupies the White House. It remained for a Republican to assail with all the bitterness of which he was capable, vituperation unsurpassed, the President of the United States when he has pursued the very same policy a Republican President pursued before him. Now, quit your croaking and join hands with us to make better and more glorious this great country of ours. If you were returned to power, which is impossible to contemplate, because of the intelligence and patriotism of the American people, you could not consistently make any material changes in the administrative policies now being pursued.

A few days ago I saw a cartoon in that great Democratic paper of Missouri, the St. Louis Republic. It was a picture of a huge bag being filled with wheat and upon it were the figures showing the estimated bumper wheat crop for the season. Off in one corner was shown a withered tan-faced creature, a calamity croaker cowering and quaking in dire distress over

what he witnessed. In some respects I think the figure resembled the gentleman from Washington. [Laughter.]

But you say the administration is not entitled to credit for a bumper wheat crop. If this is true, and I do not dispute it, then the Democratic administration is not responsible for the devastating and withering drought prevalent in my district and should not be held responsible for it.

We must move forward. The welfare of the whole country depends upon progression, not professions of progression, but progression written in the statutes for the good of mankind. We can not stand still if we hope to attain unto the best, but we must press onward and upward to a higher and nobler plane of civilization. We must rise to that point where he who toils will be able, because of equitable and just laws and conditions, to enjoy the full usufruct of his toil. [Applause.] Our Government must be so organized and administered that we may properly distribute the products of the mines, the factory, and the field, so as to give equal opportunities to every individual and a square deal to all mankind. [Applause on the Democratic side.]

Mr. ADAMSON. Mr. Chairman, I ask unanimous consent that all who speak upon this bill be allowed to revise and extend their remarks in the RECORD.

The CHAIRMAN. The Chair doubts if that can be done in committee.

Mr. ADAMSON. I think it can, for all who speak.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent that all who speak on this bill may have leave to extend their remarks in the RECORD. Is there objection?

Mr. DONOVAN. If we can get unanimous consent that the gentleman from Missouri [Mr. HENSLEY] may proceed for five minutes, I will not object.

Mr. STEVENS of Minnesota. Mr. Chairman, I yield to the gentleman from Michigan [Mr. MACDONALD].

Mr. MACDONALD. Mr. Chairman, I am indebted to Mr. Harry A. Slattery, the secretary of the National Conservation Association, for some historical data in regard to this legislation that I should like to incorporate in my extended remarks on this bill, and I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. STEVENS of Minnesota. Mr. Chairman, I yield 15 minutes to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Chairman, I desire to record my hearty approval of the bill under consideration introduced by the gentleman from Georgia [Mr. ADAMSON], known as the Adamson amendment to the general dam act.

It is not my purpose to consider the subject matter of the bill in detail or the amendments to be offered by various gentlemen. However valuable the suggestions are that may be offered in the way of amendments, in order that the prospect of legislation may not be endangered, it seems to me preferable that we should accept the results of the continued study that has been made by the Committee on Interstate and Foreign Commerce.

While the gentlemen anxious to secure the best arrangement possible for the Government are to be commended for their zeal, they must not lose sight of the fact that private capital must be induced to invest in these projects and conditions must not be made so severe that a suitable return on their investments becomes impossible.

It would seem to me that the differences which have arisen during the discussion of the bill and the efforts to secure amendments to it are the result of a possible interlocking of authority between two great departments of our Government—the War Department and the Interior Department. It has been a well-established regulation that the control of navigable streams should come under the supervision of the War Department.

In the settlement of the vast sections of the West the authority of the Interior Department over streams in public domains has been increasingly recognized.

We of the East have not had occasion to consider this dual authority or the authority of the Interior Department, and in the present instance we are very anxious that the confusion between the respective departments should not endanger the possibilities of the enactment of this legislation.

In reading the redraft of the bill of the committee, it would seem to me that this possibility is to all intents and purposes so completely removed that it becomes a very minor consideration.

The bill in question deals with two great problems—first, navigation; second, development of electrical energy.

While the Federal Government must primarily consider the question from the standpoint of navigation, it nevertheless must recognize the interdependence of the one upon the other in the cases wherein this bill is applicable.

It is in this mutual relationship that my district is greatly interested in this bill. Its enactment will be the beginning of a long-delayed act of justice to an important part of my district.

For many years we have heard a great deal about the conservation of the natural resources of the country, especially as applied to the West, but gross negligence has been shown toward the conservation of the resources and opportunities afforded by one of nature's most beautiful streams.

Frequent reference has been made during this debate to what is a navigable stream, and as a matter of record I will insert here the Supreme Court decision:

EXTRACT FROM SYLLABUS OF A DECISION BY THE SUPREME COURT OF THE UNITED STATES IN THE CASE OF "THE DANIEL BALL" (10 WALL., 557), DEFINING A NAVIGABLE WATER.

Those rivers are public navigable rivers in law which are navigable in fact. Rivers are navigable in fact when they are used, or are susceptible of being used, in their ordinary condition as highways for commerce, over which trade and travel are or may be conducted in the customary modes of trade and travel on water.

And they constitute navigable waters in the United States within the meaning of the acts of Congress in contradistinction from the navigable waters of the States when they form in their ordinary condition by themselves, or by uniting with other waters, a continued highway over which the commerce is or may be carried on with other States or foreign countries in the customary modes in which such commerce is conducted by water.

(NOTE.—Rafting and the floating of logs are recognized methods of navigation.)

Flowing between the States of New Hampshire and Vermont, across the States of Massachusetts and Connecticut for 345 miles, the Connecticut River most certainly comes within this decision. From its mouth to Hartford, Conn., a distance of 52 miles, there is a 12-foot channel, and boats of that draft use that portion of the river. Above Hartford it is navigable but not navigated, and it is to secure this desired result that we ask for the passage of this bill.

My colleague, Mr. GILLETT, has already spoken of the long-continued effort to secure an appropriation to make the river commercially navigable, of the opposition of the War Department, and finally of the approval by the engineers of the scheme to combine an electrical development for navigation.

When it has seemed that results were about to be accomplished new difficulties have arisen until, finally, in the last Congress the constitutional question of the relationship between State and Federal authority arose to defeat or delay the proposition. This having been now thoroughly discussed and understood, and the Supreme Court having passed upon the question, we ask that no further quibbles should be placed in the way of the final accomplishment so long and so eagerly desired.

The Legislatures of Connecticut and Massachusetts through special commissions have both given their approval to the plan proposed and have urged prompt congressional action.

Briefly stated it is this: At Windsor Locks, Conn., there are an old dam and locks built under charter from the Connecticut Legislature in 1824. This right is now controlled by the Connecticut River Co., which has ample financial backing. The company will accept such form of contract as the Government and State may offer. It is prepared to construct a dam and locks at very large expense—approximately $5,000,000—presenting them to the Government for navigation purposes, provided they can use the power for electrical development.

It is estimated that water sufficient to develop 35,000 horsepower is now aimlessly and uselessly flowing to the sea.

Conservationists are defeating their own ends if they oppose the use of this tremendous amount of power, which can supply an area having a population of several hundred thousand people with cheaper light, heat, and power, nor should the question of Federal or State authority or that of authority of the War or Interior Departments longer delay this development.

We should certainly have sufficient confidence in the knowledge of as important committee as the one having this matter in charge to properly safeguard the public interests.

In addition to this an almost incalculable benefit will come to the people of this section through navigation on the Connecticut River as far as Holyoke by the construction of a channel 12 feet in depth at a comparatively small cost to the Government.

Freight tonnage of the section is over 3,000,000 tons per annum, upon which there will be an estimated saving of about 20 per cent in rates.

It is estimated that there will be a saving of between 60 and 80 cents per ton on the million and half tons of coal consumed annually on the places directly affected.

I have only thus briefly referred to the great benefit to the entire business interests of western Massachusetts this bill will permit.

There was never a time when the legislation was more needed than now. The section is hard hit by Democratic times. Business is at the lowest ebb it has been in many years.

The manufacturing centers of Springfield, Holyoke, Chicopee, and West Springfield manufacture goods valued at over $100,000,000 annually.

The great paper mills of Holyoke alone manufacture about 125,000 tons annually.

I therefore ask for its favorable consideration in order that this long-delayed benefit to the section I represent may be soon under way and that the wasteful negligence of the past may be promptly overcome.

We can then have a practical illustration of the benefits of conservation.

The people of the section have waited patiently; their patience has ceased to be a virtue.

I ask that Congress shall not again disappoint them and deprive them of their just rights, for which nature needs so little assistance to bring practical results. [Applause.]

Mr. STEVENS of Minnesota. Mr. Chairman, I now yield to the gentleman from Iowa [Mr. GOOD].

Mr. GOOD. Mr. Chairman, a few days ago the Washington Post, an independent newspaper, published an editorial entitled "The farmer loses," it appearing in the issue of the Post of July 14, 1914. I ask unanimous consent to extend my remarks in the RECORD by printing that editorial in the RECORD.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent to extend his remarks in the RECORD. Is there objection?

Mr. MURDOCK. Mr. Chairman, reserving the right to object, what is the article about?

Mr. GOOD. About the losses sustained by the farmer through the announcement of the Democratic tariff law.

Mr. LLOYD. Did I understand the gentleman to say that the Washington Post is a Democratic newspaper?

Mr. GOOD. Oh, no; an independent newspaper.

The CHAIRMAN. Is there objection?

There was no objection.

The editorial referred to is as follows:

"THE FARMER LOSES.

"In the 10 months ended April, 1914, the value of foreign foodstuffs imported into the United States increased $10,000,000, or $1,000,000 a month. This money, which should have gone to the American farmer, went to foreign farmers.

"In the same period the exports of American foodstuffs decreased $64,416,000, or $6,400,000 a month.

"The adverse balance against the American farmer, so far as dealings with the outside world are concerned, is $75,000,000 in 10 months.

"During the 10 months ended April, 1914, there were imported 20,058,998 bushels of oats, as against 714,767 bushels imported during the same period ended April, 1913. Comparing the same periods, there were imported 1,854,054 bushels of wheat against 769,329; other breadstuffs, $2,602,952 against $1,362,630; fruits, $26,155,168 against $21,635,382; nuts, $722,217 against $636,290; butter, $1,633,515 against $253,513; cheese, $9,302,438 against $7,683,390; olive oil, $6,444,247 against $5,815,810; prepared vegetables, $3,015,545 against $2,772,100; fresh vegetables, $1,468,396, against $1,308,821. The importation of eggs during the 10 months ended April, 1914, amounted to 5,043,765 dozens, valued at $1,000,000.

"These are staples produced by American farms, orchards, and gardens. The new tariff reduces the duty upon these articles and opens the market to foreign farmers. The foreigner has seized this opportunity and is now making $1,000,000 a month which formerly went to the American farmer.

"The consumer gets no benefit from this tariff reduction. The price has not gone down on a single article mentioned. The high tariff formerly kept the foreigner out and gave this business to the American farmer. The new tariff throws the business to the foreign farmer, who, with the middleman, pockets the benefit, and the consumer pays as much as he did before. The only loser is the American farmer.

"This loss of $1,000,000 a month covers only 10 months of the new tariff. It is natural that the loss should be greater as soon as foreign farmers awaken to the splendid opportunity offered by the American market. The more they take advantage of this opportunity the more the American farmer will lose.

"The only way to prevent this loss to the American farmer is to put the bars up again, and shut out the foreigner. The experiment has been in effect long enough to show that it does not decrease the cost of living.

"Maybe this item of $1,000,000 a month loss through the low tariff will be borne in mind by the American farmer when he votes next November for Congressmen who frame tariff bills."

Mr. RUSSELL. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD by printing a letter from Gen. W. H. Standish, now of my district, formerly attorney general of the State of South Dakota, who is very deeply interested in the subject of dams, this letter being upon that subject.

The CHAIRMAN. The gentleman from Missouri asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

The letter referred to is as follows:

REEDS SPRING, MO., *July 16, 1914.*

Hon. J. J. RUSSELL,
Washington, D. C.

MY DEAR MR. RUSSELL: I am in receipt of the Adamson water-power bill, H. R. 16053. So far as it goes it is a very fine bill.

I inclose to you a petition, signed by 760 of the residents of this county at six different post offices, to wit: Hurley, Crane, Elsey, Galena, Cape Fair, and Reeds Spring. The petition reads thus:

"To the Sixty-third Congress of the United States of America:

"Our homes are in Stone County, Mo., where natural water-power sites exist in certain places, which, in our opinion, should be developed by the use of dam and tunnel together, and thereby retain for farming purposes a large portion of our bottom river lands and cause a more economical development of water power than by dams alone, and we believe this mode of development will give cheaper rates and better results to the public than by the use of dams alone. We believe the whole subject of where dams should be placed and whether tunnels should be used in connection with dams should be first submitted to the public-service commission of our State, with authority for it to draw any bill for Congress which said commission believes would be for the best interest of the public, and include in such bill a provision for a tunnel in connection with the dam where the commission believes it would be for the interests of the locality and the public at large. This petition would require only such modification of the pending bill in Congress as to authorize tunnels in connection with dams where the interests of the public would be promoted thereby, and that applications for dam construction should be first submitted to the public-service commission of the State, for it to examine into the matter and report its advice either to Congress or to the War Department agency.

"The public-service commission of the State is peculiarly fitted to do this work; better so, probably, than any other body in the United States. Your bill recognizes that this body shall have the right to fix and control all the business of the company done within the State where the dam is to be located and the power distributed. In the State of Missouri this body controls the amount of stock and bonds that shall be issued, and every step from the beginning to the close of construction, and everything thereafter in the operation; so much so, that if the manager of the company should be the majority owner of all the property of the plant, and such manager should not comply with the orders of the board, it could and would remove him and install another manager. In this way this board at once learns the cost of building a dam, either whether it is a solid concrete dam or a hollow, reinforced concrete dam, so that after the first dam has been constructed in the State and the matter thrashed over in the issuing of stock and bonds and the fixing of rates, this public-service body, when the measurements for any plan are submitted to it, can approximately tell at once what the cost of any proposed dam will be without the taking of any testimony. Besides, our public-service body has expert engineers employed by it to go out and examine the site and report on its suitableness. Where there are such conditions as exist in Stone County, Mo., Taney County, Mo., and in other portions of Missouri, with crooked rivers located in the mountain part of the State, and there are narrow bends that can be had where it is certain that a tunnel to form all water-power necessities can be put through the bend for probably one-third of what a second dam can be made, and the pondage land around the bend that would be submerged purchased—and there are plenty of such places—and where the river around the bend is of no use for navigation, and the people of the locality prefer and petition for the tunnel instead of a second dam, there should be a right vested in this local body to investigate into the matter and report to Congress or the War Department their conclusions.

"This authority for the State board to thus act is made clear in the Adamson bill. When such proposition comes before the State board, the State board can fix a day for the hearing, when contractors who do tunnel work who have already examined the site for the proposed tunnel will appear before the board and submit their bids to build a tunnel which would take the place of the second dam. The State board can and naturally would require of them a safe bond for the performance of their bid in case the Federal authority should authorize a tunnel in connection with the dam and thereby save the construction of a second dam and the submergence of probably thousands of acres of land that would lie in and around the bend between the intake and output of the proposed tunnel, land in which in all cases is the richest in the State.

"This examination and hearing need not take over 30 days from the time the matter is presented to the State board for the State board to make its report. The interest on the amount that will be saved by having the tunnel instead of a second dam will go that much to reduce the cost of power to the public and tend to increase water-power development, and will lessen the sum to be paid for the property at the end of the 50-year period, when the permit is to expire. The people of the locality will not prefer the tunnel where the river around the bend is needed for navigation, nor will the State board recommend it. This competition that will be created by the right to bid will prevent the possibility of collusion between the officers of the water-power company and those who do the construction, which could be secret and never discovered or discoverable by the State board. If the department or Congress shall authorize dam construction in our mountain regions at places where the back water would intrude on that part of the river that would be in a bend, between where the intake and output of such a tunnel would be, the possibility of having a tunnel thereafter would be destroyed.

"After the dam would be authorized by Federal authority the State Utility Board could not authorize a tunnel, even though it might save a million of dollars in the development. If the State board is suitable and competent to authorize everything about the development after it is once authorized, it is a suitable body to examine and advise the Federal authority before the project is started, and this plan will aid the State board in its supervision of the development after it is started, because it will know to a certainty what the tunnel is to cost or has

cost. It will be safer for the public to have tunnels made in such cases than dams to take up the fall around the bend, because no matter how careful our engineering bureaus are, with dams we are liable to have Johnstown floods, digging out by the water on the lower side of the dam, so that when a flood comes it will tip over, as was the case of the big dam in the Missoula River near Great Falls, Mont., a few years ago. Only a few years ago we had two great dam washouts, causing the loss of life and much property. Under this new bill water-power development is likely to proceed ten times faster than it ever has before, which is desirable, as the public needs the cheaper power, but with this ten times of increase there will be ten times the chance for washouts of dams. A tunnel never washes out. It will last forever without an accident. The dam near the mouth of the tunnel which creates the reservoir or pondage will receive but a small portion of the water over it that would go over it if there was no tunnel to draw the pondage off, and therefore it will be made more safe, and around the bend when floods come ties and timber can be floated the same as now, without any injury to the power property.

"In relation to the diversion of the water of all our small streams through a tunnel, the Government now has 22½ miles of tunnel of the same character in which it diverts water from large rivers for irrigation purposes, because it will be of greater benefit to the public than to leave the water in the river. But here the water goes immediately into the river and saves thousands of acres for farming."

I desire to call your attention to the character of the petitioners for tunnels in connection with dams in water-power developments. Many of these petitioners are personally known to you; some of them are known to Mr. HAMLIN, of Springfield, and to our Senators. To begin with, this petition is signed by all of the men who have been sent from our county to our legislature during the last eight years. Two of these are Progressives—Hon. Truman S. Powell and Theodore Tromley. One, W. C. Woods, was a Taft Republican. The other, W. D. Craig, is a Wilson Democrat, and was elected as a Democrat to the legislature. The petition is practically unanimous from these different towns. It contains all our bankers, our county officers, our editors, our lawyers that have had a chance to see it, and nearly every merchant—men of the utmost integrity and clearest judgment and who know local conditions thoroughly. I hope that the authority which they petition for will be incorporated into the Adamson bill to authorize State utility boards to have 30 days' time to consider and recommend applications that are to be made to Congress, or the War Department, for dam permits. I see no harm of any kind that can arise from this, no prejudical delay to the enterprise in protection to stockholders and bondholders as well as the public, but a large reduction in rates, the saving of millions of acres of bottom lands in the United States for farming purposes, and less expense to the Government to take over the property at the end of the permit, because at that time I look for the Government to own and operate every water power in the United States.

Sincerely, yours,

W. H. STANDISH.

Mr. STEVENS of Minnesota. Mr. Chairman, I yield 30 minutes to the gentleman from Minnesota [Mr. SMITH].

Mr. SMITH of Minnesota. Mr. Chairman, I take occasion at this time to repeat what the chairman of this committee stated on Saturday last. He said:

I will remind the Committee of the Whole that there is not a single amendment in the 14 that the committee is going to offer that is inconsisent with the bill as originally drawn and introduced in this House. We discussed them over and over again, and we suggested these amendments and they were agreed to by the other side.

I further desire to state that I made this statement in opening the argument, that the fears of the gentleman were entirely imaginary; that the English language did not justify any such conclusion as they tried to deduce from the language of the bill. Mr. Chairman, I am so happy that the amendments we are going to propose, and of which I gave notice, are satisfactory to the gentleman that I have nothing further to say. I hope we will proceed with the debate and adopt as soon as possible this great and valuable constructive measure on the most important subject to the country that has been before Congress for a long time.

I heartily agree with the latter portion of that statement as to the importance of this subject. I do not quite share in the chairman's optimistic view, that the amendments which he has offered are all of the amendments that are necessary.

DEFECTS OF AMENDED COMMITTEE BILL.

The Interstate and Foreign Commerce Committee, through its chairman, the gentleman from Georgia, presents an amended bill, bearing the label "Committee print, with amendments."

A number of the defects noted in the original bill are remedied, in part or whole, in the new amendments. But, I submit, the cardinal shortcomings of the original bill are still inherent after amendment.

Among the defects which have not yet been reached are the following:

First. The amended bill utterly fails to provide anything like definite, tangible, authoritative, and efficient regulation of hydroelectric utilities, notwithstanding the fact that the bill is based on the doctrine that a hydroelectric utility is a monopoly and that, as such, it must be subject in its operation to effective regulation both in the interests of the Government and the consumers.

Second. There is no provision for joint or interlocking Federal and State supervision of such hydroelectric utilities, although the electric current generated by such projects enters both local and interstate commerce, and therefore requires the joint or cooperative regulation of the Federal Government and the State, if regulation is to be effective, with no "twilight zone" of governmental jurisidction.

Third. The bill still provides:

That the rights herein granted shall continue for a period of 50 years—

Which leaves the Government no option or leeway in regard to the term of the grant, which might readily be provided by substituting the more salutary phrase, "for the period of no longer than 50 years."

Fourth. The bill gives the Secretary of War jurisdiction in fixing charges in two fields over which the Secretary of the Interior has administrative authority, namely, in the case, first, of "headwater improvements of every kind, nature, and description, including storage reservoirs or forested watersheds or land owned, located, or reserved by the United States at the headwaters of any navigable stream"; and second, in the case of "lands acquired by the United States through purchase or condemnation and any part of the public lands withdrawn by the President from entry or disposition for the sole purpose of promoting navigation." Joint control by the Secretary of the Interior and Secretary of War, or by the water-power commission of three, as proposed in House bill 17854, would certainly be more conducive to a harmonious, efficient, and businesslike administration of such public domain and headwaters than by giving the Secretary of War jurisdiction in a field which distinctly belongs to the Secretary of the Interior.

Fifth. H. R. 16053 still lacks a proper provision for priority of public purpose and use of Federal water powers as against commercial use, and in that respect is inferior to the water-power acts of all progressive nations.

Sixth. H. R. 16053 still retains in section 15 that indefinitely worded exemption from the provisions of the antitrust law, which would prove so useful to a water-power trust or hydroelectric group, namely:

Provided, however, That it shall be lawful, under the approval of the Secretary of War, for different grantees to exchange and interchange currents, to assist one another whenever necessary by supplementing the currents or power, and enable any grantee to secure assistance to carry on the business—

And so forth.

Nobody knows what this provision means, unless it is to give a water-power aggregation full immunity to do what it pleases.

Seventh. Under section 13 the bill makes all the provisions of the proposed act a vested right to the favored grantee, and deprives Congress of its customary right to "alter, amend, or repeal" unless and until "Congress determines that the conditions of consent have been violated." And unless "the conditions of consent have been violated," the United States is made by this section liable for such "alteration, amendment, or repeal thereof to the owner or owners or any other persons interested in such dam." Such a provision is plainly untenable.

The optimism of the chairman of the committee is only exceeded by his geniality. I know that he is anxious to get a bill on this subject that will do justice to the people of this country, and in doing so there can be no more valuable service rendered by any Member of this House than to honestly and earnestly assist in getting the best bill. I do not quite agree with my friend from Massachusetts [Mr. TREADWAY], who just addressed us, that we should always abide by the judgment of our committee. Committees are instituted for the purpose of giving certain subjects their special consideration. They perform a valuable service, and the Committee on Interstate and Foreign Commerce has done valuable service by bringing in a bill that furnishes us an outline out of which we possibly can whip into shape and make a useful and efficient bill. Of course, the gentleman from Massachusetts is willing to accept this bill. He was willing in the last Congress, or his people were, to accept what was known as the Connecticut dam bill, and this bill, possibly, is more favorable to his people. I wish they had what they desire, and I feel confident that they need just such legislation as they have been trying to get for years.

Mr. TREADWAY. Will the gentleman yield?

Mr. SMITH of Minnesota. Yes.

Mr. TREADWAY. The gentleman realizes, I trust, that the interest my people have in the matter is that of navigation very largely. I hope I made plain in my remarks what the citizens in western Massachusetts desire, and that is to secure the navigation of the Connecticut River, and the development of power is only incidental to that desire. I trust the gentleman realizes that.

Mr. SMITH of Minnesota. I do not know just the importance of the difference between the two purposes you want to accomplish, but I feel sure the project is worthy and that the gentleman should have legislation sufficient to help him realize it to its full extent.

Mr. TREADWAY. I thank the gentleman for his confidence, because I am sure it is deserved.

ANALYSIS OF BILL BY THE HOUSE LEADER.

Mr. SMITH of Minnesota. This House has been favored by a learned and exhaustive analysis and defense of the original and amended bill by the leader of the House majority, chairman of the Ways and Means Committee, the gentleman from

Alabama. All who listened to his able and instructive address, which covers five pages of the CONGRESSIONAL RECORD, were not only entertained by the elaborate and eloquent character of the address, but also by these two facts, namely, that the subject matter which we propose to legislate upon in this proposed act is one of most vital and far-reaching import to the industrial and commercial development of America, and, second, that this bill in its finally amended form may become one of the most historic monuments of this Congress.

There are two propositions laid down by the gentleman from Alabama to which I desire to call your attention. They reach to the heart of this measure. They have a peculiar bearing upon the purpose of this bill and the ways and means of carrying the purpose into practical execution. Moreover, these two propositions are not consistent.

The first proposition is that hydroelectric developments are "natural monopolies performing a public-utility service," and the second proposition is that "the most important feature of the bill" is that which "authorizes a recapture of the dam and its accessory works."

If the purpose of this bill was to establish public ownership and operation of the Federal water powers of this country, I should agree most emphatically with the gentleman from Alabama and with the members of the committee who father this bill that "the most important feature of the bill, so far as the public is concerned, is that provision in the bill that authorizes a recapture of the dam and its accessory works in the interest of the *public*," as so eloquently stated by the gentleman from Alabama.

But the object of this bill is not the public ownership and operation of water powers, but private ownership and operation of hydroelectric developments. Its purpose is to enlist private capital. Its distinct aim and purpose, as stated by the gentleman from Alabama [Mr. UNDERWOOD], by the chairman of the committee and nominal author of the bill, the gentleman from Georgia [Mr. ADAMSON], and by the ranking minority leader of the committee, my colleague from Minnesota [Mr. STEVENS], is to enlist private capital to accept water-power grants and leases, to build the water-power dams and accessory works, and to develop, transmit, use, and sell electricity thereby generated.

The purpose of this bill is to establish ownership, exploitation, and operation of the great water-power resources of this Nation by private capital. Therefore, most consistently does the gentleman from Alabama further along in his speech state:

> My only fear is that it—the bill—does not hold out sufficient inducements to capital to encourage investment in such enterprises.

Has not the committee spread upon the records of this House pages of statistics to show how difficult it is to interest private capital in water-power projects?

Do you not recall how the committee has investigated and found a list of 56 financial corporations, American and European, all of whose names and addresses the committee has ascertained and published in the CONGRESSIONAL RECORD, who were so shy of hydroelectrical projects that they refused to consider the financing of the Keokuk Dam?

Has not the chairman of the committee, author of the bill, also dug up the history of 16 hydroelectric corporations, representing 506,000 horsepower, which have been through receiverships or proved bad investments?

In his opening speech the author of this bill frankly told us that the purpose of this bill was "to tempt capital" to construct and operate these dams; and he bemoaned the fact that "capital is a wary old bird."

Finally, on page 12527 of the CONGRESSIONAL RECORD, he states in open confidence to the public and this House:

> If this bill were allowed to pass and permit the utilization of private capital to relieve the Treasury of all these expenses, why perhaps if we could make the proposition sufficiently attractive to capital, and they could open up all this navigation and at the same time furnish the people light and the cleanest, best, and cheapest fuel, electric force enough to manufacture not only fertilizers, but every other conceivable thing that the genius of this country could think of, and make a network of trolley lines all over that fair country.

The committee in its testimony and report, its chairman, the gentleman from Georgia, its ranking minority member, my colleague from Minnesota [Mr. STEVENS], as well as the gentleman from Alabama, majority House leader, have all discussed the various measures of this bill with reference to its effect in inviting private capital, in promoting private investment, and enlisting the interest of promoters and investors in the private ownership and operation of the hydroelectric developments of this country through the instrumentality of this bill. They have told us that "the hazards of hydroelectric investment are greater than in any other class of investments"; and so, as so consistently stated by the leader of the House majority, the gentleman from Alabama, in his summing up of the vital considerations affecting the bill's purpose and mission after passage, the great concern of its authors and supporters is "My only fear is that it does not hold out sufficient inducements to capital to encourage investment in such enterprises."

Let us, therefore, start upon this discussion with this one proposition as an established corner stone, namely, that the purpose of the bill is private investment and private operation of hydroelectric utilities. That is the central point upon which rests the whole argument of the bill's supporters.

Let us now see where this established proposition leads us. This bill provides private ownership and operation of hydroelectric developments under an irrevocable contract for a period of 50 years. We are to have such private operation of our great water-power resources for at least a half century from the day of the passage of the bill. By that time perhaps every member of this Congress will be dead and gone, and the vast majority of the adult population of the United States interested to-day in the industries and commerce of America.

Bear this in mind, there can be no recapture by the Government, except for violation of contract, for a half century to come. What, then, becomes of the proposition of the gentleman from Alabama that "recapture of the dam and its accessory works" is the "most important feature of the bill"?

Is this House legislating for the public only of that remote period a half century hence, when recapture first becomes possible? Have we no duties to the 100,000,000 people of America to-day and for 50 years to come?

Moreover—and this proposition, while true, makes the situation worse—the gentleman from Alabama demonstrates that this private hydroelectric development and exploitation is in its nature a "monopoly." To use his language again, "hydroelectric developments and public-service companies are found natural monopolies performing a public-utility service." A page of noted authorities, including leading economists, public officials, and two former Presidents, are thereupon quoted for the space of a full page of the CONGRESSIONAL RECORD "supporting the contention that hydroelectric developments are natural monopolies." The learned gentleman finally leads up to the conclusion that—

> Combination is as natural in business as it is in human society. Only among primitive peoples is every man a law unto himself and an enemy to his neighbor. Combination was the first step toward civilization and is a force which will persist while civilization continues.

Accepting these two propositions as settled, therefore, first, that the prime object of this bill is to enlist private capital in hydroelectric development, and second, that such hydroelectric development is a natural monopoly, what, therefore, becomes the paramount duty of Congress in the premises? Is it not to make certain that this bill provides for a thoroughgoing system of public regulation of hydroelectric utilities? Is not such public regulation, which should be established now and to be continuously in force during the 50-year life of every one of these valuable public water-power grants, the paramount concern of the American people of to-day, rather than a recapture clause which is to be effective a half century hence?

As against the fear of the gentleman from Alabama and other sponsors of this bill, lest "it does not hold out sufficient inducements to capital to encourage investments," my fear and concern is, lest the bill does not provide a system of public regulation that will properly safeguard the public interests of the American people during the 50 years before recapture is possible. Moreover, I am as certain as I ever was upon any proposition which I have ever investigated and studied during my professional and public career that this bill does not provide anything worthy of the name of a system of public regulation. I challenge any sponsor of this bill to point to the public-utility law of any of the 30 States that to-day attempt public-utility regulation, that is not a better law with much stronger and better-defined provisions for public regulation than the *feeble attempt* at hydroelectric regulation made in section 11, the public-regulation section of this bill.

Moreover, such regulation, as is hinted at in section 11, is largely offset by sections 9, 13, and 15, which, respectively, accomplish the following obstacles to public regulations: First, a flat 50-year water-power franchise, without option of the Government to modify the period of the grant; second, a vested right which Congress has no authority to amend or repeal, except for violation of terms; and, third, immunity from the provisions of the antitrust laws in allowing a group of grantees to "assist one another whenever necessary." Coupled with absence of anything like express powers to be exercised by the Government to publicly regulate these "natural monopolies" owned and operated by private capital, we find, therefore, that the bill actually handicaps and holds the hand of the administrative branch of Government in its possible future efforts to protect the public from aggrandizement of hydroelectric monopoly.

INDUCEMENTS OF THE BILL TO PRIVATE CAPITAL.

The gentleman from Alabama fears that the bill does not offer sufficient inducements to private capital. Let me, therefore call the attention of this House to some of the special inducements offered. On this point, I think that the author of the bill, the gentleman from Georgia, is good authority when he said:

The committee offers a bill that it is believed will invite and attract capital to construct dams in the navigable streams of the country, improving the navigation of these streams, and developing water power at the same time.

I am convinced, Mr. Chairman, after careful examination of this bill and its many attractive features, that when the gentleman from Georgia said, "The committee offers a bill that it is believed will invite and attract capital," he was familiar with the facts and the personnel of hydroelectric investment; in short, that he knew what he was talking about.

Here is a partial list of some of the inducements, the investment plums, as it were, of this bill:

First. A flat 50-year grant, at least—it may work out much longer—is given to every grantee of Federal water power, with no option of the Government to modify the term; while in many of our States, as well as other progressive countries, where hydroelectric development is most successful, the grant runs for periods of 20 to 40 years and present acts give the Government a leeway of option under the phrase "No longer than 50 years."

Second. Section 13 makes this grant or lease a vested right, without the usual reservation of Congress to alter or repeal, unless the contract itself is violated; and, therefore, the United States becomes liable for "alteration, amendment, or repeal thereof to the owner or owners, or any other persons interested in such dam."

Third. Section 15 gives the grantee the following immunity bath from the provisions of the antitrust laws:

Provided, however, That it shall be lawful, under the approval of the Secretary of War, for different grantees to exchange and interchange currents, to assist one another whenever necessary, by supplementing the currents or power, and enable any grantee to secure assistance to carry on the business and supply his customers.

What more complete immunity could a hydroelectric group, like the General Electric, which controls 50 per cent of the available water power of 18 States, ask for to maintain its electric trust combination?

Fourth. Although it is provided that, "In no case shall such an arrangement be permitted to raise the price," there is no prohibition against such a group maintaining an arrangement to resist the reduction of price.

Fifth. There is no requirement upon the hydroelectric "monopoly," as it is admitted to be, to file with the public a report of its operations or proceedings, a statement of costs of plant, production, transmission, use, or sale, or to keep public accounts of its finances subject to public examination; and there is no authority for the Government to visit the works, have access to its accounts, or compel the attendance of witnesses with books and records.

Sixth. There is no procedure provided for public appeal against service or rates and no system outlined for standards of service or procedure to establish a basis for ascertaining and fixing just charges, or for publicity of rates, accounts, proceedings, complaints, or finances.

Seventh. There is no basis established for Federal and State cooperation in hydroelectric utility regulation to prevent a "twilight zone" of jurisdiction in which neither the Federal Government or the State can act with certitude and effective result. Federal interposition is established in this bill, so as to exclude in large measure the power of the State and the municipalities to protect themselves against these Federal grantees and lessees; but this bill gives the consuming public no certain and assured regulation and protection against bad service and rate extortion in its stead.

Therefore, it appears to me, Mr. Chairman, that this bill offers many inducements to capital of the hydroelectric group order not found elsewhere and not enjoyed by other kinds of corporations of the "monopoly" family in this country. Certainly I feel that the chairman of the Interstate Commerce Committee was well within the facts when he declared: "The committee offers a bill that it is believed will invite capital."

Surely the committee had an opportunity to know its ground, because the only witnesses which, according to the published testimony, testified before the committee were hydroelectric promoters and financiers. Had the committee summoned to its presence the experienced public officials of something like 20 to 30 public-service commissions who are regulating such utilities under State laws, the committee would have learned the necessity of strict regulation of hydroelectric monopolies and imbibed something of the system and spirit of such public regulation. it is fair to believe, instead of simply the fear that the inducements to such interests might be insufficient.

Mr. MADDEN. Will the gentleman yield?

Mr. SMITH of Minnesota. I will.

Mr. MADDEN. What does the gentleman think of the value of the right to recapture, in that it would give to the Government the opportunity at the time of recapture to revamp rules under which the monopoly was authorized to exist?

Mr. SMITH of Minnesota. I will say to the gentleman from Illinois I believe, as I stated before, that while recapture may be necessary, I do not think that it is essential to a bill which relies upon private operation. I think that the material proposition here from this time on is to provide suitable public regulation. I believe that the committee has brought into the House a bill that gives capital more than it should have. I do not agree with the gentleman from Alabama when he said in his remarks the other day that he is fearful that capital will not take advantage of this measure if it is passed just as it was brought in.

Mr. FESS. Will the gentleman yield there?

Mr. SMITH of Minnesota. Yes.

Mr. FESS. Is it not true that the field of electricity is so new that it is always dangerous to give too long a period upon a fixed basis, because of the remarkable improvements that may be made by science that will ultimately make it very inexpensive? If you do not have control over it, future reduction in price to the public may not result. Is not that one of the arguments why the Government should not grant too much freedom and latitude here?

Mr. SMITH of Minnesota. In what respect? Now, there are several respects in which the Government can grant latitude. Now, in what particular one?

Mr. FESS. The Government ought not to lose the power to name the regulatory function as to charges, for example, simply because the cost charge now might be very much lessened later on by invention or by discovery. In other words, is not a long time contract, where electrical appliances are involved, rather a serious thing to grant?

Mr. SMITH of Minnesota. It is unless you couple that up with strict, efficient public regulation.

Mr. FESS. That is the point I am trying to get at, that the public ought to hold that power.

Mr. SMITH of Minnesota. And unless you hold that power the public is apt to suffer, and if you do hold the power the investor should not suffer, because the American people are fair and they do not want capital to work for them without yielding to capital a just compensation. But capital, on the other hand, as we know, has often been unfair and exacted a tribute from the public which it should not have exacted. It is for us as Members of Congress engaged in the forming and shaping of a piece of legislation the like of which has not passed out of this House this session, and I doubt whether it will in some sessions to come, to look out for this, because this deals with a project that is simply in its infancy. And as we look into the future we see how important it becomes. We have had our experience in the past in dealing with natural resources. We know how capital has foreseen the future and taken advantage of it. We also know that the American people have slept on their rights and have permitted capital to go out and gather up the natural resources of this country and bring them to their own vaults.

It is time that we should be looking out for the things that are plain and easy to be seen, and one of the things that is plain in this proposition is the fact that the manufacture of hydroelectricity is becoming one of the great industries of this country, and it is just in its infancy, as the gentleman from Ohio [Mr. FESS] has said. Then why should we start out at this time, after many years of hard labor and study by our committees, with a half-baked proposition that does not give any protection to the public?

Section 15 of this bill provides:

That it shall be lawful under the approval of the Secretary of War for different grantees to exchange and interchange currents, to assist one another whenever necessary, by supplementing the currents or power, and enable any grantee to secure assistance to carry on the business and supply his customers.

Gentlemen, if that section means anything, it means a permission on the part of the Government that hydroelectric corporations may combine and assist each other when it becomes convenient for them to do so. It means that they may come to each other's assistance whenever business stress requires it. It means, if it means anything, that the State laws against trusts and the national laws against trusts are put aside and that these institutions are to be immune from the operations of our antitrust laws.

Some gentlemen may contend that that does not clearly appear. I claim it is so clear that a man who desires to see it may see it. It is, at least, dangerous, and if it be in that condition, is it not wise to remedy it? Let us, if we are going to have regulated monopoly, say how far this monopoly may

go and how far it may not go. Let us have some control over it that will amount to a supervision and not a mere makeshift.

Section 14 has to do with dams known as public dams built out of the public purse of the Government. Under this section it is possible that a municipality or a State, wishing to obtain the privilege of using the power generated by one of these public dams, may have to go into the open market and bid for the privilege.

And in my own State could not the electric company which has a practical monopoly of all the electric power of that section afford to pay five times what that project is worth for the purpose of killing a competitor? They contend that we have not the right as a State or as a Nation to start an institution which will be a competitor of theirs; that they have invested their capital, and they have a right now to the market which that capital supplies. We have a right to preserve our natural resources, and one of the resources of that community is the water that flows down the Mississippi River and over this dam. That is not owned by any individual. It is the property of the State, and is controlled by the Federal Government. We should have the right, and the first right, to obtain the privilege of using the surplus water that flows over that dam. And any bill which passes this House should protect us in that right, and not put us in a position where we will have to compete with public-service corporations in order to get it. The National Government has not any right to ask any more than a return of the money or a fair return on the capital that it has invested. I agree with the gentleman from Alabama when he says it would not be wise, even though we have a right to tax the people of that community for the use of that water, to do it, because every dollar of tax you impose upon the dam and upon the grantee of the dam is transferred to the people who use it. Who has built up that market and every other market? It is the people of the community that the electric plant supplies.

PUBLIC OWNERSHIP AS A REGULATOR.

Another point which has not yet been brought out in this debate is the value of an occasional water-power project under public ownership and operation as a regulator of rates and charges. We do this in the case of transportation rates by providing for water transportation under Federal waterway projects. Indeed, the chief advantage of water transportation, and the principal justification cited by the Chief of United States Engineers and his colleagues of the Engineering Corps for a given waterway project or improvement, is its effect in reducing transportation rates, and in particular the rates of competing railways.

Thus, as a regulator of rates the Soo Canal and the Great Lakes project are estimated by Government engineers as worth scores of millions of dollars annually in reduction of rates, both by water and rail. Even the Mississippi, upon which comparatively little commerce moves, is recognized by the Government engineers as reducing the competitive rail rates between the Twin Cities and St. Louis something like 20 per cent. The Monongahela is known to have a marked effect in reducing coal rates.

Just such a result could be achieved by an occasional water-power project owned and operated by a public body, whether Federal, State, or municipal. The entire business would in that case be under direct public control, and the public would know the actual cost of production, transmission, and delivery of electric current and be in a position to know absolutely whether given rates and service by private companies were just or not.

Suppose, for an illustration, the public corporation created by the Legislature of the State of Minnesota for the purpose, a corporation created by public act and supported by public funds, in which the State university and the cities of St. Paul and Minneapolis are the active and interested public functionaries, should be allowed to secure, under the provisions of this bill, the lease of the 30-foot-high dam which the Government is now building across the Mississippi River between the two cities. Here would be a Federal dam and water power operated for a public purpose, the furnishing of light and power to local public institutions. All the facts of operation would be public property. The public would have complete public information as to methods and all data. The work would be an open book. Would there not be a great public gain, not only to the people of Minnesota but to the country at large, in the trial of this hydroelectric experiment?

In Minnesota the Consumers' Power Co. of Chicago, a foreign corporation, has almost a complete monopoly of public lighting and power in the big cities of the central and southern sections of the State and over a large suburban territory. Rates by this company are charged at prices varying from 10 cents down to 2 cents per kilowatt hour. Public charges of discrimination and extortion are common. Litigation is perennial. The elections are affected by the issues raised. Suspicions are general in certain political quarters against any public man who is on friendly terms with the so-called public utilities.

If this high-dam project of the Government could be leased to the State public corporation to meet public municipal and institutional needs and placed exclusively under public operation and control, Minnesota would be a public regulator of electric light and power rates, and the public would know whether the rates charged by the private corporation are just or discriminatory.

I have no doubt, moreover, so far as personal and official disposition is concerned, that the Secretary of War would gladly see such an experiment tried and give the public institution a lease. But to do so he needs congressional authority. In order to give the required authority with anything like certainty of result, just one thing is necessary, and that is, to provide, as the Provinces of Canada and the leading States of Germany provide, for priority of public use over commercial use. That is the only certain way; because otherwise the private corporation is situated so as to give the Secretary of War superior commercial terms in order to insure its monopoly.

The Consumers' Power Co. of Chicago could afford to offer many times what that power is worth simply to prevent the public body from instituting a rate regulator of electric prices in the State of Minnesota. From a business point of view the commercial company would be able to name terms to the administrative branch of Government which no business official who was jealous of public income and expenditure ought to turn down, unless that official had the backing of Congress in the shape of a clause in this water-power act giving preference to the application of the public claimant over the commercial corporation who applied for power for sale and exchange. Thus all progressive nations which have enacted up-to-date water-power acts in recent years have provided for such emergency a priority of public purpose clause which give preference to applications for public use and purpose over all private claims.

DIRECT USE BY INDUSTRIES.

The gentlemen from Georgia and Alabama are interested, as many other public-spirited citizens of this country are, in the use of electric current from Federal water powers for the development of fertilizer and electric steel industries. There is no question that such developments are fraught with great value to the future industrial development, not only of the South, but of the North and West and wherever there is a large surplus water power.

The practical question is, How shall these industries secure the economical use of these water powers? Does the gentleman from Alabama think for a moment that these industries will prosper and secure low electric costs, if a middle-man in the shape of a public-service corporation is instituted and placed between the Federal grantor and the industry which uses the power? What service will that middle-man afford? Its mission is to earn dividends and interest on its own watered securities and pay salaries to a body of favored directors, experts, and officials. If that fertilizer or electric steel industry wants cheap power there is just one way to get it, and that is to deal directly with the Government instead of with the corporate middleman. If that industry wants to be able to compete successfully with similar industries in Norway and Sweden it can not begin by paying dividends and high salaries to American public-service corporations. It must get its hydroelectric current direct without special tribute along the way.

What is the practical application? It is this again, that this bill must have a properly worded priority of purpose section, giving an industry priority over a public-service corporation in contesting applications for leases. Otherwise the hydroelectric combinations, with their special grant of immunities, will secure control over all the choice water powers of America, and neither an American industry nor an American municipality will have an opportunity to secure a public water power except through a commercial middle-man in the form of a public-service monopoly.

The people of Minneapolis and of St. Paul have built up the market for this great hydroelectric plant supply. Dam after dam in the Mississippi River above Minneapolis is being built, or will be built, and not a cent is being asked for it. There should not be a cent asked for it, except that when the Government gives a private individual the right to a monopoly, or the use of that power which belongs to the State, then we demand that there should be such a regulation of the rates and of the service as will do justice to our community.

Now, I suggest in all candor and in all sincerity that the people of Massachusetts are not entitled to one whit more than the people of Minnesota; that it should be our effort from the time we enter this Hall until we leave it to see that our part of this country receives fair treatment and that no part of it receives

any special favor. We are not asking any special favors when we lay down a general rule that any community can adopt; and I am going to call the attention of the House to a bill that I introduced, possibly not with any hope of its being adopted, but in which there are certain sections that I consider should be adopted in the committee bill. One of them is as follows:

As between contesting applicants for a permit hereunder, the commission shall have due regard to the use and purpose for which such permit is required, priority of purpose and of benefits conferred by such permit and project to rank in the following order:

First. Benefits to navigation and conservation of water resources.

Second. Public uses of the States, the municipal subdivisions thereof, and public institutions.

Third. Industrial use for agricultural, mining, and manufacturing industries.

Fourth. Commercial power for sale, barter, and exchange, and for use by public-service corporations.

Some such provision as section 3, the priority of purpose chapter of my own measure (H. R. 17854), I respectfully submit, is radically necessary for the protection of the public interest under the operations of the pending bill (H. R. 16053). Let me again call the attention of the Members of this House to the fact that with few and perhaps no exceptions, the well-known water-power laws of all other progressive nations enacted in recent times provide for priority of public use and purpose by most carefully worded express provisions. Certainly the United States of America, in Congress assembled to consider the conservation and wise development of its water powers, will not neglect its duty in this regard, and offer to the world a reactionary measure which ignores the public interest in its own water-power resources.

What does the pending measure recognize in this regard? As stated by the authors and sponsors of the bill, it has one prime purpose and that is to attract and interest private capital. It places commercial use and purpose first and foremost. It is true that in section 14, which pertains to leases of dams built by the Government, preference is given to the lessee who is able to conserve navigation and the water-power development. But, of course, that goes without saying, because the source of all Federal control flows out of the constitutional authority of Congress over navigation. What other public interest, however, does H. R. 16053 recognize and protect? It does not recognize or give priority to either Federal or State use. It gives no recognition to municipal use. It recognizes no public institution as an applicant for a water-power lease. It is primarily only the fourth and last purpose and use named in section 3 of my bill that H. R. 16053 fully contemplates and recognizes, namely, "Commercial power for sale, barter, and exchange, and for use by public-service corporations." In other words, what Canada, Germany, and Switzerland hold of last consideration from the point of priority of use and purpose this bill places first; and the gentleman from Alabama, indeed, even then confesses "my only fear is that it—the bill—does not hold out sufficient inducements to capital."

House bill 16053 permits private capital to come into our community and into your community and bid against the citizens of that community who have natural rights there, and under this bill the commercial interest may pay five times what the actual price of that surplus water is worth and to surcharge every man, woman, and child in that community for that overcharge. It is admitted on all hands that hydroelectric development is a natural monopoly. It is so admitted by the authors of this bill, and no one seriously contends that it is not. So let us frame the bill so that every community that can bring itself within the provisions of this law can obtain the surplus water that flows by its shore and past its door, and in that way you will give no special privilege to anyone. I commend, therefore, particularly to the consideration of those who are seriously interested in this proposition section 3 of House bill 17854. I also commend to their attention section 16 of the same bill, which provides for regulation.

Now, so much for section 14. I have not the time to dwell longer upon it, but I do contend that it can be greatly improved upon. I do not contend but that under House bill 16053 the cities of Minneapolis and St. Paul could get the right to use that power. However, I believe that if you incorporate into such a law the section I have called attention to, the cities and the States would have the first opportunity of refusing to lease such power, and the cities of other States would have the same opportunity. That seems to be fair and wise.

Section 11 provides for the regulation of the sale and use of the hydroelectric power that will be developed by these dams, and this regulation is turned over to the Secretary of War. What does he know about industry, commerce, and navigation? What has the Secretary of War or the War Department ever done toward the development of industry or commerce? Over $500,000,000 has been expended on the rivers of this Nation by the Federal Government under the direction of the War Department. Over $160,000,000 has been expended on the Mississippi River alone.

What commerce and industry have been built up by the War Department from such expenditure? It has opened the way for commerce and industry to follow at such time as the United States shall wake up to the need of a national system of waterway administration under right control. But the engineers of the War Department are not trained to look after industry and commerce. They are men of war, and not of peace. They are men highly trained as engineers, who know all about the engineering proposition, who can examine and pass upon a set of specifications, and can superintend the construction of a dam. But when it comes to the regulation of industry and commerce, to the operation of hydroelectric business, establishing commercial rates and standards of service and dealing with producers and consumers, or figuring what rate you and I should pay for our electric current, it is outside of their field entirely. There are other departments of our Government that are peculiarly adapted to that sort of business, and therefore I have proposed, in this amended bill that I have offered, that the Secretary of War, the Secretary of the Interior, and the Secretary of Commerce shall constitute a water-power commission to control and regulate the hydroelectric business of the country. We have got to come to that proposition. You may shift along for a little time under the Secretary of War's supervision, but he will tell you, or his engineers will tell you, that they know nothing about hydroelectric service, accounts, reports, operation, or rates. They have no means at their command by which they can ascertain scientific standards of hydroelectric service, prescribe commercial accounts and reports, regulate industry and commerce, or how to place a suitable rate. They have no means under their control by which they can tell what would be a suitable service. But have we not in the Department of Commerce just that sort of machinery? We have our Bureau of Corporations. We have our Bureau of Standards. We have our Bureau of Navigation.

My idea is that if a water-power commission of the kind suggested should be created, we could build up a system that would be wholesome and beneficial. When you undertake to delegate to one man, without the right of appeal, the vast interests which are involved in this sort of legislation, you are doing something which you know is wrong. Your own sense of right and justice and your own knowledge of the capacity of men tells you that it is wrong. Moreover, the duties involved in the granting of water-power leases, the adjustment of public complaints in regard to rates and service, and the general enforcement of the regulations of this bill, are not only executive, they are quasi-legislative and quasi-judicial, as are the functions of the Interstate Commerce Commission in regard to railway regulation; and a board of three is, for such functions, much more efficient, and far more likely to receive public support, than a one-man tribunal even if he be so exalted as the Secretary of War.

Mr. FESS. Mr. Chairman, if you make a board constituted of representatives from these three different departments, is there not danger that you will lack in unity of decision by conflicting interests in all the departments represented? Do you not think a single department of the Government would be better than a board of three departments?

Mr. SMITH of Minnesota. No; I do not. I grant that a single department, outside of all existing departments, would possibly be better for the enforcement of the purely executive provisions of the act; but, in the first place, we are not now prepared to create a new waterway and water-power cabinet department, and, in the second place, it must be admitted that quasi-legislative and quasi-judicial functions such as are herein required are better performed by a commission or bench of three men than by one-man decision and rule. Furthermore, I think it is up to us as legislators to try and find some way by which we can economize to a certain extent. It is for the sake of economy as well as efficiency that I suggest the above plan as one ready at hand to be put into immediate effective execution with the minimum of cost and the maximum of departmental efficiency. In the War Department you have only the Corps of Engineers, while in the Interior Department you have your Bureau of Water Resources, you have your Topographical Survey, and you have one other department. In the Department of Commerce you have nine bureaus, and every one of them could be brought into cooperation, so that they would bear on the regulation of hydroelectric development, use, and so forth. There would not be a waste anywhere. There would not be a duplication anywhere. If the Secretary of War is going to undertake the regulation of hydroelectric development of this country, its sale and its use, he must create a department for it, and I say if you will take on these other departments with the departments that you now have in the Government you have

sufficient machinery to enable you to carry on wisely and intelligently, perhaps not the best scheme that could be possibly proposed, but a scheme that has practical merit and far superior to the scheme that is presented in H. R. 16053 from every point of view.

Mr. ADAMSON. Mr. Chairman——

The CHAIRMAN. Does the gentleman from Minnesota yield to the gentleman from Georgia?

Mr. SMITH of Minnesota. Most assuredly.

Mr. ADAMSON. Does the gentleman desire to take from the Secretary of War and the Corps of Engineers the work of river and harbor improvements?

Mr. SMITH of Minnesota. Not at all.

Mr. ADAMSON. Then, perhaps, the gentleman has failed to discover the scheme of this bill. I will yield to the gentleman any time I consume.

Mr. SMITH of Minnesota. All right.

Mr. ADAMSON. We placed this matter in the hands of the Secretary of War, because it is a navigation project. It is not designed that a single dam shall ever be built except in aid of navigation under the provisions of this bill. As the Secretary of War and the Chief of Engineers have charge of river and harbor work, and this is river and harbor work, it goes under the same jurisdiction, to be supervised in the same way. It is so difficult to secure from Congress appropriations for the improvement of rivers and harbors, and there are so many thousands of miles of shallow steams that could be made navigable, we have been trying for 15 years to induce private capital to relieve the Government of this expense, and as the Secretary of War has charge of river and harbor work we placed conditions on consent of Congress to erect by private capital a dam in a navigable stream. Those conditions are mainly two. The gentleman has already discussed the 50-year limit. There are mainly two, aside from that. One is, they must do enough work, in the estimation of the Secretary of War, to promote navigation at that place. That secures what the Government wants. Then they must submit to regulation in the interest of the people, in order that the rates and practices may be fair. Those are the two main things.

As to the recapture, this bill makes the most perfect provision for that that has ever been devised by human ingenuity. We give two or three ways by which the Government holds control of it, and disposes of it at the end of 50 years in any way it desires to do so.

As to regulation, this bill, if the genfleman reads the entire section, provides perfectly for the regulation of rates and service, for the entire protection of the Government, the protection of the public, and promotion of navigation. Now, I know the gentleman wants to be fair. As to the wire connection, the section is entirely contrary to what the gentleman has stated, and if the gentleman will read it carefully and put it in his speech it will so appear. It denounces monopoly and does not say "a combination of wire," but it says "a connection of wire," so that when one river is low and another is high they may supply the shortage for one another, just as a merchant may supply goods to another or banks may pay checks to one another. It is as free from any possible monopoly as an angel is free from sin.

As to regulation, it is substantially identical with the regulation in the bill that the gentleman commends. If the State will not do its duty, the Secretary of War can enforce conditions and put the regulations on it. As to whether he is the right man or not may be questioned, but we fix it there because he has charge of navigation projects. It depends on who the man is that you get for Secretary of War, and if you had a board it would be made up of mortal men and as liable to err as the Secretary of War. Now, I beg the gentleman's pardon for the interruption. I recognize his fairness, and I know that he wants the best bill possible.

Mr. SMITH of Minnesota. Will the gentleman yield me 10 minutes?

Mr. ADAMSON. Yes; I will yield the gentleman 10 minutes.

Mr. SMITH of Minnesota. Mr. Chairman, the gentleman from Georgia thoroughly misapprehends the entire purpose of my argument, if he for a moment believes that I favor taking away from the Secretary of War and Chief of Engineers any of those engineering functions which they have traditionally performed throughout American history. What I object to is not that the engineering functions but that the regulation of hydroelectric industry and commerce should be exercised by the War Department.

Apparently the gentleman has forgotten the distinctive feature of his own bill. It is not dam construction, it is hydroelectric regulation. By rights the gentleman should have added to the title of his bill the line, "and for the regulation of the development, transmission, use, and sale of hydroelectric power." It is this commercial, industrial, and financial feature of the bill, with which the gentleman says that he is trying "to bait capital," that distinguishes it from former acts; and I maintain, and I believe the Members of this House feel, that such a function is foreign to the Department of War.

I have retained in my bill—H. R. 17854—the Secretary of War and Chief of Engineers for all engineering functions which they now perform, and also made the Secretary of War a member of the water-power commission, which exercises the quasi-legislative and judicial duties of the commission. But I submit that a commission to regulate industry and commerce should be composed of something more than a War Secretary; and I have therefore consolidated the official machinery of the Departments of Commerce, Interior, and War in order to cover the whole ground of a thoroughly equipped board of commerce, industry, and navigation.

Mr. Chairman, I wish to say, in reply, that I realize that all men are mortal and subject to shortcomings. But under my plan we would have three chances, and therefore I would prefer that. I realize that all men are subject to shortcomings somewhere along the line. I have not found a perfect man yet, and therefore I believe it would be wiser to have a board. I believe we could not afford to enact a law and say we have given it our best thought and best judgment when it only contains a single arbiter to pass upon such a vast amount of business and such delicate propositions as are contained in this project and no particular method provided. All you have to do under this bill is to bring the Secretary of War out, take lunch with him, and talk the situation over. Let us have public hearings. Let us not have a closed parlor session.

Now, let me read this section of the bill that provides for such regulation:

Provided, That whenever the State in which such current shall be used shall have provided by law adequate regulation for rates, charges, and service to the consumers for such electric current and such regulation shall not be unduly discriminatory or unjust against the service or charges in any other State arising from the use of the power from the same project, and such facts shall be established to the satisfaction of the Secretary of War—

And so forth.

Why, gentlemen, under this provision you place in the hands of the Secretary of War the power to pass upon every public utility commission in the United States. Not only does he pass upon it, but upon its fairness and adequacy. You also enable him to say whether your State is acting fairly. There is no limit to the power which you have placed in his hands when it comes to what the Secretary of War can do in order to protect the investor, but you have not provided any rules or regulations or specifications which will tell the Secretary of War or any other board which is to pass on the question what they ought to do when the consumer is aggrieved.

Mr. ADAMSON. I understand that the gentleman from Minnesota refers to another bill. I want to call his attention to the fact that the Secretary of the Interior has to fix the rates in that bill, and he is a mortal man, too.

Mr. SMITH of Minnesota. I have not said that I agreed in all respects with that bill.

Mr. ADAMSON. He may be the right man now, but when the next man comes along he may not be.

Mr. SMITH of Minnesota. The Secretary of the Interior is more competent to pass upon the public-domain resources and proper public service than is the Secretary of War, because the Secretary of the Interior has under his control instrumentalities which would give him the knowledge to provide for conservation of the public interests and make a fair and proper determination. The Secretary of War has nobody but the engineers who can tell about the construction of the dam, the water flow, and engineering questions.

Mr. STEVENS of Minnesota. Does the gentleman wish to impugn the intelligence, capacity, and ability of the Corps of Engineers?

Mr. SMITH of Minnesota. In their special line, I claim that we have a Corps of Engineers that is superior to any corps of engineers in all the world.

Mr. STEVENS of Minnesota. Is not this exactly in their line?

Mr. SMITH of Minnesota. No; it is not, and my colleague knows that it is not.

Mr. STEVENS of Minnesota. I know that the gentleman from Minnesota is mistaken, after an experience of 15 years in that very kind of work and on the very dam he has been speaking about.

The gentleman has been making a lot of misstatements here this afternoon, and this is one of them, and this matter should not go abroad in remarks of this kind.

Mr. SMITH of Minnesota. Mr. Chairman, I wish to say in reply to my colleague that in this discussion I have tried to be fair, and I am going to be. I am going to proceed along the line that any gentleman should follow in debate in the House, no matter what course my colleague may adopt. I can realize

that my colleague may be sincere. Because for 15 years he has been the intimate associate of the Engineering Department of this Government, and has swapped favors with that department to such an extent that he would not be human unless he would be prejudiced in their favor, I wish to say that I am not criticizing anybody, I am not impugning his motives, but I do say that I believe his associations with this body of engineers has made him believe they are capable of performing the impossible. I am only willing to admit that they are human, and capable only of performing things which the average man would perform; and when you come to give them work of a peculiar nature, of which they have no knowledge or experience, then I say that they are outside of their province and they are no better than any other class of men.

Moreover, the 15 years of work which my colleague states that he has been performing in connection with the Corps of Engineers was not the regulation of hydroelectric utilities. That function has never yet been attempted by the Secretary of War nor by any other public department in this country, except only the public-utility commissions of the States. Our Corps of Engineers have superintended the construction of dams, but they have no experience in the regulation of commerce and industry. They have no experience with the regulation of the hydroelectric industries, which in 1912, according to the Census Bureau, of the Department of Commerce, earned over $300,000,000—the very industries, Mr. Chairman, which the Bureau of Corporations, also of the Commerce Department, finds have been so largely combined into great hydroelectric "interrelationships" or "groups," popularly known as trusts, and which the authors of this bill are compelled to admit are "natural monopolies."

When, may I ask, has the Secretary of War exercised the public duty of regulating "monopoly"—the duty which the authors of this bill would place upon him? When have the Corps of Engineers been engaged in supervising the commercial operations of the hydroelectric utilities? What record is that which the gentleman says I would impugn? That record has never yet been attempted by any department of our Government. We are now planning such regulation for the first time.

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

Mr. SMITH of Minnesota. Yes.

Mr. ADAMSON. Does it not stand to reason that the Secretary of War or the Secretary of the Interior, or any other tribunal constituted by law, when a complaint of this sort came up would hear the evidence and exercise judgment and common sense on what the facts and the testimony appeared to be?

Mr. SMITH of Minnesota. Mr. Chairman, it has been my experience that it is always wise to protect your public servants. I am just as anxious to protect the Secretary of War from the unwise position that he is taking here as I am to protect my respected friend, the chairman of this committee. I know that he would protect me if he saw me attempting to commit a folly. The Secretary of War is going to have hearings only when he feels like it. He is to be the sole arbiter as to that. I say, pass a bill here that will permit the public when they are aggrieved to come before whatever body has control of this hydroelectric proposition and file their petitions and have a public hearing and a record made. Is there anything in this bill that permits any such thing? Is there anything in this bill that sets out anything like a form to be followed? Why do you not simply elect your judges and tell them to proceed without either law or procedure?

The gentleman knows, as a practitioner of long experience at the bar of his State, that one of the things that protects the rights of citizens is the mode of procedure and the practice of the court. Many a man is not known to be an able lawyer upon the substantive propositions of law, but when it comes down to a matter of practice and procedure he knows how to present the rights of his clients to the proper tribunal, and I say that there is no method provided in this bill for the presentation of the rights of the public to the tribunal, notwithstanding you have a tribunal that consists of only one man.

I wonder if the honorable gentleman whose name stands as author of this bill, or the committee in which the bill was cradled and fostered, has taken the trouble in the course of its study of this question to examine the provisions of the public utility laws of the 20 or 30 States who have undertaken the regulation of public utilities such as this bill proposes to regulate? If so, the honorable gentleman has found a most elaborate system and procedure carefully worked out down to the last detail of accounting, public reports, published tariffs, standardized service, tests of service, procedure for public complaints as to rates and service, public hearings and adjudications of grievances, appeals and rehearings, basis of returns to capital, basis of valuation for rate making, relations of public utility to consumer and to investor, and, in short, a well-rounded system of industrial and commercial regulation, for the protection alike of capital and the public consumer—none of which, Mr. Chairman, this bill makes more than a feeble and uncertain pretense of putting into law.

And yet the distinctive feature of this bill is regulation, and the regulation of the most difficult and complex brood of "natural monopolies" which exist and are rapidly multiplying in our fair land. I do not object to their existence or to their multiplication; but I do insist that when we turn over to them the great water-power resources of the American people we should do it under public regulations that are real, tangible, definite, adequate, efficient, and worthy of the best efforts of this Congress of the United States.

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

Mr. STEVENS of Minnesota. Does the gentleman wish more time?

Mr. SMITH of Minnesota. I would like to have a little more time.

Mr. STEVENS of Minnesota. How much time does the gentleman desire?

Mr. SMITH of Minnesota. I would like to have five minutes.

Mr. STEVENS of Minnesota. I yield five minutes more to the gentleman.

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

Mr. SMITH of Minnesota. Yes.

Mr. ADAMSON. So far as my immediate State is concerned, I do not anticipate any Federal tribunal will have any trouble with them. My State has provision and regulation of all of these matters, but inasmuch as there are some States I understand that have not, and inasmuch as some people have fears about making regulations, we provided wisely, we thought, that the Federal Government should retain that control.

If it should be demonstrated by experience that we can devise a better tribunal to pass upon these matters, Congress is here always ready to do it. We want to get through something that will enable us to begin the construction of dams, and it is not necessary to advise my friend from Minnesota of the difference between this and the public-lands proposition. Out there there is the land. The Government owns the land, and in many places owns the beds of the streams where it has not parted with the land. This is an entirely different proposition. Ours is where we have nothing but the power to consent or refuse to allow somebody to construct a dam, and we must make arrangements and trades that will induce capital to put money into the construction of a dam, and up to this time we have not been able to do it.

Mr. SMITH of Minnesota. Mr. Chairman, I disagree to a certain extent to what the gentleman from Georgia says.

I realize that in certain cases, such as the Coosa, at No. 18, I think it is, that it may be possible that the Government will have to erect the dam. Why did we go to Alaska to build a railroad? Because private capital wanted more than we thought they ought to have and we went there to preserve and protect the natural resources. The water resources of the country can be treated in the same way.

Mr. ADAMSON. We have been hammering at the doors of Congress for 30 years to improve the Coosa River and they will not do it. We could get private capital to improve the best stream in the United States and give 900 miles of navigation through the best and most prosperous people in the world if we chose to make fair terms with private capital to put up these dams and save the Government $30,000,0000 or $40,000,000 if we were going to do it at all.

Mr. SMITH of Minnesota. My proposition is, we must not give away the rights of the people in doing that.

Mr. ADAMSON. We do not; there is not a word, not a line, not a syllable or a letter in this bill that gives away any right of the Government or the people; not a line, and has not been.

Mr. SMITH of Minnesota. Well, that is a matter of opinion——

Mr. ADAMSON. No, sir; it is a matter of fact. If the gentleman will get out of his head the old folderol that has misled people and filled the yellow journals for 15 years, he and they would understand this is a different proposition; that the Government does not own and has no right in anything but the matter of navigation.

Mr. DONOVAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DONOVAN. I would like to ask the Chairman who has the floor?

The CHAIRMAN. The gentleman from Minnesota has the floor, and he yielded to the gentleman from Georgia.

Mr. ADAMSON. I will yield the gentleman all the time I consume, and the gentleman knows that.

Mr. SMITH of Minnesota. Mr. Chairman, I am glad of these interruptions. I know the gentleman is honest about these things and honest in thrashing it out, and that is why I am giving to this subject my best thought. I have studied this matter somewhat, and I do not feel that I am going off at a tangent in asking simply one thing in reference to this proposition, and that is efficient public regulation. Now, I feel we have gone as far with this bill as we could go in enticing capital to invest in this enterprise, and I do not believe we should surrender the natural resources of this country, boots and breeches, over to capital without having some strings to them, and one of the strings you can have is efficient public regulation.

In brief, Mr. Chairman, I believe this House could well profit by a study of the message of former Gov. Hughes, of New York, now Justice of the Supreme Court of the United States, who in his message of January 2, 1907, one of the first messages to the American people on the subject of the conservation of the public hydroelectric resources said:

> In this connection it is well to consider the great value of the undeveloped water powers thus placed under State control. They should be preserved and held for the benefit of all the people and should not be surrendered to private interests. It would be difficult to exaggerate the advantages which may ultimately accrue from these great resources of power if the common right is duly safeguarded.

And again:

> The entire question of the relation of the State to its waters demands more careful attention than it has hitherto received in order that there may be an adequate scheme of just regulation for the public benefit.

Mr. Chairman, I herewith respectfully commend these words of wisdom, emanating from the mind of one of the greatest of American publicists and jurists, to all those ambitious statesmen of this House who fear lest insufficient inducement to private interest may not have been granted in this bill, or who hold that the prime object and concern of Congress in water-power legislation should be to enact provisions that will be as attractive as possible to private capital. Mr. Chairman, our paramount duty as representatives of the people is to protect the public interest and to make certain that no grants of the public resources shall go from our hands without strict scrutiny and public regulation.

NECESSITY FOR WATER-POWER COMMISSION.

The undeveloped water powers of the United States are variously estimated at from 30,000,000 horsepower to 60,000,000 horsepower. The total horsepower used to-day in all kinds of manufacturing establishments is not to exceed 30,000,000, and only 7,000,000 horsepower of this amount is water power. Therefore, at the lowest estimate only about one-sixth of the water-power possibilities of the United States are being utilized in manufacturing industries and 25,000,000 water horsepower is permitted to go to waste every year. But this does not tell the whole story of the needless waste of energy that is going on in this country to-day, and will continue to go on until the Federal Government recognizes its obligations to its people to utilize at the earliest date possible this ever-renewing power of falling water so that the coal supply of the United States, which is now being exhausted at the rate of 500,000,000 tons per annum—never again to be returned—may be reserved for the future prosperity of the country. It is estimated that the supply of anthracite coal will, at the present rate of consumption, be exhausted within the next century and that the soft-coal supply will not last more than three or four centuries. Moreover, we must have cheap power if we expect to maintain our position as the leading commercial and industrial country in the world. The invention and use of labor-saving devices have revolutionized the field of commerce and industry. On every hand human power is being supplanted by artificially controlled and regulated natural power. Man's energies are occupied in the discovery of new ways and new means of reducing the forces of nature to a more complete submission to his will. His wonderful success along this line is attested by the recent discovery and development of electric transmission which makes it possible to use the power of falling water 200 miles from the waterfall. Thus 100,000 square miles of territory may be served by hydroelectric power developed from a single waterfall as readily as the old mill at the foot of the dam was supplied a decade ago.

Certain economic conditions peculiar to the United States make it doubly necessary that the power resources of the country be utilized to the highest point of efficiency. For example: For the past 50 years a steady stream of country people has poured into our cities until to-day at least 50 per cent of the population live in our cities and villages. The farm is neglected or abandoned, and from a nation of exporters of foodstuffs we are reduced to a condition where we do not raise sufficient to supply our own market. The price of the market basket is increasing. The refusal of city dwellers to return to the farm makes it necessary to find employment for them in the cities. The mill and the factory offer the only hope. It is here that the skill and genius of the American shows to the best advantage, and if his Government will give him proper consideration he can flood the markets of the world with our manufactured products. Not only can he do it, but he must do it in order to maintain his present standard of living. However, notwithstanding his great genius and energy, the American can not cope with the foreign manufacturer unless he is given a fair opportunity to utilize the power possibilities of our rivers, and thus placed on an equal footing with his foreign competitor, whose Government has placed at his command the water-power resources of the country. Hence the country that best utilizes its water-power resources in the interest of its people will lead the world in commerce and industry.

Donald Cameron Schaefer, a leading economist, has said "water power is the cheapest as well as the most permanent source of energy in the world." "The greatest economy in the world is the development of the great waterfalls of America and the turning of their wasted energies into electricity for heat, light, and power," said a distinguished German commissioner.

Since so large a percentage of the American people must live from manufactures, it is the imperative duty of the Government to develop the water-power resources of the country, so that its people engaged in commerce and industry may have cheap light, heat, and power—three of the principal factors upon which industry and commerce are founded.

The authors of the pending bill admit the necessity of Government control of the development of water power by private capital and present this measure as an embodiment of what that control should be. The Adamson bill proposes to turn over all the vast water-power interests of the Federal Government, including the regulation of hydroelectric groups, involving hundreds of millions of dollars of capital, together with the regulation of the use and sale of hydroelectric current by hundreds of subsidiary public-service corporations, to a department which has no equipment or experience in such regulation, and which was never designed to carry on work of this character.

Hydroelectric regulation deals with the forces of industry and commerce, and it is proposed under this bill to turn this regulation over to the War Department.

The Census Bureau, of the Department of Commerce, in its bulletin of March last, shows that in 1912 there were engaged in the hydroelectric industries of the United States 5,221 central electric lighting and power stations, with a total income of $302,115,599. There were 79,335 people engaged, and the expenses, including salaries and wages, amounted to $234,419,478. There were 435,437 motors of 4,130,619 horsepower capacity served, and the output of the 5,221 stations reached 11,502,963,006 kilowatt hours. What has this hydroelectric development to do with the War Department? It is apparent to anyone who will consider the proposition at all that the War Department has nothing to do with the development, transmission, use, and sale of electric energy, except that its Corps of Engineers may be of use in supervising the purely engineering job of dam construction across streams.

Aside from the engineering phase of construction, the entire subject matter with which this bill deals is within the jurisdiction of two departments, viz: First, Department of the Interior, which has charge of the public domain, the water resources, the Reclamation Service, and the topographic survey; second, the Department of Commerce, which includes the Bureau of Corporations, the Bureau of Foreign and Domestic Commerce, the Bureau of Standards, the Bureau of the Census, the Coast and Geodetic Survey, the Bureau of Fisheries, the Bureau of Lighthouses, the Steamboat-Inspection Service, and the Bureau of Navigation. Thus we see that every one of the nine bureaus and branches of the Department of Commerce has more or less direct relation to the industry, commerce, and navigation involved in the development of our waterways and water powers and that the three branches of the Department of the Interior deal directly with the subject matter in point, while only one branch of the War Department—that of Chief of Engineers—has anything to do with the subject.

The executive branch of the Government has 10 departments that assist the President in the performance of the duties of his office. Each of these departments has its own special field of operation and deals with a particular subject. For example, the Secretary of the Treasury has charge of the national finances; the Postmaster General is the head of the Postal Service; the Secretary of Commerce is charged with the work of promoting the commerce and industry of the United States; the Secretary of War has charge of all matters relating to national defense, which includes river and harbor improvements and the prevention of obstructions to navigation.

The War Department, through its improvement of rivers and harbors and its removal of obstructions to navigation, has brought to its aid a great corps of engineers that is the peer of any like body of men in the world. These engineers are needed when it comes to plans and specifications of construction and the survey and estimate of stream capacity.

The amended bill, which I propose as a substitute for House bill 16053, utilizes to the limit all the services of the Secretary of War and Chief of Engineers which are applicable to the subject, and makes the Secretary of War one of the three members of the governing commission of water-power administration. It then adds to the administration the Secretary of the Interior, with his jurisdiction over public domain, the water resources, the Reclamation Service, and topographic survey; and the Secretary of Commerce, with his nine bureaus of industry, commerce, and navigation, which will bring to the administration of our navigable waters and water powers that particular knowledge and direct relation to the business of the country which our waterways and water-power administration in the past has so sadly needed.

It is foreign to my purpose and desire to throw any blame or shortcoming upon the great corps of able engineers of our War Department. Their knowledge and great abilities will be needed when it comes to plans and specifications of construction and the supervision of the erection of dams, locks, etc. Therefore my bill retains their services in every particular where they are applicable to the subject matter of the bill; besides, it leaves in the War Department full and unhampered control over matters that appertain to navigation as such.

The object of this legislation is to develop and regulate an industry that if properly encouraged by the Government will soon be the greatest in the United States. But the development and regulation of an industry is no part of the education and training of a War Department engineer. Besides, this bill deals with commerce—local, interstate, and foreign—and commerce is a subject radically different from providing for the national defense—the primary duty with which the Secretary of War is charged.

The result is that, while our Army engineers have planned and constructed something like $500,000,000 worth of various kinds of works and improvements on the rivers of the United States, including $160,000,000 on the Mississippi River and its tributaries, they have produced very little commerce and developed very little industry. They are not to blame for that, because commerce and industry are not within the range of their professional knowledge, experience, and jurisdiction. What I desire to accomplish through the proposed amendment of the pending bill is to make our control of navigable waters count in the commercial and industrial development of the United States, by bringing into the administration thereof those official agencies and forces of our Federal Government which deal with industry, commerce, and the development of our public domain.

The day may come when we shall create and develop a separate and distinct executive department of waterways and water powers, fully equipped to cope with the administration of our waterways and the industries, commerce, and navigation arising from and dependent thereupon. But until such time we now have in hand fully organized for all immediate practical purposes three executive departments, excellently equipped by experience, as in the necessary official machinery, to handle all the phases of such regulation and development.

There is an advantage in having a commission of three, especially in view of the large powers and varied duties to be exercised, and the further fact that these powers and duties, embracing, as they do, both the granting of water-power permits and the regulation of service and rates under such grants, involves, as it were, both quasi judicial and semilegislative functions in addition to strictly executive administration for such powers. It has been the almost uniform practice of Congress and of the legislatures of the various States to create commissions and courts of three or more members. Thus, for the regulation of common carriers and the fixing of railway rates on interstate commerce, we have an Interstate Commerce Commission of five members, and upon the subject of approval of projects for waterway improvements we have a Board of Engineers for Rivers and Harbors, consisting of five members. Other commissions which exercise quasi judicial and semilegislative functions, subject to the authority conferred and limited by Congress, are the Isthmian Canal Commission, the International Waterways Commission, the Commission to the Philippine Islands, the Board of Indian Commissioners, and the International Joint High Commission.

When we take into consideration that the maximum potential development of hydroelectric power may reach 65,000,000 horsepower and that now only 7,000,000 of that amount has thus far been developed, there is little question that a commission of three is better qualified to pass upon the approval of permits than one man, and especially when the special field of that one man is war, and not commerce, industry, and internal development. The grant and approval of this vast aggregate of water-power permits is likely to result in much competition and contest of applicants, and involve a great variety of interest. To that end the hearings should be held and the proceedings should take on the form of a legislative inquiry, and thus avoid danger of public criticism as an arbitrary one-man rule. Then again, in the enforcement of regulation of service involving valuation of property as a basis of fixing rates and passing upon charges of extortionate and discriminatory rates, public hearings will be held, which will take on the form of judicial inquiry, where the commission of the three will be far preferable and receive greater popular credence for impartial decisions than a one-man court.

Even the War Department itself in such cases commissions a board—as witness the Board of Engineers on Rivers and Harbors, the Board of Ordnance and Fortifications, and the Board of Court-Martial.

But all consider the enormous volume of business involved in such regulation. To-day, with 7,000,000 hydroelectric horsepower developed, the income from 5,221 central electric light and power stations exceeds $300,000,000 per annum. Not all of this is developed on the navigable waters of the United States, but the lion's share of it is always bound to be on such streams, because it is the volume of water that supports commerce and navigation that perforce yields the greatest hydroelectric power for commerce and industry.

In five years hydroelectric development has increased from 5,500,000 horsepower to 7,000,000 horsepower, or about one-third. A bulletin issued in March last by the Census Bureau shows the following facts: The income increased from $85,000,000 in 1902 to $302,000,000 in 1912, a growth of 352 per cent in 10 years; the kilowatt capacity of dynamos increased from 1,212,235 in 1902 to 5,134,689 in 1912, a growth of 232 per cent in 10 years; the output of central light and power stations increased from 2,507,051,115 kilowatt-hours in 1902 to 11,502,963,006 kilowatt-hours in 1912, or 358 per cent in 10 years; the horsepower capacity of stationary motors served increased from 438,005 in 1902 to 4,103,619 in 1912, a percentage growth of 843 per cent.

The enormous rate of hydroelectric expansion which has marked the decade 1902–1912 is almost certain to continue into the future until the full water-power potential maximum of the United States is serving the ever-growing population and their domestic, industrial, and commercial needs. When we take into consideration the present enormous volume of this business as already developed by the great hydroelectric groups and the relationships listed in the report of the Commissioner of Corporations and stop to note that this is less than 10 per cent of the potential maximum of our navigable rivers, and further contemplate the swift progress of this hydroelectric development, how can anyone seriously hold, or even dream for political purposes, that the practical and sensible regulation of these industrial and commercial forces is within the power of the Secretary of War? That honorable and able official certainly has duties and responsibilities sufficient to engage his energies, without undertaking the regulation of an industry which already yields $300,000,000 to the country's corporate income. The regulation of Mexico would be a bagatelle in comparison.

When Canada, Germany, France, Norway, Sweden, Switzerland, Italy, Russia, Austria-Hungary, and even Africa and India are placing their water powers under the regulation of expert commissions versed in the development of industry and commerce, with special reference to hydroelectric operation and control, what a farce for the greatest industrial nation on the earth to consider the proposition in National Congress assembled of placing its vast water-power resources under the military rule of a staff of colonels.

The reason given for so doing by the gentleman from Georgia, the sponsor of this bill, is that we have done so in the past. But it is our past experience with water powers that we are now trying to get away from. In the past a handful of water-power interests, which the report of the Commissioner of Corporations shows to be in the nature of a great water-power trust, has grasped the great majority of commercially developed water powers of the United States. In the past one great corporation, the General Electric, as shown by former Commissioner Herbert Knox Smith, has secured 50 per cent of the commercial power in 18 States. In the past $500,000,000 has been spent on our navigable rivers without producing commerce. In the past we have given away for the asking a great national resource to companies which, without regulation, are levying upon the public extortionate lighting and power rates. Even the great Keokuk Dam on the Mississippi, with 200,000 horsepower, yielded to it by grace of Congress and the Father of Waters, we find in

the report on that subject before the committee of this House, is levying upon the people of the Mississippi Valley rates stated to be higher than even the former charges for power and light obtained from coal consumption and steam power.

It is the past we are trying to correct in the legislation before this House, and in correcting our past with respect to our water-power resources and the regulation of hydroelectric industry and commerce, let us lay the foundation and equip it with the machinery to do the business right.

The first Director of the Census of the United States was the President, George Washington, himself. Beginning thereafter with John Marshall, in 1800, the census was taken for the next 40 years by the Secretary of State. There was no Secretary of the Interior until 1849 and no Secretary of Agriculture until 1889. The Department of Commerce and Labor was first created in 1903 and the Department of Labor in 1913. In fact, in the past our Federal Government has tried a good many makeshifts in handling its business, and one of them was to attach the administration of our waterways and waterpowers as a sort of appendix to the War Department. I submit that it is time that not exactly an appendicitis operation be performed, but that these great resources of our Nation, among the most valuable permanent assets of the 100,000,000 people of our country, receive at the hands of Congress that enlightened, progressive, and business-like administration which their vast and vital importance to the development and prosperity of the Nation demand.

Too long have these great resources of the people been left to the tag-end of a military department. They are worthy of an administration of their own under the auspices of men especially trained in the development of commerce, industry, and navigation and the conservation of our public domain.

Such an efficient and adequate administration Congress may develop under the substitute bill which I propose, which provides that the Secretary of War, the Secretary of the Interior, and the Secretary of Commerce shall constitute the water-power commission of the United States. Under the provisions of this amendment we still retain the Secretary of War as a member of the administrative commission and the services of the Chief of Engineers on all engineering phases of water-power development and navigation. We have the Secretary of the Interior, who is chief director of the public domain and its conservation and development, and under him we have the Geological Survey and Reclamation Service, including the topographical branch, which is invaluable to any survey of levels showing the water-power capacity of a watershed. And we have the water-resource branch with its divisions of surface waters, underground waters, and water utilization, organized under the Chief Hydrographer; and likewise we have the General Land Office, which has jurisdiction over the public lands which so often constitute the source of the headwaters of our navigable rivers.

To these two departments now associated with water-power control under different acts of Congress, with more or less conflict of jurisdiction, as shown by the bills before this House, I propose to add the third, the Department of Commerce, which deals directly with the industries, commerce companies, and data concerned in the practical utilization of our water powers. Under the Department of Commerce we get the services of the Bureau of Corporations, which deals directly with the corporations which construct and operate the dams and develop, transmit, use, and sell the power generated on our navigable waters; we secure the services of the Bureau of Standards for the regulation of services by the establishment of scientific tests and standards of operation, production, and consumption; we enlist the statistical services of the Bureau of the Census and the practical commercial experience of the Bureau of Foreign and Domestic Commerce; we secure the engineering aid of the Coast and Goedetic Survey and the further practical cooperation of the Bureau of Navigation. The combined machinery, experience, and professional training of the three departments named under the administrative head of the three department Secretaries as a water-power commission form the basis for a comparatively ideal administration of the water-power resources of the country, as related to industry, commerce, and navigation.

The commission, thus fortified by the detailed examination and judgment of trained experts in every branch of the duties to be performed, with a strong and thoroughgoing water-power law, in which Congress sets forth their powers and duties, has the opportunity and equipment which this country heretofore has ever lacked to give the people an up-to-date progressive and efficient administration of water-power resources which will bring order out of chaos, establish industry where now there is wholesale waste, protect alike the consuming public and the legitimate producer of water power, develop commerce and navigation, and conserve the great natural water resources of the United States, and that on a true and eminently practical basis of successful and sound business, founded on just rates and adequate service to the consuming public which requires light, heat, and power.

ANALYSIS OF PROPOSED BILL.

The method of handling the water-power question by the Government has developed two kinds of water power—those on the public domain and those on navigable streams. The Secretary of the Interior has jurisdiction over those on the public domain and the Secretary of War jurisdiction over those on navigable streams, and then we have a conflict of jurisdiction between the Secretary of the Interior and the Secretary of War. For example, a municipality may go to the Secretary of the Interior under this overlapping system of control and secure a lease of a water power for public purposes; and a public-service corporation may go to the Secretary of War and secure approval of a water-power project to be used for commercial purposes.

Two measures are pending before this House. One, H. R. 16673, originated with the Committee on Public Lands and is introduced by its chairman, the gentleman from Oklahoma. The measure gives the Secretary of the Interior power to issue irrevocable leases and permits of water powers on the public domain. The other, H. R. 16053, originates with the Committee on Interstate and Foreign Commerce and was introduced by its chairman, the gentleman from Georgia. It retains the power to grant permits in Congress and gives the Secretary of War power to regulate hydroelectric projects. The amended bill, which I offer as a substitute for the bill under consideration, to wit, H. R. 16053, overcomes the danger of such conflict of jurisdiction by making both the Secretary of War and the Secretary of the Interior members of the water-power commission. This is all the more necessary since the Supreme Court has decided that the watershed of a river having both navigable and non-navigable portions, as all Federal streams have, should be considered a unit. Hence the recent construction of the law as to water power makes it imperative that Congress provide an executive control for these waterways that will be a unit.

The amended bill follows:

A bill (H. R. 17854) to amend an act entitled "An act to regulate the construction of dams across navigable waters," approved June 21, 1906, as amended by the act approved June 23, 1910, and to create a water-power commission for the regulation of such dams and the power and electric current generated thereby.

Be it enacted, etc., That the act entitled "An act to regulate the construction of dams across navigable waters," approved June 23, 1910, be, and the same is hereby, amended to read as follows:

"SECTION 1. That the Secretary of War, the Secretary of the Interior, and the Secretary of Commerce shall constitute the water-power commission of the United States and hereby are authorized and required to execute and enforce the provisions of this act. The commission is hereby authorized and empowered to supervise and regulate the development, generation, transmission, sale, and use of hydroelectric power developed under any grant or lease hitherto given by Congress, or any grant, lease, or permit issued under the provisions of this act, for the construction and use of dams across the navigable waters of the United States.

"SEC. 2. That the consent of Congress is hereby given to any State, municipal subdivision thereof, or to any industrial or public-service corporation as ociation, or agency organized under and subject to the laws of such State, after obtaining the permit of the commission as hereinafter provided, to construct, maintain, and operate a dam or dams and accessory works for water power or other purposes across or in any of the navigable waters of the United States; and such grantee and such permit shall at all times be subject to the provisions of this act, and also subject to such conditions as the commission under the provisions hereof shall make a part of such permit.

"SEC. 3. As between contesting applicants for a permit hereunder, the commission shall have due regard to the use and purpose for which such permit is required, priority of purpose and of benefits conferred by such permit and project to rank in the following order:

"First. Benefits to navigation and conservation of water resources.

"Second. Public uses of the State, the municipal subdivisions thereof, and public institutions.

"Third. Industrial use for agricultural, mining, and manufacturing industries.

"Fourth. Commercial power for sale, barter, and exchange, and for use by public-service corporations.

"SEC. 4. That the navigable waters of the United States subject to the provisions of this act are declared to be, and are, the streams, lakes, harbors, and connecting waterways which Congress heretofore has declared or may hereafter declare to be navigable waters or possess navigable capacity.

"SEC. 5. That the commission is hereby authorized and empowered, under such terms, conditions, and general regulations as it may prescribe, consistent with the provisions of this act, to grant a permit to any State, municipal subdivision thereof, or persons organized under the laws thereof, as provided in section 2 hereof, for a period of not longer than 50 years, to construct, maintain, and operate dams, water conduits, reservoirs, power houses, transmission lines, and other works necessary and convenient to the development, generation, transmission, and utilization of hydroelectric power, which leases shall be irrevocable except as herein provided, but which may be declared null and void upon breach of any of their terms.

"SEC. 6. That when such permit granted by the commission to such grantee to construct and maintain a dam for water power or other purpose across or in any of the navigable waters of the United States, such dam shall not be built or commenced until the plans and specifications for such dam and all accessory works, together with such draw-

ings of the proposed construction and such map of the proposed location as may be required for a full understanding of the subject, have been submitted to the Secretary of War and the Chief of Engineers for their approval, nor until they shall have approved such plans and specifications and the location of such dam and accessory works; and after such approval it shall not be lawful to deviate from such plans or specifications either before or after completion of the structure unless the modification of such plans or specifications has previously been submitted to and received the approval of the Chief of Engineers and of the Secretary of War.

"SEC. 7. That as a part of such permit such conditions and stipulations may be imposed as the commission may deem necessary to protect the present and future interests of the United States, which may include the condition that the persons constructing or mainaining such dam shall construct, maintain, and operate in connection therewith, without expense to the United States, a lock or locks, booms, sluices, or any other structure or structures which the Chief of Engineers or the commission then may deem necessary in the interests of navigation, in accordance with plans made a part of such approval; and also that in case such facilities of navigation shall not be made a part of such original approval and construction, whenever the commission shall deem such facilities necessary, the persons owning such dam shall convey to the United States, free of cost, title to such land as may be required for such constructions and approaches, and shall grant to the United States free water power or power generated from water power for building and operating such constructions, and in such original approval, at the discretion of the commission, may be required to maintain and operate such lock without expense to the United States.

"SEC. 8. That as a part of said permit the commission shall require that the plans, specifications, and location for any dam shall be such as shall be best adapted to a comprehensive plan for the improvement of the waterway in question for the uses of navigation and for the full development of its water power and for other beneficial public purposes, and best adapted to conserve and utilize, in the interests of navigation and water-power development, the water resources of the region.

"SEC. 9. That as a part of the conditions and stipulations such permit shall provide—

"(a) For reimbursement to the United States of all expenses incurred by the United States with reference to the project, including the cost of any investigation necessary for the approval of the plans as heretofore provided, and for such supervision of construction as may be necessary in the interest of the United States.

"(b) For the payment to the United States of reasonable charges for the benefits which may accrue to such project through the construction, operation, and maintenance by the United States of headwater improvements, including storage reservoirs, on any such stream, such charges to be fixed from time to time by the commission and to be based upon a reasonable compensation equitably apportioned among the grantee and others similarly situated upon the same stream receiving benefits by reason of increase of flow past their water-power structures artificially caused by such headwater improvements, the total charges to all such beneficiaries from any such headwater improvement not to exceed in any one year an amount equal to 5 per cent of the total investment cost, in addition to the necessary annual expense of the operation of such headwater improvement.

"(c) That in the construction, maintenance, and operation of such dam and accessory works there may be occupied and used such lands of the United States as may be necessary therefor, and in consideration thereof the owner of such dam shall pay to the United States such charges, not to exceed an annual payment of 5 per cent of the fair value of such lands, as may be fixed by the commission, and in fixing such charges consideration shall be taken of the benefits accruing thereby to the interests of navigation as well as to the business of such grantee.

"(d) For the payment or securing the payment to the United States of such sums and in such manner as the commission may deem reasonable and just substantially to restore conditions upon such stream as to navigability as existing at the time of such approval, whenever the commission shall determine that navigation would be injured by reason of the construction, maintenance, and operation of such dam and its accessory works.

"SEC. 10. That the operation of navigation facilities which shall be constructed as a part of or in connection with any such dam, whether at the expense of such grantee or of the United States, shall at all times be subject to such reasonable rules and regulations in the interest of navigation, including the control of the level of the pool caused by any such dam, as shall be made by the Secretary of War and Chief of Engineers, and in the use and operation of such navigation facilities the interests of navigation shall be paramount to the uses of such dam by such grantee for power purposes. Such rules and regulations may include the maintenance and operation by such grantee, at its own expense, of such lights and other signals as may be directed by the Secretary of War and Chief of Engineers and such fishways as shall be prescribed by the Secretary of Commerce, and for failure to comply with any such rule or regulation such grantee shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be subject to a fine of not less than $500 for each month's default, in addition to other penalties herein prescribed or provided by law.

"SEC. 11. That the persons constructing, maintaining, or operating any dam or appurtenant or accessory works, in accordance with the provisions of this act, shall be liable for any damage that may be inflicted thereby upon private property, either by overflow or otherwise.

"SEC. 12. That any grantee who shall fail or refuse to comply with the lawful order of the commission, made in accordance with the provisions of this act, shall be deemed guilty of a misdeameanor, and on conviction thereof shall be punished by a fine not exceeding $1,000, and every month such grantee shall remain in default shall be deemed a new offense and subject such grantee to additional penalties therefor; and in addition to said penalties the Attorney General may, on request of the commission, institute proper proceedings in the district court of the United States in the district in which such structure or any of its accessory works may, in whole or in part, exist, for the purpose of having such violation stopped by injunction, mandamus, or other process; and any such district court shall have jurisdiction over all such proceedings and shall have the power to make and enforce all writs, orders, and decrees necessary to compel the compliance with the requirements of this act and the lawful orders of the commission and the performance of any condition or stipulation imposed under the provisions of this act; and if the unlawful maintenance and operation are shown to be such as shall require a revocation of all rights and privileges held under authority of this act, the court may decree such revocation. In case of such a decree, the court may wind up the business of such grantee conducted under the rights in question, and may decree the sale of the dam and all appurtenant property constructed or acquired under authority of this act, and may declare such dam and accessory works to be an unreasonable obstruction to navigation and cause their removal at the expense of the grantee owning or controlling the same, except when the United States has been previously reimbursed for such removal, or may provide for the sale of the dam and all accessory and appurtenant works constructed under authority of this act for the further development of water power, and may make and enforce such other and further orders and decrees as equity demands; and in case of such a sale for the further development of water power the vendee shall take the rights and privileges and shall perform the duties which belonged to the previous grantee, and shall assume such outstanding obligations and liabilities arising out of the maintenance and operation of said dam and accessory works for power purposes as the court may deem equitable in the premises.

"SEC. 13. That no property or project installed and operated under the provisions or benefits of this act shall be assigned or transferred except upon the written consent and under conditions specified by the commission, except by trust deed or mortgage issued for the purpose of financing the business of such owner, and any successor or assign of such property or project, whether by voluntary transfer, judicial sale, or foreclosure sale or otherwise, shall be subject to all the conditions of the approval under which such rights are held, and also subject to all the provisions and conditions of this act to the same extent as though such successor or assign were the original owner hereunder.

"SEC. 14. That the rights herein granted shall continue for a period of not longer than 50 years from and after the date of the completion of the structure described in the original approval, and after the expiration of said period such rights shall continue until compensation has been made to said grantee for the fair value of its property, as hereinafter provided.

"SEC. 15. That at any time after the expiration of said period the commission may terminate the rights hereby granted upon giving to the owners thereof one year's notice in writing of such termination, and upon the taking over by the United States, or by any person authorized by the commission, of all of the property dependent in whole or in part for its usefulness upon the rights hereby granted, which shall include all necessary and appurtenant property created or acquired and valuable or serviceable in the distribution of water, or in the generation, transmission, and distribution of power, and all other property the value and usefulness of which would be destroyed or seriously impaired by such termination, and upon paying the fair value of said property together with the cost to the grantee of the lock or locks or other aids to navigation and all other capital expenditures required by the United States and assuming all contracts entered into prior to the receipt by it of said notice of termination which have the approval of the duly constituted public authority having jurisdiction thereof, or which were entered into in good faith and at a reasonable rate, in view of all the circumstances existing at the time such contracts were made. The fair value of said property and the reasonableness and good faith of such contracts shall be determined by agreement between the commission and the owners of such property, and in the event of their failure to agree, then by proceedings instituted by the United States, or by any person authorized by Congress, in the district court of the United States within which any portion of such dam may be located. In the determination of the value of said property upon the termination of said grant as above provided no value shall be claimed by or allowed for the consent hereby granted, nor for good will, profit in pending contracts, nor other conditions of current or prospective business, and it is further provided that lands, rights of way, and interests therein, shall be valued on the basis of actual cost.

"SEC. 16. That all charges, rates, and service by any grantee or lessee hereunder, or connecting company engaged in the transmission and sale of power and electric current generated by any project subject to the provisions of this act, shall be reasonable, adequate, without discrimination, and subject to the regulations of the commission. To enforce such just and reasonable and nondiscriminatory charges and secure adequate and efficient service to consumers, the commission is hereby authorized and empowered to prescribe and examine reports and systems of account, books, and other records, establish standards and make tests of service, control the issuance of stocks and bonds by corporations engaged in the generation, transmission, or sale of such hydroelectric product, and require them to submit statements of all costs of property, production, distribution, sale, and use of product, subject to such grant or lease and connected with such project, furnishing such information upon oath or by witness or in such form and upon such blanks as the commission may order and require; and on complaint of any State, municipality, or consumers affected thereby, and full hearing thereon, the commission is empowered to determine and prescribe the maximum rates to be charged, based on fair and reasonable returns on the valuation of the property and cost of operation, and ascertain and order the requirements of service to be rendered; and in case of any violation of such orders of the commission, or the refusal of such grantee or lessee to give the commission and its agents full access to its property and records, the provisions of this act relative to forfeiture and failure to comply shall apply. It is herewith provided, however:

"(a) That when a State in which such water power and electric current is used shall notify the commission of the passage of laws and the perfecting of administration to effectively provide for such regulation of rates, charges, and service within such State and its municipal subdivisions, the regulations of the commission shall not apply to local and intrastate business therein.

"(b) That when the power generated by such project enters both interstate and intrastate commerce, the commission is hereby authorized to join with any State in which such power is used in effecting such joint and interlocking system of Federal and State regulation as in its judgment shall most effectively promote the general public interest and carry out the purposes of this act.

"(c) That in such valuation for rate-making purposes of the property operated under such grant there may be considered by the commission any lock or other aid to navigation, including all capital expenditures required of the grantee by the United States, but no value shall be allowed for the good will or franchise value of the lease or permit hereby or heretofore granted.

"SEC. 17. That the grantee shall commence the construction of the dam and accessory works within one year from the date of the approval herein provided, and shall thereafter, in good faith and with due diligence, prosecute such construction, and shall, within the further term of three years, complete and put in commercial operation such part of the ultimate development as the commission shall deem necessary to supply the reasonable needs of the then available market, and shall, from time to time thereafter, construct such portion of the balance of such ultimate development as said commission may direct and within the time specified by said commission so as to supply adequately the reasonable market demands until such ultimate development shall be completed; and extensions of the periods herein specified,

not to exceed two years, may be granted by the commission, on recommendation of the Chief of Engineers, when, in his judgment, the public interest will be promoted thereby. In case the grantee shall not commence actual construction within the time herein prescribed, or as extended by the commission, then the authority as to such grantee shall terminate, and in case any dam and accessory works be not completed within the time herein specified or extended as herein provided, then the Attorney General, upon the request of the commission, shall institute proper proceedings in the proper district court of the United States for the revocation of said authority, the sale of the works constructed, and such other equitable relief as the case may demand, as provided for in section 13 of this act.

"SEC. 18. That the commission may lease to any applicant embraced in section 2 hereof, who has complied with the laws of the State in which the dam is constructed or to be constructed by the United States, the right to develop power from the surplus water over and above that required for navigation at any navigation dam now or hereafter constructed, either with or without contribution by the applicant, and owned by the United States, and on such terms as may be deemed by the commission for the best interests of the United States, and in awarding such lease preference shall be given to the applicant whose plans are deemed by the commission best adapted to conserve the public interest as provided in section 3 hereof, and all such leases and the parties thereto and the terms and conditions thereof shall be subject to the control and regulations of the commission under the general provisions of this act.

"SEC. 19. That no works constructed, maintained, and operated under the provisions of this act shall be owned, trusteed, or controlled by any device or in any manner so that they may form a part of, or in any manner effect, a combination in the form of an unlawful trust or form the subject of an unlawful contract or conspiracy to limit the output of electric energy or in restraint of the generation, sale, or distribution of electric energy, or the exercises of any other business contemplated: *Provided, however,* That it shall be lawful under the approval and regulations of the commission for different grantees to exchange and interchange currents to enable any grantee to secure assistance to carry on the business and supply his customers, accounting therefor and paying therefor under regulations to be prescribed by the commission.

"In no case shall such an arrangement be permitted to raise the price, render unjust or unfair any practice, work, or discrimination, or operate in restraint of trade.

"SEC. 20. That the word 'persons' as used in this act shall be construed to import both the singular and the plural, as the case demands, and shall include corporations, companies, and associations, or other grantees. The word 'dam' as used in this act shall be construed to import both the singular and plural, as the case demands.

"SEC. 21. That all the provisions of this act for regulating the construction and use of dams and the transmission, sale, and use of power developed thereby shall apply alike to all existing enterprises in operation or authorized, as well as to new projects to which the consent of the commission may hereafter be granted. It is likewise provided that holders of previous authorizations are entitled to receive on application to the commission new permits subject to the provisions of this act and subject further to such terms and conditions as the commission shall deem just and reasonable in the premises and for the best protection of the public interests.

"SEC. 22. For carrying out the provisions of this act the commission shall have authority to appoint a secretary and employ such experts, assistants, and other employees as it may find necessary to the proper performance of its duties, and provide for the compensation and expenses of the same and the necessary office supplies from such sum as shall be provided by law."

Before taking up an analysis of my bill I wish to say that in drafting H. R. 17854 I have profited by a number of provisions that seemed wise, wholesome, practical, and for the safeguarding of the public interests which I note in the public-domain bill. Likewise, in drafting the section which provides for the regulation of hydroelectric service and also in the section which covered the powers and duties of the water-power commission, I have followed, in the main, similar provisions found in the interstate-commerce act. Moreover, I have profited by the Canadian, German, French, and Swiss water-power acts, especially the new acts of 1909 and later, and also from the official suggestions of Government experts connected with the Departments of War, Interior, and Commerce and with the Interstate Commerce Commission.

To summarize:

Section 1 creates a water-power commission of the United States, consisting of the Secretary of War, the Secretary of the Interior, and the Secretary of Commerce, to enforce the act and regulate hydroelectric development, generation, transmission, sale, and use by and from dams across navigable waters.

Section 2 specifies and restricts the class of grantees to which permits may issue, protecting against indiscriminate grants to irresponsible parties and limiting such permits to States, municipalities, or an industry or public-service corporation, association, or agency organized under and subject to the laws of such State where the project is located.

Section 3 provides for the contingency of contesting applications for grants of and determines the issue on the basis of priority of purpose and public benefit from the use. The section follows the Adamson bill in naming as the first ground, or priority of benefits, navigation and protection of water resources, because the power of Congress in the premises is derived from its control of navigation. This section also follows the Ferris bill in naming the public use as the next in priority. Direct industrial use by agricultural, mining, and manufacturing industries follows next in order, because these industries should not be compelled to go to the middleman in the shape of a public-service corporation in order to develop industry from public power. Commercial power for sale, barter, and exchange, and for use by public-service corporations is next in order and ranks fourth and last. While this last class of applications will be the most numerous and have the largest capital backing, their demands should be held subordinate to navigation, State and municipal public use, and industries; otherwise the enactment of the bill into law would lead to the ultimate and irrevocable establishment of the very danger that we are trying by this legislation to prevent and combat, namely, the monopolization of our hydroelectric resources by large commercial forces, thereby compelling the people of the United States who own the streams and water powers to submit to the excessive charges of middlemen in order to get access to and benefit from their own public resources in the earth and its waters. All the new water-power acts of progressive countries and States in America and Europe provide public safeguards against such danger of monopoly, and we of all countries must guard against such commercial aggrandizement.

Section 4 defines navigable waters over which the commission has jurisdiction as those which Congress has declared and may declare navigable. This settles the controversy raised between the Committee on the Public Lands and the Interstate Commerce Committee in the debate on the Adamson bill the other day and in connection with the Supreme Court decisions referred to, to determine the boundary of the water-power commission's jurisdiction as nearly as it is practicably possible.

Section 5 marks a new departure in regard to the issue of water-power permits on navigable streams. It places them on the same basis as water-power permits on the public domain, so far as being issued by the administrative interest of the legislative branch of the Government. Besides, whereas public-domain permits on navigable streams under this bill are issued by the Secretary of the Interior, water-power permits on navigable streams under this bill are issued by the commission. We know from experience that a special act of Congress is a failure. Special legislation on such subjects has never worked satisfactorily either in State or Nation. In my own State the people amended the constitution several years ago so as to prohibit special legislation. It is impossible for a large legislative body made up of members from every section of the Union to possess accurate knowledge sufficient to intelligently pass upon each application. Besides, the custom of congressional courtesy has arisen in such matters, and Members having special bills accepting the statements of another Member with a like bill, which gives rise to a condition of logrolling, which is demoralizing to anything like a businesslike and scientific administration of the public business and the conservation of the natural resources. In this grant of permit-issuing power to the water-power commission I have followed the main provision of the Ferris bill and the Department of the Interior act in its grant of power to issue leases to the Secretary of the Interior. This act has been tried and thoroughly tested and proven to be a wise measure both for conservation and development. As stated in the debate by the gentleman from Oklahoma, the act administered by the Secretary of the Interior has developed more water power than all the congressional acts the War Department has granted for several years. The addition of the Secretary of War and the Secretary of Commerce should strengthen the measure, as it will bring into the discussion of such grants the two departments directly concerned with navigable waters and commerce, and therefore cover the whole subject.

The above five sections constitute the most distinctive sections of the substitute bill. In brief, they create a water-power commission, specify and restrict the class of grants, define the extent of the commission's jurisdiction over navigable streams, set up a basis for priority of purpose, public use and benefit to govern the issuing of permits, clothes the commission with power to issue permits and regulate the projects built and operating, and surround both the commission and the grantees with legal restrictions to issue on the one hand, the grantee in the possession of an irrevocable lease of not longer than 50 years, so long as he abides by the lawful conditions thereof; and on the other hand, the public with the development of its water powers under proper legal safeguards.

The above five sections added to the present law, approved June 25, 1910, may indeed constitute a well-developed basis for water-power administration and development.

But I am not unmindful of the able and efficient work of the Interstate and Foreign Commerce Committee of this House in taking testimony from water-power expert authorities and drafting a bill to meet the wishes of business men that have been successful in promoting, financing, organizing, and operating hydroelectric enterprises; and I appreciate the force of the practical view of the chairman of that committee, the gentleman

from Georgia, when in his speech on June 30, explaining House bill 16053 to this House, he said:

The committee bill, it is believed, will invite and attract capital to construct dams in the navigable streams of the country and improve the navigation of these streams and develop water power at the same time. At this time there is not a single dam under construction in navigable waters by private capital. If the House will pass the bill just as the committee has reported it, within a year's time it is believed that the construction of dams in the navigable rivers of the country by private capital will begin and continue. It is true that there is no market for the power that will be developed at many of these dams, but markets will be created at or near the dam sites for manufacturing air fertilizers and other electric-furnace products. If the bill is passed, hydroelectric developments that have been going to Canada and Europe and are now going to these countries will stop and the developments will, as they should, be maintained for the navigable streams of our own country.

The distinguished chairman of the Interstate and Foreign Commerce Committee reenforced this statement with the testimony of such leading hydroelectric managers and promoters as J. W. Worthington, of Alabama, Hugh L. Cooper, the owner and builder of the Keokuk Dam, and such other financial and hydroelectric authorities as Harris & Son, Forbes & Co., Hodenpyl, Hardy & Co., E. H. Rollins & Sons, Lee, Higginson & Co., and Esterbrook & Co., the testimony of all of whom is published in the hearings had before the gentleman's committee and supported the general tenor of the recommendation of that committee.

I appreciate the force of the testimony of Mr. Cooper, who gave the committee a list of 56 American and European banking houses that refused to finance the Keokuk project under existing grants and conditions. Likewise, I took note of the testimony of Mr. Worthington, to the effect that 19 hydroelectric companies, controlling 506,500 horsepower of water projects, have been through receiverships or proved bad investments. I note the point made by the gentleman from Georgia, that the ultimate development in the State of Georgia will be 250,000 horsepower, that on the Chattahoochee the development will reach 300,000 horsepower, and that on the Coosa River there is a possible development of 300,000 horsepower. I also appreciate the force of the gentleman's statement that—

Twenty-three authorizations out of 25 have not moved a peg under the 1906 act, and that although in the past we have granted 95 authorizations to build dams for the improvement of navigation through the temptation and incentive of private gain to the investor we have only succeeded in seeing about 13 constructed and put in operation.

In short, Mr. Speaker, as stated by the chairman of the committee, "capital is a very old bird" and has been hard to bait into the trap, but the committee announces that it has found "bait" that will lead the quarry into the trap. They have made the proposition sufficiently attractive to capital, and they have the testimony of capital to sustain that.

"So we introduced this bill," says the chairman, the gentleman from Georgia, "and reported it, and I believe it will be a great blessing to the country if passed." Among these blessings the gentleman unfolds to the people on the Coosa and Chattahoochee how private capital thus attracted will "open up all this navigation and at the same time furnish the people light and the cleanest, best, and cheapest fuel, electric force enough to manufacture not only fertilizer but every other conceivable thing that the genius of the country could think of, and make a network of trolley lines all over the fair country."

So, gentlemen of the House, after providing in the above five sections for an efficient administrative commission to execute the provisions of this act and define their duties and jurisdiction and surround the same with proper safeguards, I propose to embody in my amended bill substantially all the entire body of the bill drafted and reported by the Committee on Interstate and Foreign Commerce, in order that the provisions on which the committee relies for promoting such an era of hydroelectric development and prosperity as that pictured by its chairman may have full and untrammeled power to see the light of day. The committee bill, whether intended so or not, is nothing more or less than a make-believe attempt to get away from the old doctrine that was so universally accepted in the past—that restriction imposed upon the right to make assault upon nature's storehouses was a restriction and an abridgment of human liberty, and therefore hostile to the principle of free government. The committee bill is ingenious in this respect. It purports to supervise the development and use of hydroelectric power, one of the greatest natural resources known to man, whereas in truth and in fact it only permits private capital to make assault under the guise of Government regulation upon this boundless and inexhaustible source of the Nation's wealth.

I am anxious to see this storehouse unlocked to the activities of the great captains of industry, but under such terms and conditions as will redound to the benefit of the public and not to enrich a few hydroelectric groups that have already fastened their tentacles upon this industry.

To resume analysis of the amended bill:

We are reminded by the gentleman from Oklahoma, chairman of the public-domain committee, that House bill 16053 apparently divests the Secretary of the Interior of jurisdiction over water power on public lands and has a few other dangerous points in matters of detail, which should be amended before the bill can pass the House. Therefore, in my substitute amendment, I have attempted to meet such contingencies while following the general provisions of House bill 16053.

Section 6, after the opening words, which refer to the permit as issuing by the commission, instead of being granted by Congress, is a recapitulation of section 1 of House bill 16053, in which approval of plans and specifications is left wholly, as in the original bill and present law, in the hands of the Secretary of War and Chief of Engineers.

Section 7, which governs the construction of locks, booms, sluices, and other works required of the grantee for the protection of navigation, is the same as in section 2 of House bill 16053, except the regulation is in the hands of the commission and Chief of Engineers instead of in the hands of the latter and the Secretary of War.

Section 8, which provides that the project shall adapt itself to a comprehensive policy of water improvement, is the same as section 3 of the pending bill, except that the commission controls instead of the Secretary of War and the Chief of Engineers.

Section 9, with its four subdivisions, specifying the conditions of construction, maintenance, and operation of dams, is taken over bodily.

Section 10 leaves the operation of navigation facilities in connection with the dam, including the level of the pool, lights, and signals, under the supervision of the War Department, as in the original bill.

Section 11, which provides that the grantee is liable to damages, is the same as under the existing bill.

Section 12, the penalty and forfeiture clause, which provides for legal process by injunction, mandamus, and fine, and conditions of property for violation of the act, is unchanged.

Section 13, governing the transfer and assignment of property, is unchanged, except the written consent of the commission is substituted for that of the Secretary of War.

Section 14 of the amended bill differs from section 9 of the original in that the period of the grant, instead of being a uniform and strict 50-year grant in all cases, is arranged to read "a period of not longer than 50 years." This gives the commission latitude to adjust the term of the grant to suit the condition. While a public-service corporation might want a flat 50-year grant, a State institution or municipality might want a shorter term, as, indeed, a mine or mill might contemplate a use for materially less than a 50-year period. Then, again, in renewing a partially expired permit under the provisions of this act it might be against public policy to give a company whose term had only five years to run the same 50-year period in a new permit that another received who was entitled to several times five years under its original grant. Furthermore, as this bill aims to effect cooperation of Federal and State regulation in the case of projects which are both interstate and local in the extent of the commission to effect such desired result, it should have the latitude to adjust its arrangements to harmonize with the State law. A State water-power grant varies from 20 to 40 years. In a number of new State water-power acts, however, whatever term is secured by the grantee, whether 50 years or less, he knows the term before he undertakes the project. The term is irrevocable thereafter, except his own violation of the law or terms of the permit, so that capital is on just as secure a basis as under the original bill. Experts who lay stress on this 50-year term of the grant are careful not to allude to European provisions on the subject, where successful hydroelectric projects are being financed at this time on a 30-year grant in some cases and for periods varying from 25 to 50 years, according to conditions. Experience shows that where a company gives the public satisfactory service and reasonable rates and attempts no extortion or evasion of the law there is little disposition to refuse a renewal of its permit at the expiration of the original term. An unduly long term, on the other hand, is a premium on high rates, indifferent service, and autocratic treatment of the public and its lawful authorities.

Section 15 provides, in the main, the text of section 10 in the original bill. It deals with the expiration of the term of the grant and the process to be followed in case the Government takes over the property. The principal difference is, first, that the amended draft substitutes the commission for the Secretary of War in making the adjustment; and, second, that in the event of the purchase of the property by the Government that the public settles for the land and the right of way on the basis of the original cost, instead of on the basis of released valuation after population of the surrounding country has added a large unearned increment to land values. In this the amended bill

follows the public-domain bill, reported by the Committee on the Public Lands.

Section 16, which covers the vital and far-reaching subject of regulation of rates, charges, and service of companies engaged in hydroelectric development, transmission, sale, and use, is a complete redraft of section 11 of the original bill, besides being far more complete and detailed in its provisions, attempts to take that section out of its present condition of uncertainty and mystery. In shaping the revised section the interstate-commerce act for the regulation of common carriers is followed in main outline. The water-power commission is given regulation of hydroelectric service and rates on practically the same basis as the Interstate Commerce Commission over railways, telephones, telegraphs, and express companies' rates and service. The bill, however, while denoting the general terms of control, including authority to prescribe accounts, reports, maximum rates, and service standards, with full access to property and records to ascertain cost units and otherwise, does not attempt the minutia of detail contained in the interstate-commerce act, which does not appear necessary, but the main skeleton of procedure is clearly denoted in such manner as to give the commission full authority to make regulation effective in the public interest. Regulation embraces not only new projects but all existing projects, so that under the bureaus and departments of the Secretary of War, the Secretary of the Interior, and the Secretary of Commerce it is possible for the Federal Government to enforce upon the hydroelectric service of the country that salutary and systematic supervision that the country has secured over railroad rates and service.

The cooperation of the State is fully recognized in cases of local and intrastate electric service, and where the electric current from the water-power projects, as in a number of cases, is both intrastate and interstate commerce the commission is authorized to arrange with the State or States affected a joint and interlocking Federal and State system of regulation. Thus, instead of conflict between Federal and State jurisdiction, with resulting "twilight zones" of no control or popular prejudice against Federal control, there will be a spirit of cooperation and mutual helpfulness in which the Federal Government comes to the aid of the people of the State, where otherwise they would be powerless to remedy the situation and cope with the interstate-commerce interests. Provision is made for complaint by the State, its municipalities, and consumers. Public hearings are held and violations are covered by the general penalty and forfeiture provisions of the act. However, in fixing the property valuation of the grantee as a basis for rate making, no good will or franchise value of lease or permit is allowed.

Section 17 governs the progress of the construction of the works in accordance with the original bill.

Section 18 governs the lease of dams built by the Government, according to the provisions of the original, except that in cases of contesting applications for the lease the priority rule laid down in section 3 of the amended bill applies, namely, navigation, public use, and industrial use take precedence over power for commercial sale.

Section 19, the antitrust section, is similar in general outline to the original bill except in two vital particulars: Exchange of current between two different grantees is allowed, subject not only to approval but to regulations laid down by the water-power commission; and, second, the obscure and miscellaneous to grantees to assist one another whenever necessary as given in section 15 of the original bill is omitted. This avoids the danger of giving the hydroelectric group, as the General Electric aggregation, general immunity from the antitrust laws.

Section 20 covers the ground of section 16 of the original act, with an immaterial addition which better fits the amended form. Sections 13 and 17 of the original bill are omitted and a substitute is offered for the latter. Section 13 of the original bill in its latest form contains what appears to be a woodchuck. On the face of it the section reserves the right of Congress to amend or repeal the act, but the ulterior meaning is doubtless the opposite and the force of it may be to give the grantees a contract which stops Congress from the exercise of its constitutional power to amend its own acts of regulation. The section begins as follows:

SEC. 13. That the right to alter, amend, or repeal this act is hereby expressly reserved as to any and all dams which may be authorized in accordance with the provisions of this act *wherever Congress determines that the provisions of this act have been violated.*

Evidently the legal construction to be placed on this section, in the light of the clause italicized is that unless Congress determines that the terms of the grant have been violated—and the grantee can well afford to avoid that contingency—Congress can not exercise its right to alter, amend, or repeal this act of public regulation without liability being incurred by the Government for violation of vested rights. No stipulation of this kind should go into a general regulation act.

Section 21 is a complete revision of section 17 and avoids two dangers: First, a wholesale repeal of all acts of Congress embracing former authorizations and grants; and, second, a wholesale reissue of new 50-year grants. Regulation of construction, transmission, sale, and use of hydroelectric plants and products is applied to all projects present and future; but instead of wholesale repeal of existing grants and reissue thereof for 50-year terms, holders of previous authorizations are given the opportunity to recharter under the new act under conditions which the commission may deem just in the premises.

If the old grant is near expiration, the commission will have a chance to issue a new short-term permit that would be fair to the company and to the public, and if the grantee has scarcely started on the term of the old grant, he may receive a new long-term grant that will be just under the conditions. If the outstanding contracts and obligations of the company are such that the repeal of its old charter would be unwise, it may still operate under the regulations of the commission as to accounts, reports, rates, and standards of service while retaining its old charter. In short, the redraft of section 17 in section 21 hereof gives the water-power commission complete and elastic administrative authority to adjust each situation on a basis that is at once practical from the viewpoint of business, and at the same time fully protects the interests of the Government and the general public.

The final section, 22, authorizes the commission to appoint a secretary and other needed help, subject to such appropriations as may be provided by law.

The amended bill, as a whole, combines, I believe, the best provisions of the pending bill, while at the same time utilizing the best suggestions contained in the Public Lands Committee bill. It therefore combines the best ideas of the Secretary of the Interior and his experts with those of the Secretary of War and his advisers. It then proceeds to join the forces of the two administrative departments for carrying out the provisions of the bill, and adds the Department of Commerce, with all its valuable machinery, to complete the program. The bill also provides for the best that France, Germany, Switzerland, and Canada, where water-power administration has proven to be a practical success, has to offer, together with much that experts have laid before the two committees of this House on the subject of water-power development and regulation.

Incidentally, moreover, the amended bill provides for a peaceful settlement of the differences between the committee and Members who stand for water-power control by the Secretary of War and those who stand for water-power control by the Secretary of the Interior. Mediation is provided by a joint commission of three. As stated before, the Supreme Court of the United States apparently requires some such joint control in order to bring about effective control by Congress over the water-power situation. In the Rio Grande case the court stopped the construction of a dam on the nonnavigable portion of the Rio Grande in New Mexico because it affected navigation on the navigable portion of the river on the international boundary. In this and the Chandler-Dunbar case, affecting the St. Marys River, the court took the advanced position that control of Congress reached the entire stream and watershed to its ultimate source and should be considered as a unit. This merges the jurisdiction of the Secretary of the Interior over waterways and public lands into the same control as that of the Secretary of War over navigable waters, and I submit the proposition to this House that this means, both in law and logic, that if Congress desires adequate and effective administration over its vast water-power resources, it must effect a joint executive administration thereof instead of a divided, conflicting, and ineffective attempt at administration. Merging the Departments of War and Interior with that of Commerce is logical for the full control of industries, commerce, and navigation involved. I submit it is the businesslike solution of our great navigation and water-power problem.

DIVIDED CONTROL OF HEADWATERS.

Mr. Chairman, the very text of the pending bill forces upon this House the necessity of broadening the administration of our waterways and water powers. The Interstate Commerce Committee of this body have drafted into section 4 of House bill 16053 four subsections as a part of the conditions and stipulations which shall go into every water-power grant of Congress, whether they be previous authorizations of the United States or those to be made in the years to come.

One of those conditions and stipulations is subsection (b), which provides for the payment to the United States of charges

for "the benefits which may accrue to such project through the construction, operation, and maintenance by the United States of headwater improvements, including storage reservoirs." It relates to "benefits by reason of increased flow past their water-power structures artificially caused by such headwater improvement," which are to be charged against the several grantees which receive increased power thereby, "such charges to be fixed from time to time by the Secretary of War and Chief of Engineers."

Subsection (c) of this section provides the following condition and stipulation of every water-power grant:

That in the construction, maintenance, and operation of such dam and accessory works there may be occupied and used such lands of the United States as may be necessary therefor, and in consideration thereof the owner of such dam shall pay to the United States such charges, not to exceed an annual payment of 5 per cent of the fair value of such lands, as may be fixed by the Secretary of War and Chief of Engineers.

Other sections of this bill likewise extend the jurisdiction of the Secretary of War and Chief of Engineers to the sources of the waterway. Section 3 gives the War Department control of water-power grants to the end that the plans, specifications, and location of the dam "shall be best adapted to a comprehensive plan for the improvement of the waterway," and "best adapted to conserve and utilize, in the interests of navigation and water-power development, the water resources of the region." Section 5 gives "control of the level of the pool" and other conditions affecting navigation to the Secretary of War and Chief of Engineers; and the entire subject of obstructions to navigation, as well as water supply affecting navigable capacity, is in the control of the Secretary of War and Chief of Engineers.

I am not questioning the wisdom of these provisions, but I am calling attention to the fact that we may know where the facts lead us. Now, here is one of the dilemmas into which the facts and these provisions of the bill lead us.

Everyone knows that the public lands of the United States yet remaining unsold are chiefly at the headwaters of our streams. The lower valleys have been taken by settlers and largely placed under cultivation. The valleys always go first, because they offer the best opportunities to agriculture. The hills that are the sources of the streams constitute the public-land remnant, for the administration of which we have created the Interior Department.

The land areas unappropriated and unreserved, which constitute the headwaters of our chief navigable rivers, compose a great scattered empire. Not including 360,000,000 acres in Alaska, there are still nearly 300,000,000 acres of public lands unsold and unreserved in the United States. These are largely in the chief water-power States. Then there are 186,000,000 acres in our national forests, and these are located chiefly at the headwaters of our streams, and, more than that, constitute an important factor in the maintenance of our streams, both for water power and navigation.

In looking over the water-power statistics compiled by the Geological Survey and Bureau of Corporations I find that 44,000,000 horsepower of the 60,000,000 of the potential maximum that may yet be developed is in the Western States, in which lie the bulk of our public lands. The nine States of California, Oregon, Washington, Montana, Idaho, Wyoming, Colorado, Arizona, and Utah are credited by the Commissioner of Corporations with the possession of 70 per cent of the estimated minimum water power of the United States. Over 2,000,000 additional horsepower of the assumed maximum and 1,000,000 horsepower of the available minimum is credited to Minnesota, Wisconsin, Illinois, and Michigan, which are the sources of the Mississippi and Great Lakes watersheds.

When we consult the public lands statistics and the national forests statistics, we find that these same States hold the great public land and forest reserves of the Nation under the control of the Secretary of the Interior.

Moreover, when we open the report of the Committee on the Public Lands of this House and consult the data on water-power hearings, we find that "installation of water wheels aggregating 18,000,000 horsepower capacity may reasonably be made on power sites of the public domain on the basis of low-water conditions, and that this may be increased to 29,000,000 horsepower if all storage facilities are realized."

The reports of the Geological Survey and Forest Service give a detailed list of 370 plants of 2,949,000 estimated horsepower capacity already installed in 11 Western States containing the lion's share of our public lands. These water powers are located either on the navigable or nonnavigable portions of the navigable waters which the pending bill places under the control of the Secretary of War and Chief of Engineers, while at the same time these water powers, or the sources of their water supply, are largely within the public domain which is under the executive administration of the Secretary of the Interior.

The bill reported by the Public Lands Committee of this House provides that the Secretary of the Interior is authorized and empowered to issue leases, under such terms, conditions, and general regulations as he may prescribe, to construct, maintain, and operate dams, water conduits, reservoirs, power houses, transmission lines, and other works necessary and convenient to the development, generation, transmission, and utilization of hydroelectric power within the boundaries of the public domain; and these boundaries contain those headwaters and lands which the pending bill of the Interstate Commerce Committee place under the control of the Secretary of War and Chief of Engineers. There appears to be only one logical solution—to place both departments on the commission for the control and regulation of water powers. The unit of regulation must be coextensive with jurisdiction.

There is an interesting situation which illustrates the case in my own State of Minnesota. The greatest Federal reservoir enterprise of the United States is that at the headwaters of the Mississippi River in Minnesota. The project in force, which is 95 per cent completed, contemplates the construction of six great reservoirs at Winnibigoshish, Leech Lake, Pokegama, Sandy Lake, Pine River, and Gull Lake, and an equalizing canal between Winnibigoshish and Leech Lake Reservoirs. Up to the time of the last report of the Chief of Engineers the total of $1,633,963 had been expended. The five timber dams originally built have been in operation many years, and have been instrumental in conserving for the summer months of the year both navigation on the upper Mississippi and power for the large number of water powers on the upper river for the Twin City district and 200 miles above.

Page 19 of the report of the Chief of Engineers, June 30, 1913, states of the purpose:

The reservoirs are operated mainly with a view to the improvement of navigation on the Mississippi River, but with due regard to other legitimate interests. Incidentally they are of great benefit in mitigating floods and in regulating the flow of water for power purposes.

The reservoirs are now being reconstructed with reinforced concrete and made thoroughly modern and efficient in every respect. Of course, everyone in our State, especially business men associated with flour and lumber manufacturing industries, and public utility companies using light and power, know that the greatest benefit derived for years has been from increased, improved, and more uniform and reliable hydroelectric and direct water power. These reservoirs have been a prominent factor in Minnesota's wonderful industrial development. My colleague from the neighboring district [Mr. STEVENS] has called attention to the fact that these reservoirs have given the upper Mississippi 18 inches of added depth of flow during the summer months. Of course, you can not give this added flow to navigation without giving it to the numerous water powers over which the stream flows.

There are seven hydroelectric installations on the Mississippi in Minnesota in operation at the present time, of something like 75,000 aggregate horsepower capacity, but the completion and operation of as many other authorizations will eventually double the hydroelectric capacity of the upper Mississippi in our State; and the great regulatory source for conservation and maintenance of all of these water powers is the great reservoir system of the Federal Government at Mississippi headwaters.

These works have been built by the War Department and are under the supervision of the Chief of Engineers. At the same time, the Government has still a considerable block of public lands in and around Mississippi headwaters in our State.

The situation in Minnesota illustrates the force of the point of the amended bill which I offer as a substitute to this House. Our jurisdiction and regulation of this subject must be a unit in order to secure efficiency and develop and conserve the national resources, while developing industries, commerce, and navigation. Join the Secretaries of War, Interior, and Commerce and you have a trinity of executive administration which fully meets all requirements from every legal, political, and business point of view; and this House and the country may go forward with full confidence that henceforth the United States has laid a foundation for waterway and water-power administration second to none in the world.

Mr. ADAMSON. Mr. Chairman, I desire to renew my request that all gentlemen who speak have the right to extend and revise their remarks.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent that all gentlemen who speak on this bill may be permitted to extend and revise their remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. STEVENS of Minnesota. Mr. Chairman, I yield 15 minutes to the gentleman from Nebraska [Mr. SLOAN].

Mr. SLOAN. Mr. Chairman and gentlemen, on the 3d day of March, 1914, on the floor of the House I submitted some remarks upon the agricultural schedule of the Underwood tariff bill. In these remarks especial attention was called to the statement of the Ways and Means Committee of the House in support of that bill, where its majority members declared, on page 18 of that report, "In our judgment, the future growth of our great industries lies beyond the seas." Upon that occasion I submitted tables showing the importations of certain important farm products for the first four months under the new tariff bill compared with corresponding months one year before.

Special attention was called to the vast increase in each of these articles admitted at our ports under either removal of the duty or radical reduction.

I have taken occasion to prepare from authoritative sources the imports, both as to quantity and value, of 27 of the leading agricultural products, a part of Schedule G and one item of K, affected by the Underwood tariff bill, for the first eight months following the enactment of that law. Tables are herewith submitted with explanatory notes.

Imports into the United States of certain farm products for October, November, December, 1912, January, February, March, April, and May, 1913, under the 1909 tariff act, together with the imports for the same articles for the same months during 1913 and 1914 under the 1913 tariff act; the total imports of these articles for the eight months under the present law compared with the same eight months under the 1909 law and the per cent of increase; the total imports of these articles for the eight months under the present law compared with the imports under the 1909 law for a full year ending June 30, 1913.

Article.	October, 1913.		October, 1912.		November, 1913.		November, 1912.	
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
Cattle [1] ..... number..	130,639	$3,389,067	27,696	$578,843	123,118	$3,306,723	43,758	$829,358
Horses [2] ..... do....	2,154	227,150	1,704	398,102	4,705	295,262	1,474	164,217
Sheep [1] ..... do....	26,035	57,856	3,466	15,562	46,995	99,187	5,077	24,731
Animals, other (including live poultry) [3]	.....	55,836	.....	34,612	.....	87,086	.....	24,842
Bread and biscuits [4]	.....	33,855	.....	32,899	.....	46,412	.....	30,457
Corn [5] ..... bushels..	473,259	378,011	226,471	114,706	1,632,643	1,182,672	25,819	21,567
Oats [6] ..... do....	2,524,793	886,994	379	186	5,132,308	1,821,789	4,266	2,052
Wheat [7] ..... do....	233,217	213,483	52,213	29,510	127,039	107,011	2,187	2,152
Hay [8] ..... tons..	15,862	131,004	17,619	154,986	19,577	167,699	10,025	88,668
Beef and veal [9 10] ..... pounds..	5,677,461	466,987			10,856,516	[21] 900,296		
Mutton and lamb [9 10] ..... do....	60,047	5,452			32,385	[21] 3,445		
Pork [9 10] ..... do....	14,099	2,218			109,832	[11] 17,332		
Prepared and preserved meats [9 10]	.....	41,301	.....	121,583	.....	[21] 136,105	.....	128,818
Bacon and ham [10 11] ..... pounds..	46,013	11,051			70,117	[21] 15,759		
All other meats [9 10]	.....	47,381			.....	[21] 98,582		
Sausage and bologna [12] ..... pounds..	31,073	8,171	32,881	8,625	70,489	18,417	71,288	18,436
Sausage casings [12]	.....	213,566	.....	203,024	.....	174,506	.....	152,331
Milk and cream, fresh and condensed [1]	.....	134,352	.....	78,962	.....	181,656	.....	68,631
Butter and substitutes [13] ..... pounds..	463,399	105,975	107,046	27,088	1,069,617	234,197	169,233	42,458
Cheese and substitutes [14] ..... do....	5,424,000	1,005,884	4,950,658	949,359	6,722,892	1,197,566	5,492,871	1,042,711
Eggs [1 15] ..... dozen..	21,394	5,322	.....	.....	165,263	36,500	.....	.....
Vegetables:								
Beans [16] ..... bushels..	49,020	93,226	95,538	187,148	106,918	209,470	103,663	193,957
Onions [17] ..... do....	120,487	70,800	86,361	50,048	131,475	82,450	82,183	42,424
Peas, dried [17] ..... do....	51,887	89,367	100,000	264,649	104,692	238,753	64,730	106,464
Potatoes [18] ..... do....	472,052	202,356	9,881	4,716	734,829	346,679	10,668	4,800
All other, in natural state [19]	.....	155,876	.....	137,859	.....	162,353	.....	144,773
Wool, unmanufactured [20] ..... pounds..	6,915,185	1,414,890	17,814,218	2,989,736	8,442,513	1,548,970	12,291,592	2,139,123

Article.	December, 1913.		December, 1912.		January, 1914.		January, 1913.	
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
Cattle [1] ..... number..	87,470	$1,911,882	40,522	$610,569	90,694	$1,503,276	24,111	$340,841
Horses [2] ..... do....	4,544	215,577	568	103,114	7,239	255,635	255	66,048
Sheep [1] ..... do....	36,073	90,019	792	9,387	15,485	29,169	95	1,141
Animals, other (including live poultry) [3]	.....	126,880	.....	25,621	.....	95,756	.....	17,295
Bread and biscuits [4]	.....	62,619	.....	29,235	.....	17,454	.....	25,454
Corn [5] ..... bushels..	2,343,444	1,485,397	637	415	2,554,813	1,610,136	5,757	2,988
Oats [6] ..... do....	5,577,656	1,918,985	8,984	3,069	2,959,388	1,000,637	9,951	6,372
Wheat [7] ..... do....	149,304	124,782	151,616	117,579	901,130	793,024	109,437	85,739
Hay [8] ..... tons..	14,072	129,473	12,751	111,623	15,122	143,346	13,828	119,604
Beef and veal [9 10] ..... pounds..	15,483,670	1,227,037			12,746,749	[22] 1,020,137		
Mutton and lamb [9 10] ..... do....	441,308	34,598			521,730	[22] 41,464		
Pork [9 10] ..... do....	104,211	169,321			172,272	[22] 20,736		
Prepared and preserved meats [9 10]	.....	14,999	.....	163,871	.....	[22] 273,817	.....	122,532
Bacon and ham [10 11] ..... pounds..	139,242	31,170			195,589	[22] 39,553		
All other meats [9 10]	.....	137,074			.....	[22] 10,555		
Sausage and bologna [12] ..... pounds..	118,451	28,064	120,694	26,248	56,680	14,067	81,650	16,791
Sausage casings [12]	.....	211,821	.....	192,558	.....	152,997	.....	198,484
Milk and cream, fresh and condensed [1]	.....	112,277	.....	121,857	.....	129,537	.....	47,932
Butter and substitutes [13] ..... pounds..	1,183,152	244,321	145,949	37,655	1,838,911	447,266	47,947	15,112
Cheese and substitutes [14] ..... do....	6,979,241	1,233,453	4,571,922	852,577	3,530,972	1,039,956	3,688,186	703,701
Eggs [1 15] ..... dozen..	1,514,296	334,316	.....	.....	1,184,408	236,622	.....	.....
Vegetables:								
Beans [16] ..... bushels..	217,353	395,074	121,352	219,607	187,358	331,730	70,590	141,720
Onions [17] ..... do....	136,067	89,777	23,389	14,503	29,549	22,410	27,581	16,308
Peas, dried [17] ..... do....	179,403	419,976	107,925	172,642	125,691	268,634	93,622	160,377
Potatoes [18] ..... do....	258,308	121,952	20,253	25,302	64,392	30,166	38,698	49,823
All other in natural state [19]	.....	191,858	.....	212,005	.....	187,064	.....	193,249
Wool, unmanufactured [20] ..... pounds..	21,631,021	4,354,612	13,975,658	2,584,201	24,465,640	5,219,138	19,341,666	3,545,669

[1] Free on and after Oct. 3, 1913.
[2] Duty reduced from $30 per head where value not over $150, 25 per cent ad valorem where value over $150 per head, to 10 per cent ad valorem on all.
[3] Live poultry reduced from 3 cents per pound to 1 cent per pound; dead from 5 cents per pound to 2 cents per pound.
[4] Either placed on the free list or duty reduced about one-half.
[5] Free on and after Oct. 3, 1913. Duty was 15 cents per bushel.
[6] Duty reduced from 15 cents per bushel to 6 cents per bushel.
[7] Free if imported from countries which impose no duties on like imports from United States, otherwise 10 cents per bushel. Duty was 25 cents per bushel.
[8] Duty reduced from $4 per ton to $2 per ton.
[9] Free on and after Oct. 3, 1913. Duty was 25 per cent ad valorem.
[10] Included in all other meat products prior to July 1, 1913.
[11] Free on and after Oct. 3, 1913. Duty was 4 cents per pound.
[12] Free under both laws.
[13] Duty reduced from 6 cents per pound to 2½ cents per pound.
[14] Duty reduced from 6 cents per pound to ad valorem duty equivalent to about 4 cents per pound.
[15] Included in all other articles prior to Oct. 3, 1913.
[16] Duty decreased from 45 cents per bushel to 25 cents per bushel.
[17] Duty decreased from 40 cents per bushel to 20 cents per bushel.
[18] Free if imported from countries which impose no duties on like imports from United States, otherwise 10 per cent ad valorem. Duty was 25 cents per bushel.
[19] Duty reduced from 25 per cent ad valorem to 15 per cent ad valorem.
[20] Practically all free of duty since Dec. 1, 1913.
[21] Total value of meat products, except sausage, bologna, and sausage casings, for October was $574,390; for November, $1,171,519.
[22] Total value of meat products, except sausage, bologna, and sausage casings, for December was $1,614,199; for January, $1,406,262.

Imports into the United States of certain farm products for October, November, December, 1913, January, February, March, April, and May, 1913, etc.—Continued.

Article.	February, 1914.		February, 1913.		March, 1914.		March, 1913.	
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
Cattle [1] ..... number..	72,558	$1,321,714	30,630	$472,359	53,558	$974,887	36,105	$508,531
Horses [2] ..... do....	2,890	123,988	463	121,004	2,584	178,277	954	187,913
Sheep [1] ..... do....	871	4,919	13	161	13,995	25,547	782	2,440
Animals, other (including live poultry) [3]	.....	57,665	.....	11,720	.....	63,975	.....	14,554
Bread and biscuits [4]	.....	28,861	.....	18,625	.....	51,723	.....	15,584
Corn [5] ..... bushels..	1,341,569	739,988	567	345	482,427	309,585	2,477	1,503
Oats [6] ..... do....	751,214	252,305	15,764	7,942	1,611,747	615,777	14,025	6,788
Wheat [7] ..... do....	177,350	156,082	45,316	38,057	245,379	231,256	46,549	42,849
Hay [8] ..... tons..	15,929	150,006	8,176	71,483	18,404	191,818	9,906	85,412
Beef and veal [9 10] ..... pounds..	15,281,576	[1,283,760			23,597,121	[21] 2,114,102		
Mutton and lamb [9 10] ..... do....	1,610,866	132,043			2,234,336	[21] 196,523		
Pork [9 10] ..... do....	267,577	[21] 30,074		97,717	343,546	[21] 38,438		119,643
Prepared and preserved meats [9 10]	.....	140,794	.....		.....	[2] 248,413	.....	
Bacon and ham [10 11] ..... pounds..	198,101	41,968			245,855	[21] 47,366		
All other meats [9 10]	.....	70,391			.....	[21] 69,485		
Sausage and bologna [12] ..... pounds..	47,200	12,683	19,231	5,951	59,304	15,766	70,719	12,437
Sausage casings [12]	.....	253,662	.....	172,805	.....	248,920	.....	235,912
Milk and cream, fresh and condensed [1]	.....	112,332	.....	21,680	.....	206,859	.....	35,025
Butter and substitutes [13] ..... pounds..	775,276	185,412	68,992	20,691	1,142,303	243,779	108,966	30,926
Cheese and substitutes [14] ..... do....	4,100,403	707,207	3,229,156	614,221	5,439,819	953,894	3,715,151	687,988
Eggs [1 15] ..... dozen..	476,934	87,374	.....	.....	797,893	119,925	.....	.....
Vegetables:								
Beans [16] ..... bushels..	162,665	269,531	62,718	120,871	254,480	413,842	80,849	157,630
Onions [17] ..... do....	77,008	71,653	42,763	21,339	82,459	97,942	82,656	60,207
Peas, dried [17] ..... do....	119,909	309,075	102,121	151,361	72,523	123,994	83,883	150,833
Potatoes [18] ..... do....	10,491	5,257	12,055	12,863	26,978	9,121	28,145	34,102
All other in natural state [19]	.....	150,737	.....	176,254	.....	221,004	.....	117,240
Wool, unmanufactured [20] ..... pounds..	31,080,890	6,862,384	18,356,522	3,651,823	36,596,612	8,002,037	22,063,830	4,262,694

Article.	April, 1914.		April, 1913.		May, 1914.		May, 1913.	
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
Cattle [1] ..... number..	65,772	$1,333,809	47,708	$752,151	58,647	$1,347,084	68,607	$1,001,553
Horses [2] ..... do....	2,692	161,243	740	113,070	1,629	182,914	950	147,591
Sheep [1] ..... do....	73,169	168,355	2	60	5,834	9,814	2,769	14,230
Animals, other (including live poultry) [3]	.....	43,422	.....	18,230	.....	32,369	.....	21,225
Bread and biscuits [4]	.....	44,928	.....	18,353	.....	39,987	.....	20,245
Corn [5] ..... bushels..	110,063	74,445	1,366	1,232	1,308,639	812,509	2,515	2,767
Oats [6] ..... do....	1,494,405	545,029	17,465	7,470	1,899,708	714,481	3,045	1,732
Wheat [7] ..... do....	13,294	12,369	36,368	28,872	79,967	75,783	7,616	4,693
Hay [8] ..... tons..	10,979	117,906	9,049	78,490	14,572	160,604	12,694	137,560
Beef and veal [9 10] ..... pounds..	28,149,824	[2 478,845			34,332,510	[21] 2,942,277		
Mutton and lamb [9 10] ..... do....	1,684,992	145,890			2,898,987	[12] 237,905		
Pork [9 10] ..... do....	758,004	[21] 88,187		103,408	712,257	[12] 76,095		120,819
Prepared and preserved meats [9 10]	.....	227,965	.....		.....	[12] 236,680	.....	
Bacon and ham [10 11] ..... pounds..	250,093	47,767			327,696	[12] 55,856		
All other meats [9 10]	.....	149,793			.....	[12] 59,556		
Sausage and bologna [12] ..... pounds..	65,210	17,764	75,656	20,201	43,886	10,744	40,095	10,239
Sausage casings [12]	.....	342,681	.....	246,822	.....	272,530	.....	169,454
Milk and cream, fresh and condensed [1]	.....	195,475	.....	102,043	.....	307,273	.....	188,785
Butter and substitutes [13] ..... pounds..	293,531	65,512	142,664	33,860	402,931	73,700	104,434	26,205
Cheese and substitutes [14] ..... do....	5,506,820	929,246	3,734,982	675,063	5,380,288	880,027	4,289,865	734,641
Eggs [1 15] ..... dozen..	883,377	129,820	.....	.....	448,810	59,380	.....	.....
Vegetables:								
Beans [16] ..... bushels..	178,123	347,798	64,670	122,560	144,304	264,602	62,110	109,529
Onions [17] ..... do....	88,920	104,948	83,743	71,914	83,302	114,864	71,982	45,276
Peas, dried [17] ..... do....	54,313	87,550	24,187	37,273	33,876	54,423	8,770	13,130
Potatoes [18] ..... do....	5,041	3,237	36,545	49,188	60,892	59,635	101,769	76,742
All other in natural state [19]	.....	143,692	.....	89,516	.....	95,265	.....	64,553
Wool, unmanufactured [20] ..... pounds..	39,024,603	8,840,000	15,245,601	2,843,112	30,574,350	6,960,289	9,696,826	1,821,287

[1] Free on and after Oct. 3, 1913.
[2] Duty reduced from $30 per head where value not over $150, 25 per cent ad valorem where value over $150 per head, to 10 per cent ad valorem on all.
[3] Live poultry reduced from 3 cents per pound to 1 cent per pound; dead from 5 cents per pound to 2 cents per pound.
[4] Either placed on the free list or duty reduced about one-half.
[5] Free on and after Oct. 3, 1913. Duty was 15 cents per bushel.
[6] Duty reduced from 15 cents per bushel to 6 cents per bushel.
[7] Free if imported from countries which impose no duties on like imports from United States; otherwise 10 cents per bushel. Duty was 25 cents per bushel.
[8] Duty reduced from $4 per ton to $2 per ton.
[9] Free on and after Oct. 3, 1913. Duty was 25 per cent ad valorem.
[10] Included in all other meat products prior to July 1, 1913.
[11] Free on and after Oct. 3, 1913. Duty was 4 cents per pound.
[12] Free under both laws.
[13] Duty reduced from 6 cents per pound to 2½ cents per pound.
[14] Duty reduced from 6 cents per pound to ad valorem duty equivalent to about 4 cents per pound.
[15] Included in all other articles prior to Oct. 3, 1913.
[16] Duty decreased from 45 cents per bushel to 25 cents per bushel.
[17] Duty decreased from 40 cents per bushel to 20 cents per bushel.
[18] Free if imported from countries which impose no duties on like imports from United States; otherwise 10 per cent ad valorem. Duty was 25 cents per bushel.
[19] Duty reduced from 25 per cent ad valorem to 15 per cent ad valorem.
[20] Practically all free of duty since Dec. 1, 1913.
[21] Total value of meat products, except sausage, bologna, and sausage casings, for February was $1,699,030; for March, $2,714,330.
[12] Total value of all meat products, except sausage, bologna, and sausage casings, for April was $3,050,260; for May, $3,532,274.

Imports into the United States of certain farm products for October, November, December, 1912, January, February, March, April, and May, 1913, etc.—Continued.

Article.	Total imports for 8 months, October, 1913, to May, 1914, inclusive, under tariff law of 1913.		Total imports for 8 months, October, 1912, to May, 1913, inclusive, under tariff law of 1909.		Per cent of increase or decrease, 8 months under 1913 law, compared with 8 months under 1909 law.[22]	Total imports, year ending June 30, 1913, under tariff law of 1909.		Amount of increase in value for 8 months under new law over full year under old law.	Per cent of increase, 8 months over full year.[23]
	Quantity.	Value.	Quantity.	Value.		Quantity.	Value.		
Cattle[1] ..... number..	682,456	$15,088,442	319,137	$5,094,211	113	421,649	$6,640,668	$8,447,774	127
Horses[2] ..... do....	28,437	1,640,046	7,108	1,301,059	300	10,008	2,125,875	.....	.....
Sheep[3] ..... do....	218,137	384,866	12,996	67,712	1,578	15,428	90,021	294,845	327
Animals, other (including live poultry)[3]	.....	562,989	.....	168,099	234	.....	248,980	314,009	126
Bread and biscuits[4]	.....	325,839	.....	190,852	70	.....	255,336	70,503	27
Corn[5] ..... bushels..	10,246,857	6,592,743	255,609	145,616	3,908	903,062	491,079	6,101,664	1,242
Oats[6] ..... do....	21,951,219	7,755,997	73,879	35,611	29,612	723,899	289,364	7,466,633	2,589
Wheat[7] ..... do....	1,926,680	1,713,790	451,302	349,441	327	797,528	559,559	1,154,231	206
Hay[8] ..... tons..	124,517	1,191,856	94,048	847,826	32	155,763	1,514,311	77,545	.....
Beef and veal[9 10] ..... pounds..	146,125,427	12,433,441				4,288,764	322,567	12,110,874	3,751
Mutton and lamb[9 10] ..... do....	9,484,655	797,320				212,843	797,320	780,914	4,766
Pork[9 10] ..... do....	2,482,298	287,401				261,247	38,682	248,719	635
Prepared and preserved meats[9 10]	.....	1,475,072	.....	978,451	1,527	.....	426,788	1,048,284	243
Bacon and ham[10 11] ..... pounds..	1,470,706	290,490				628,307	156,933	133,457	85
All other meats[9 10]	.....	642,817				.....	297,581	345,236	116
Sausage and bologna[12] ..... pounds..	492,293	125,676	512,214	118,928	— 3	728,469	157,871	.....	.....
Sausage casings[12]	.....	1,870,683	.....	1,571,390	19	.....	2,476,082	.....	.....
Milk and cream, fresh and condensed[13]	.....	1,379,761	.....	664,915	107	.....	1,293,833	165,928	13
Butter and substitutes[13] ..... pounds..	7,189,120	1,600,162	895,231	233,995	703	1,162,253	304,090	1,296,072	426
Cheese and substitutes[14] ..... do....	43,085,035	7,947,313	33,672,791	6,260,261	27	49,387,944	9,185,184	.....	.....
Eggs[1 15] ..... dozen..	5,492,575	1,009,259	[25] 847,842	127,808	547	1,271,765	191,714	817,545	449
Vegetables:									
Beans[16] ..... bushels..	1,310,221	2,325,273	641,490	1,253,030	104	1,048,297	1,938,105	387,168	19
Onions[17] ..... do....	749,274	654,844	500,618	322,019	49	789,458	481,756	173,088	35
Peas, dried[17] ..... do....	742,294	1,591,772	645,278	1,056,729	30	1,134,346	1,835,775	.....	.....
Potatoes[18] ..... do....	1,632,983	778,403	258,014	257,536	532	327,230	303,214	475,189	156
All other in natural state[19]	.....	1,307,849	.....	1,135,440	15	.....	1,410,354	.....	.....
Wool, unmanufactured[20 21] ..... pounds..	198,730,814	43,202,720	128,785,853	23,837,645	54	195,293,255	35,579,823	7,622,897	21
Total	.....	114,975,224	.....	46,128,674	149	.....	69,322,865	.....	65

[1] Free on and after Oct. 3, 1913.
[2] Duty reduced from $30 per head where value not over $150, 25 per cent ad valorem where value over $150 per head, to 10 per cent ad valorem on all.
[3] Live poultry reduced from 3 cents per pound to 1 cent per pound; dead from 5 cents per pound to 2 cents per pound.
[4] Either placed on the free list or duty reduced about one-half.
[5] Free on and after Oct. 3, 1913. Duty was 15 cents per bushel.
[6] Duty reduced from 15 cents per bushel to 6 cents per bushel.
[7] Free if imported from countries which impose no duties on like imports from United States; otherwise 10 cents per bushel. Duty was 25 cents per bushel.
[8] Duty reduced from $4 per ton to $2 per ton.
[9] Free on and after Oct. 3, 1913. Duty was 25 per cent ad valorem.
[10] Included in all other meat products prior to July 1, 1913.
[11] Free on and after Oct. 3, 1913. Duty was 4 cents per pound.
[12] Free under both laws.
[13] Duty reduced from 6 cents per pound to 2½ cents per pound.
[14] Duty reduced from 6 cents per pound to ad valorem duty equivalent to about 4 cents per pound.
[15] Included in all other articles prior to Oct. 3, 1913.
[16] Duty decreased from 45 cents per bushel to 25 cents per bushel.
[17] Duty decreased from 40 cents per bushel to 20 cents per bushel.
[18] Free if imported from countries which impose no duties on like imports from United States; otherwise 10 per cent ad valorem. Duty was 25 cents per bushel.
[19] Duty reduced from 25 per cent ad valorem to 15 per cent ad valorem.
[20] Practically all free of duty since Dec. 1, 1913.
[21] Per cent of increase of wool for six months under new law over same period of last year under old law, 85 per cent.
[22] Per cent of increase figured on quantities, where quantities are given; otherwise on values.
[23] Per cents of increase figured on values.
[24] Total value of all meat products, except sausage, bologna, and bologna casings, for eight months, $15,926,541.
[25] No figures for months under old law. Quantity and value figured as two-thirds of year.

Recent figures submitted by the Secretary of Commerce show that the increase in importations of finished products was only 8.8 per cent under the new law, while the increase of the farm products mentioned in the above table increased 149 per cent, there being a very large increase in case of each article.

It will be noted that on the several articles mentioned there was a collective increase in value of imports of $79,427,186, all thrown on the market of the United States in competition with our own products. That tremendous amount came largely from the cheap lands, produced by cheap labor, and carried by cheap transportation from Australia, Argentina, Canada, and Mexico.

Verily, the prophecy of the Ways and Means Committee, "In our judgment the future growth of our great industries lies beyond the seas," is coming true. Agriculture is our greatest industry.

It will be recalled that of the additions to the free list made in the Underwood tariff bill nearly 80 per cent in point of value of products so affected were farm products.

There was no party platform warranting this discrimination against the farmer. Both the Republican and Progressive platforms declared in favor of protection being extended to the farmer the same as to the other industries, while the Democratic platform favored reduction, but did not promise or threaten to place farm products on the free list.

An examination of the import and revenue statistics for the period beginning with 1897 and ending with 1912 showed some remarkable facts, all of which indicated that Schedule G was the one schedule which seemed to combine the desirable qualities of a revenue producer, a competitive tariff, and a protective tariff, as the following facts will demonstrate:

First. Schedule G, containing many articles not in the foregoing table, in 1897, in point of view of dutiable imports, ranked No. 5, while in 1912 it was first.

Second. Schedule G as a revenue producer among the schedules in 1897 ranked ninth, while in 1912 it had risen to third.

Third. Schedule G in 1897 showed dutiable importations of only $33,716,958; in 1912 it had risen to $117,711,156; and Schedule G in 1897 produced only $8,613,987 revenue, increased in 1912 to $34,146,071.

Fourth. While Schedule G in 1897 had but 8 per cent of all the dutiable importations, in 1912 it had risen to 14 per cent.

Fifth. That while Schedule G in 1897 produced only 5 per cent of the import revenues, in 1912 it produced 11 per cent.

Sixth. It will be noted that while the revenues of Schedule G in 1897 were less than those of Schedule C (metals), in 1912 they were twice as great. While the revenues from Schedule G in 1897 were less than one-half those of Schedule F (tobacco), it in 1912 exceeded Schedule F by nearly $9,000,000. While approximately equal to Schedule H (spirits) in 1897, Schedule G in 1912 doubled it in revenue production. While Schedule G was less than Schedule I (cotton) in 1912 it produced three times Schedule I's revenue. That Schedule G in 1912 produced more revenue than Schedule I (cotton manufactures), Schedule K (wool, raw wool amounting to $14,000,000 eliminated), and Schedule D (lumber) combined.

Seventh. The dutiable importations of Schedule G have increased more between 1897 and 1912 than any other schedule, and Schedule G has increased as a revenue producer more rapidly than any of the other great schedules. Its percentage of increase in that period was 206 per cent.

The American farmer is asking the following questions:

Is the tariff important?

The Democratic Party answers: "Yes; it was important enough for us to make it our paramount issue in the last campaign, and we also gave it first place in our legislative program."

What was the large feature of the new tariff bill?

Removal and reduction of duties.

Did this cause large loss of revenues to the United States Treasury?

Answer. Yes.

Why, then, was it done?

To increase the competition of foreign articles in our own markets.

Why was that done?

In order to lower prices.

Against whom has there been a removal or reduction of duties to the greatest extent?

The farmers.

What class has been subjected to the greatest new competition?

The farmers.

To what extent has the farmer's competition with foreign productions increased?

On 27 leading farm products, 159 per cent.

What has been the increase in importations of manufactured or finished products?

Eight and eight-tenths per cent.

The farmer's competition has increased, therefore, as compared with the manufacturer's, in the ratio of 149 to 8⅝ per cent, a little more than 16 to 1, the old sacred ratio.

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

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

Mr. SLOAN. I do.

Mr. FESS. The Secretary of Commerce states that we have an increase of importation and a decrease of exportation, which means that the country is consuming more than ever before. In other words, increase of importation and decrease of exportation is argued as an advantage to the country, because we are more prosperous and are consuming more than ever before. What is your answer to that?

Mr. SLOAN. I would dislike to answer the proposition presented by the head of the Department of Commerce, who recently, in an interview, stated that this country was greatly interested in the matter of overfatigue. If they have accomplished anything by this new tariff legislation it is overcoming the overfatigue of the American workingmen, many of whom have been released from their employment, with the prospect of many more of them being released.

Mr. FESS. Will the gentleman yield for a question?

Mr. SLOAN. If I have the time.

Mr. FESS. Is the Nation on the road to increased wealth by selling less and buying more?

Mr. SLOAN. The answer to that is self-evident. If we purchase more than we sell, of course we are drawing on our reserve. [Applause.]

Mr. STEVENS of Minnesota. I promised to yield 40 minutes to the gentleman from Washington [Mr. BRYAN]. He stated he had some documents on the subject of the legislation before the committee that he desired to submit, but he does not seem to be here.

Mr. ADAMSON. Has the gentleman any other speaker? I have a great many applications, but nobody seems to be here now.

Mr. DONOVAN. Mr. Chairman, will the gentleman from Georgia yield to me?

Mr. ADAMSON. Do you want to make a speech for the bill?

Mr. DONOVAN. I do not want the gentleman to dictate.

Mr. ADAMSON. He can make one against the bill if he wants to do so.

Mr. DONOVAN. Does the gentleman yield to me?

Mr. ADAMSON. How much time do you want?

Mr. DONOVAN. Oh, I do not know. Say two minutes.

Mr. ADAMSON. Do not move to rise.

Mr. DONOVAN. I certainly will.

The CHAIRMAN. Does the gentleman from Georgia [Mr. ADAMSON] yield to the gentleman from Connecticut [Mr. DONOVAN]?

Mr. ADAMSON. I yield to the gentleman from Connecticut for a speech, but not to make a motion.

Mr. DONOVAN. It will be a speech, Mr. Chairman.

The CHAIRMAN. Does the gentleman from Georgia yield to the gentleman from Connecticut?

Mr. ADAMSON. I wish the gentleman would wait for the gentleman from Washington [Mr. BRYAN].

The CHAIRMAN. Will the gentleman from Georgia yield to the gentleman from Connecticut?

Mr. ADAMSON. I intended to do so until Mr. BRYAN appeared. If the gentleman wants to speak for two minutes I will yield to him for that purpose.

The CHAIRMAN. The gentleman from Connecticut [Mr. DONOVAN] is recognized for two minutes.

Mr. DONOVAN. Then, I move that the committee do now rise.

Mr. ADAMSON. I did not yield for that purpose.

The CHAIRMAN. The gentleman from Georgia [Mr. ADAMSON] can not control the gentleman from Connecticut.

Mr. ADAMSON. Then, I cancel that concession.

Mr. DONOVAN. I so move, Mr. Chairman.

The CHAIRMAN. The gentleman from Connecticut moves that the committee do now rise.

The question was taken, and the motion was rejected.

Mr. STEVENS of Minnesota. Mr. Speaker, I yield 40 minutes to the gentleman from Washington [Mr. BRYAN].

RATE REGULATION.

Mr. BRYAN. Mr. Speaker, this bill does provide, in words, for rate regulation; but by cutting out the charge provisions of the 1910 act, and by failing to add appropriate provisions for charge to be paid to the public, this rate regulation becomes a farce.

The rate must be uniform for electric energy in a given locality, however produced. The people own a power that can produce energy, say, at $1 per unit, whatever unit you may use. The cheapest competitor to this power is steam, which costs, say, $3 per unit. This great difference in cost makes the water power very valuable to the public. If the public can utilize it, a saving of $2 per unit will be realized; but if you give away the right in a monopolistic grant to generate this power, and the individual who acquires the grant, the grantee, fixes the price of the product at $2.90—just low enough to compete with steam—the result is that the public part with a $2 value for 10 cents. Is that just? By what token or right does this grantee get all of this $1.90 of profit? No regulation on earth can reach him, for if the utilities commission fixes a rate less than $3 those depending on steam will be forced out of business and their plants and factories confiscated. The Constitution will protect them against this. The only way to prevent this injustice is to take up a part of this slack or profit in the form of a charge and return it to the Public Treasury, where it will reach the pockets of those who own the stream and the water that flows down its bed, by reducing their taxes and the burdens of government that rest upon them or by eliminating river and harbor pork.

The Keokuk Dam, at Keokuk, Iowa, illustrates the point. It is said to cost about $10 per horsepower there to generate electricity, which they sell for $20, which just undersells those who produce electricity by steam. Why should the public lose this $10—all of it—to these dam owners and operators? There should be a charge, and a substantial charge, too. Ex-Secretary Fisher has stated this proposition very clearly. I will quote from him later.

I can not understand why the gentleman from Georgia [Mr. ADAMSON], in his colloquy with the gentleman from Minnesota [Mr. SMITH], should take the position that the Government is without power in these matters. The Chandler-Dunbar decision has been quoted, and has been considered and debated time and time again. In the Senate Senators ROOT and BURTON and President Taft have talked about it, and, plainly interpreting it, set forth the fact that it gave to the people of this Nation these rights and these powers over these streams. Then Secretary Stimson, former Secretary of War, and Mr. Fisher, former Secretary of the Interior, and the ex-Chief Forester, Gifford Pinchot, have all discussed the matter in the hearings and other places, and they all agree that this decision did give to the Government, or rather did confirm in the Federal Government, its right and power over these streams. The very fact that it has a right to say that a dam shall go there gives to it the right to say under what conditions it shall go. If it has the right to say, "No; you can not build a dam in this stream; you can not obstruct this stream," then it has the right to name the conditions. The one goes with the other. Before the committee, when Secretary Fisher was there setting forth his views on this decision, no one successfully contradicted him. They

raised some questions there. The members of the committee were all present, but it would have been ridiculous and ludicrous to question the position that he took, and anyone who will read the hearings will see that this decision does give the Federal Government the power. It has always had that power over these navigable streams, and we are not going to give it away, at least not with my consent, without exercising that right to establish conditions and restrictions.

THE ELECTRICAL FURNACE—ALUMINUM.

The argument of the gentleman from Alabama as to aluminum was very interesting, but he did not mention the fact that the aluminum goods are made by a trust and that all concessions made to the French aluminum company on the Yadkin River, in North Carolina, or to the American manufacturers on the Little Tennessee will merely increase the profits of this trust; that they will pocket all we give them and that the consumer would not be profited a penny unless we made a charge for what the public gives to them, with real regulation. Is it not more than probable that these French capitalists looked more kindly on the lax laws of North Carolina and the Little Tennessee and concluded that they could make more money by the use of child labor and 10 and 12 hours' work per day for the men and low wages than in one of the States that has changed those laws? Of course corporations seek privileges and profits, but the time has not yet arrived when I will vote to give the Aluminum Trust any special privileges. This company of gentlemen got in North Carolina free what they could not buy in their own country.

[From the Washington Post, January 15, 1913.]

ADMITS WORLD TRUST—ALUMINUM MAGNATE SAYS THAT AGREEMENT CONTROLS TRADE—HOME OFFICE IN AMERICA—ARTHUR V. DAVIS DECLARES HIS COMPANY OWNS CANADIAN FACTORY, WHICH HAS "UNDERSTANDING" WITH OTHER NATIONS—UNITED STATES EXCEPTED BECAUSE OF THE SHERMAN LAW.

The existence of an international agreement covering the aluminum industry was revealed at last night's session of the House Committee on Ways and Means. President Arthur V. Davis, of the Aluminum Co. of America, admitted that his company, the only aluminum manufactory in the United States, owned the Canadian Aluminum Co., which, in turn, had perfect agreements with all the six or seven foreign aluminum companies.

This agreement, he said, covers all the world except the United States, which, he admitted to Representative RAINEY, of Illinois, was excepted because there is a law here prohibiting it.

WANTS NO TARIFF CHANGE.

Arthur V. Davis, of Pittsburgh, testified that the company's total surplus is $12,000,000, and that the company is capitalized at $30,000,000, on which it is issuing dividends of 4 per cent on the capital stock. It has been earning between 15 and 17 per cent annually in 1910, 1911, and 1912.

Representative PALMER, of Pennsylvania, brought out that of the $30,000,000 of capital the total amount of cash actually put in was $1,860,000, the remainder representing earned profits. Mr. Davis protested against any threatened reduction of the tariff on aluminum. He said that the company was originally started as the Pittsburgh Reduction Co. in 1888, with $20,000 capital, which gradually evolved, with the use of patents whose value was put down as $700,000, into the $30,000,000 corporation.

ADMISSION AMAZES MEMBERS.

The admission of this agreement amazed members of the committee, some of whom pointed out that along with previous testimony regarding foreign trusts in other industries it presented a problem never before faced by a tariff-making committee.

Mr. Davis testified that he and his London representative wrote the agreement made by his Canadian plant with all the plants in Europe.

"I submitted the proposed form of the agreement," he said, "to Attorney General Wickersham, and when the agreement was signed I sent Mr. Wickersham a copy of it."

ACTION NOT DISCUSSED.

Mr. Davis did not say what action the Attorney General took in the matter.

"But Mr. Wickersham had no cognizance of this agreement between Canada and the rest of the world, except United States," interrupted Representative PALMER.

Mr. Davis was asked if he had a copy of the agreement. He said he had not, and said, while he personally would have no objection to filing it, he feared the other parties to it might object.

When the committee adjourned at midnight members expressed the suspicion that the Aluminum Co. of America might be interested in the $10,000,000 company being organized in North Carolina, in view of the agreement with European plants.

RAILROADS FAVOR IMPORTER.

Discussing freight rates as a factor to be considered in making a tariff, A. Cressy Morrison, of New York, representing the electric furnace manufacturing industry, told the committee that the transportation cost of heavy commodities, instead of being a protection to the domestic manufacturer, is really to his disadvantage.

The railroads grant lower rates to the foreigner on imported merchandise than they allow to the citizen of the United States.

Mr. Morrison said that with the opening of the Panama Canal the inland manufacturer of most commodities would be at a further distinct freight disadvantage with practically one-half the total population of the United States, which is his natural market.

Walter Laidlaw, of New York City, who said he represented about a dozen manufacturers of pumping machinery, but later admitted he represented the so-called Pump Trust, testified at the night session that the International Pumping Co. owned all the manufactories he mentioned

He said the International Pumping Co. had net earnings of $1,250,000 on its aggregate investment of $25,000,000, or a 5 per cent return on its capital invested. He could not recall the amount of its capital stock when pressed by Representative PALMER, of Pennsylvania, though he said he was a member of the executive committee.

The products of aluminum, the vessels made from aluminum, are manufactured by one of the closest and strictest trusts that there is in existence, and if we give them the rivers to make cheaper power and reserve no rights as to charges and regulation, it is plain, in my opinion, that it only increases the profits, that we only make for them more money, and take from the people that valuable possession that the people have in these streams.

In the Washington Herald of to-day there appears an article entitled "Water as a Resource."

The power of this water and the extent and value of water power in this country are particularly set forth and detailed in this article; but the very fact of this great power, the very fact of the great value of this utility are the reasons why we are particular about the conditions on which we part with them.

ELECTRICAL STEEL.

The illuminating statements as to electrical steel produced and to be produced in the electrical furnace were to me the most interesting portion of the able address of the gentleman from Alabama—electrical steel for steel rails, affecting greatly the safety of passengers and the economy of transportation; electrical steel for tools, for locomotive tires and axles, high-grade castings for automobile parts, and other products calling for steel of high quality. All of these things impress upon me more and more why the water-power combinations are so active and why they are working so hard to take from the people this tremendous asset.

The future of electrical steel, the uses to which high-grade steel will be put, which, it is stated, can be manufactured more economically by electricity than in any other way, only open up a vista that impresses the imagination of the people as to the future value of this asset that we are asked to part with. The United States Steel Trust is the principal manufacturer of electrical steel at this time. They are experimenting with it, and they have spent something like $300,000 to get at the science and facts in relation to the manufacture of electrical steel.

Now, then, if we give the Steel Trust a river and say, "Here, take this river, build dams in it for water power and manufacture electrical steel; take this stream and manufacture it," where do the people get any advantage of it, unless you retain hold of it in some way and lay a restraining hand upon it, so as to regulate the price of the steel or charge them for the use of the stream?

FERTILIZER AND CYANAMID PLANT.

Then we have the manufacture of fertilizer and the cyanamid plants. But in this field it is apparent that no reduction will come to the farmers if we do not compel a reduction. The possibility of increasing profits of the Fertilizer Trust does not stir me to action. I can not enthuse over the suggestion that we ought to give to this organization of interlocked capitalists the water power of the country. I want to hold this very power as a potent means of regulating the producers of fertilizer. I want to increase the charge as their profit increases. These men prate much about their patriotism, their love of the flag. Let them trust Uncle Sam to be true. They will not be wronged. Capital is timid, they say. That is not the way to put it. It is this way: Capital wants all it can get. Tell it just where its bounds are and it will not be shy at all.

We tried giving them the coal lands of Alabama and all of the South, of the East and the Central States, and much of the West, but now we refuse to part with any more mineral land for the mere asking. How did shy capital treat the people in the handling of the coal? See them shooting down innocents in glee at Mucklow, in West Virginia, and at Ludlow, in Colorado. Not so shy there. Have they reduced the price of coal to the people by letting them have the coal mines without any regulation or restraint? No; the railroads own the coal, and the railroad group own the water power, too.

But another word about West Virginia. Somebody may say I spoke too cruelly or from prejudice or something else. Here are a few lines from the dignified report of two United States Senators appointed to investigate that situation:

So that in investigating the seventh division of the resolution the committee has been led to the belief that the private ownership of these great properties, with the attendant human greed, is the underlying cause of the conditions, such as the record shows existed in the Paint and Cabin Creek coal fields.

Give them the water power free, eh? Well, I guess we will not do any such thing, and the men who try to do it are going to be censured by the American people, and they will be rightly censured.

The gentleman from Alabama [Mr. UNDERWOOD] said in his speech:

The gentlemen who are obstructing legislation of this kind upon the ground that they are conservationists I regret to say, in my judgment, are obstructionists against the best interests of the people of the United States.

We are obstructing, if obstructing at all, and I hope we are in the interest of the people, of agriculture, of industry, and are promoting the well-being of the people of this country. The gentleman from Alabama also said:

And I wish to say, in passing, that gentlemen who expect to make political capital for themselves by throwing obstructions in the way of honest legislation to develop the great water power of this country, when these facts become known to the agricultural classes of this country, will have a day of reckoning at their own homes.

By the term "who expect to make political capital for themselves" the gentleman evidently has the idea that, for the present at least, it is popular, or that we think it popular, to oppose such legislation as this. And it is popular in my State. The people in every little town and at every crossroad have heard about how it will ruin the country and destroy all industry to refuse to give away the franchises and the public rights. But they have learned to call the men who preach that doctrine reactionaries, adherents of the cause of greed, ballot-box stuffers, bosses, convention thieves, and they refuse to follow their teachings any more. They think for themselves. They bend every energy to own their own franchises. They are proud of the Government forest reserves. They own an interest in them, and they look with contempt upon those who gave the vast timber areas away to the Weyerhaeusers and the railroads. You can not get them to applaud when you moan about the Government timber tied up. They do not grieve about the Alaska coal that was reserved. They do not curse Pinchot; they hail him a hero. They do not damn the man who is the author of the new light and is the genius of present-day conservation and progress; they vote for him for President by 50,000 majority.

If these franchise seekers are not satisfied with a 50-year permit, with the understanding that we will pay them the cost of the dam and the value of their other structures at the end of the time, let them go to Canada. We can take care of ourselves in this country.

I do not want to be caustic or personal in my remarks. I highly respect the gentleman from Alabama, both for his ability and his affable and kindly disposition, but I do believe there is one part of his remarks he had better have left unsaid.

Here is what I refer to:

In the arid regions of the West it is water, not land, which measures agricultural production. In the cotton fields of the South it is fertilizer, not land, that measures production.

An examination of the summary of appropriations made by Congress for western land irrigation and reclamation discloses the following:

Early irrigation surveys	$350,000.00
Reclamation fund	79,450,438.53
Authorized bond issue	20,000,000.00
Expended by Geological Survey	4,500,000.00
Expended by Department of Agriculture	956,000.00
Expended by or through Office of Indian Affairs	10,797,316.29
Total	116,003,754.82

These contributions of the Federal Government by these appropriations in aid of the reclamation of the arid lands of the West are most wisely made, for Congress can make no appropriations and pass no laws so useful to the country as those appropriations and laws which contribute to the increase of our food crops.

What appropriations has Congress made, what encouragement has the Government given to the increased production and cheaper production of fertilizers, so indispensably necessary to the food crops of the farmers of this country from Massachusetts to California and from Maine to Texas? The agricultural fertilizer bill in the United States during the single year 1909 amounted to $114,882,541, and the fertilizer bill for 1909 of the 11 Southern States—North Carolina, South Carolina, Georgia, Florida, Kentucky, Tennessee, Alabama, Mississippi, Arkansas, Louisiana, and Texas—was alone $63,992,626.

Is it sound, is it sane, that out of the Federal Treasury the enormous expenditures of public funds for the reclamation of the arid lands of the West be continued—and they should be—and Congress refuse to pass constructive dam legislation that will invite and protect private capital, to be invested at its sole expense in the construction of dams for the joint improvement of navigation and development of power in the navigable streams of the country, which power will be largely employed in the manufacture of fertilizers which are just as necessary to increase the food crops and cotton crops, especially of the Southern States, as water is necessary to the production of food crops on the arid lands of the West?

Let the gentleman first of all bear in mind that the water power of the West is in the hands of the Government and is administered under the strictest rules by the departments in control. The gentleman knows the provisions of the Lane-Ferris bill—not a part of our water power but practically all of it. And we have water power out there—very much more of it than there is in the South and East. We are getting permits for our municipalities, lighting our cities, heating and lighting our homes, running our industries, not at 12 cents per kilowatt hour, the preposterous and outrageous price named by the gentleman from Alabama [Mr. BURNETT], in his interruption of his colleague, as the rate at which his people are fleeced in Alabama, but at from 3 cents to 8 cents. The Puget Sound Navy Yard has a contract for electric current at 1½ cents per kilowatt hour. The Government is not asked by the people of the West to give their water power to the New York bankers and brokers, and there would be almost a revolution if any such procedure were attempted. We want the Government to continue to administer it, and to reserve it when it is right to reserve it.

But of this $116,003,754.82 bill of particulars that the gentleman presented, $99,450,438.53 was for reclamation, every cent of which the Government still owns as an investment, and $5,806,000 for surveys and by the Department of Agriculture. It takes some self-possession for a Member of this House to attempt to chide the men of the West with the statement "Look what we spent to survey your lands out West, and then the rest of the bill you spent on the Indians."

That is a big bill—$116,000,000. Why do you not complain some about the 260,000,000 acres of land that Congress gave away to the railroads and then $5,000,000,000 worth of timber that passed into private hands on the very kind of a flimflam by which it is now sought to give the water power to Canadian fertilizer makers and the French Aluminum Trust, and others? Oh, that $116,000,000 is a mere bagatelle. You spent that legitimately. You squandered the billions.

If the gentleman from Alabama wants fertilizer for the farmers in the South, let him come in here with a proposition to build a dam on any Government stream and establish a plant that will furnish the fertilizer to farmers at cost. He will have no trouble getting a waiver of cost from the Government for power in such a case. That is what we proposed and carried through with the valuable assistance of the gentleman from Alabama in Alaska. We wanted transportation at low prices, and we will have a Government railroad to do the job at cost.

But with all your squandering of the resources of the Government in the West and in Alaska, still there is where the public treasure is. What does the Government own in the South and East except the water power which these gentlemen are so anxious to unload? The Government owns a billion dollars worth of timber in the Western States. But that is only a suggestion of all the tremendous and inestimable wealth of mine and land and water power in the West and in Alaska. Our slogan is "Develop"; yours, "Give it away." Which is the better policy for the people?

My opinion is that the gentlemen who vote for this bill are the ones who will have to render account in the days to come.

Why has the chairman of this great committee introduced and brought forward as an emergency measure this particular bill? Did the gentleman believe the present law insufficient or inadequate to safeguard the public interest and did he desire more stringent regulation? Not at all. He stated in his speech the other day that the law was already too drastic to be effective, and he deplored the fact that but few of the permits granted under that law were put into operation.

THE NEW LIGHT.

The gentleman from Georgia [Mr. ADAMSON] referred in disparaging terms to a new light which had interfered with the operations of certain men who have heretofore received grants from Congress for dam sites for water power, and he plainly intimated that the same new light was still in the way. The new light first appeared on April 13, 1908, when President Roosevelt demanded the attention of Congress with his veto message on the bill for construction of a dam across Rainy River. (See CONGRESSIONAL RECORD, vol. 42, pt. 5, p. 4698.)

The new light was composed of five rays, summarized by the President as follows:

First. There should be a limited or carefully guarded grant in the nature of an option or opportunity afforded within reasonable time for development of plans and for execution of the project.

Second. Such a grant or concession should be accompanied in the act making the grant by a provision expressly making it the duty of the designated official to annul the grant if the work is not begun or plans are not carried out in accordance with the authority granted.

Third. It should also be the duty of some designated official to see to it that in approving the plans the maximum development of the navigation and power is assured, or at least that in making the plans these may not be so developed as ultimately to interfere with the better utilization of the water or complete development of the power.

Fourth. There should be a license fee or charge which, though small or nominal at the outset, can in the future be adjusted so as to secure a control in the interest of the public.

Fifth. Provision should be made for the termination of the grant or privilege at a definite time, leaving to future generations the power or authority to renew or extend the concession in accordance with the conditions which may prevail at that time.

On April 13—one month later—the new light was again flashed in the faces of certain gentlemen by the President in the form of

a letter to the Senate Committee on Commerce, the body of which letter is as follows:

Numerous bills granting water rights in conformity with the general act of June 21, 1906, have been introduced during the present session of Congress, and some of these have already passed. While the general act authorizes the limitation and restriction of water rights in the public interest, and would seem to warrant making a reasonable charge for the benefits conferred, those bills which have come to my attention do not seem to guard the public interests adequately in these respects. The effect of granting privileges such as are conferred by these bills, as said in a recent message, "taken together with rights already acquired under State laws, would be to give away properties of enormous value. Through lack of foresight we have formed the habit of granting without compensation extremely valuable rights, amounting to monopolies, on navigable streams and on the public domain. The repurchase at great expense of water rights thus carelessly given away without return has already begun in the East, and before long will be necessary in the West also. No rights granting water power should be granted to any corporation in perpetuity, but only for a length of time sufficient to allow them to conduct their business profitably. A reasonable charge should, of course, be made for valuable rights and privileges which they obtain from the National Government. The values for which this charge is made will ultimately, through the natural growth and orderly development of our population and industries, reach enormous amounts. A fair share of the increase should be safeguarded for the benefit of the people, from whose labor it springs. The proceeds thus secured, after the cost of administration and improvement has been met, should naturally be devoted to the development of our inland waterways." Accordingly I have decided to sign no bills hereafter which do not provide specifically for the right to fix and make a charge and for a definite limitation in time of the rights conferred.

On January 15, 1909, President Roosevelt vetoed House bill 17707, to authorize William H. Standish to construct a dam across James River in Stone County, Mo. The five rays of the new light were not only flashed but were focused and burnt into the eyes of some Members of Congress who, having eyes to see, see not. To make sure, a sixth ray was added, as follows:

Sixth. The license should be forfeited upon proof that the licensee has joined in any conspiracy or unlawful combination in restraint of trade, as is provided for grants of coal land in Alaska by the act of May 28, 1908.

The President further stated in his veto message:

To give away without conditions this, one of the greatest of our resources, would be an act of folly. If we are guilty of it, our children will be forced to pay an annual return upon a capitalization based upon the highest prices which "the traffic will bear." They will find themselves face to face with powerful interests intrenched behind the doctrine of "vested rights" and strengthened by every defense which money can buy and the ingenuity of able corporation lawyers can devise. Long before that time they may, and very probably will, have become a consolidated interest, controlled from the great financial centers, dictating the terms upon which the citizen can conduct his business or earn his livelihood, and not amenable to the wholesome check of local opinion.

* * * * * * *

THE NEW LIGHT WORE GLASSES AND HAD BIG TEETH.

I will sign no bill granting a privilege of this character which does not contain the substance of these conditions. I consider myself bound, as far as exercise of my Executive power will allow, to do for the people, in prevention of monopoly of their resources, what I believe they would do for themselves if they were in a position to act. Accordingly I shall insist upon the conditions mentioned above not only in acts which I sign, but also in passing upon plans for use of water power presented to the executive departments for action. The imposition of conditions has received the sanction of Congress in the general act of 1906, regulating the construction of dams in navigable waters, which authorizes the imposing of "such conditions and stipulations as the Chief of Engineers and the Secretary of War may deem necessary to protect the present and future interests of the United States."

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

Mr. BRYAN. Mr. Chairman, I would like to get through with this new-light proposition.

Mr. ADAMSON. Mr. Chairman, I think we had better rise. We have heard that a thousand times.

Mr. BRYAN. The gentleman will hear it a thousand times more; it is right, and it will not down.

Mr. ADAMSON. The line of talk that we have just heard has been familiar to us for 15 years, and it is due not, in my judgment to dishonesty, but to ignorance.

Mr. BRYAN I suppose the gentleman refers to that which I have just read from President Roosevelt. That is a new term to apply to him.

Mr. ADAMSON. After he wrote that letter he and his advisers agreed with Mr. STEVENS and his subcommittee for the amendment of 1910, and then they went back on the amendment after it was made.

Mr. BRYAN. The gentleman from Minnesota [Mr. STEVENS] says it is unconstitutional. I wish I had more time on that, Mr. Chairman, but I will avail myself of the privilege of extending in the RECORD.

The gentleman blames President Roosevelt for the trouble that the franchise getters incurred while Roosevelt was in Africa and on all other subsequent events. Surely there is some truth in that, for a good authority, which I will cite presently, said the new light of Theodore Roosevelt had "awakened the American conscience."

The act of 1910, which is the present general dam act, is evidently objectionable to the gentleman from Minnesota [Mr. STEVENS]. That gentleman gives the following as a portion of a "strictly accurate" statement of a promise made to President Roosevelt to "violate the Constitution" by agreeing—

That a supplemental act should be passed to the existing law that should extend the powers of Congress beyond those we got under the Constitution. It was that promise we kept in framing the act of 1910.

HIS PICTURE TO THE WALL, BUT—A CABINET ROW.

Matters proceeded smoothly for a season, and President Taft went on signing grants under Mr. STEVENS's "unconstitutional act of 1910"; but "the new light" again penetrated the gloom, and lo, a Cabinet row—Stimson, Secretary of War, and Fisher, Secretary of the Interior, had succeeded Dickinson and Ballinger. Certain constitutionalists had not properly estimated the power and force of the new light. The Chief Forester had been fired, but "where is now the merry party"? The new light forced its way into the gloom of the last administration, and we had a Taft veto for the Coosa River project.

HAS PRESIDENT WILSON PERCEIVED THE NEW LIGHT?

I wonder if the gentleman from Georgia has ever asked President Wilson if "the new light" has reached his administration. Will he veto such bills if they come up to him? I imagine he has said, "Yes," if such a question has been asked and the necessity for a new enactment in the form of a new general dam act has become apparent. For it was Woodrow Wilson, the historian, who, in speaking of the Roosevelt administration, said:

All must admit that the chief legacy of this remarkable administration to the people of the United States is one of ideas.

And—

One can * * * agree with Gov. Hughes, of New York, in characterizing it as "an administration which has impressed the American people with the necessity for the correction of obvious evils and has stirred the American conscience."

I believe that the new light is still a vital force in this country and that the American conscience is still on the job. So I have no doubt that President Wilson would likewise veto such grants, and the gentleman from Georgia knows that he would, and that Secretary Lane and Secretary Garrison also would advise such vetoes.

NO NEW LIGHT IN THIS BILL UNLESS AMENDED.

But surely the gentleman from Georgia knows there is none of the new light in this pending bill. To enact it into law would be to back up 10 years and practically destroy what has been accomplished in the past. It is absurd to think that the Members of this House will pass this bill in its present form. The gentleman from Georgia has insisted that this is an administration bill, approved by the President; but I will say that I can not understand the position of the administration. There must be a mistake somewhere. If the administration has approved this bill, I believe that approval was given without fully understanding the subject and will be withdrawn.

EVOLUTION OF AN ADMINISTRATION DAM BILL.

On the 19th of last February the report was given out that a bill said to have been proposed by the Secretary of War, Mr. Garrison, had the approval of the administration, but when the letter of the able Secretary disclosed the provisions of the bill it was found that the passion for local self-government and the desire to promote and encourage hydroelectrical development had caused the bill to lose all the provisions for real Federal control, and that its adoption would place the water-power interests in a place of safety between the State and the Federal Governments. The new light again shone forth, and Secretary Garrison stated very plainly that he was mistaken and, according to press reports, he let it be known that his approval of the plan had been given in error. Then the other day the gentleman from Georgia [Mr. ADAMSON] presented administration bill No. 2. I say this is an awful backdown, and that Congress can not think of passing it, and I now hear rumors persistent of administration bill No. 3, which carries certain amendments which were passed around on Wednesday afternoon of this week. But I believe administration bill No. 3 will not be satisfactory to this House. I know it is not satisfactory to me. I do not see any reason or excuse for liberalizing the general dam act as is proposed by this legislation. I am fully aware that there is a clamor for this kind of legislation on the part of the water-power interests, and they make the argument that if the law is not liberal, timid capital will not be enticed to build the dams. For my part, I had rather go a little slower and protect the public interest. It is very easy to give away rights and franchises, and it is very hard to recover them when they once get into private hands.

Upon investigation it will generally be discovered that there is no truth in the claims of these interests that honest, legitimate development is being retarded by regulation and careful regard by Congress of the people's rights. Let us consider some

of these claims, and I gladly acknowledge the aid of Mr. Slattery, secretary of the conservation association, in compiling much of this data.

1. THAT FEDERAL CONTROL IS RETARDING POWER DEVELOPMENT.

This is totally disproved by the progress of power development under permit on the national forests. The power permits of the Forest Service contain the very provisions for a 50-year franchise, a charge for the use of the power site, publicity, and prompt development, which the power interests claim are unreasonable and impracticable. So large has been the demand for privileges on national forests under these permits that on October 1, 1913, there were 78 water powers developed, 30 under construction, and 76 for which permits have been taken out during the past two years under conditions requiring prompt development. The total capacity of the water powers now under permit on national forests is 1,090,000 horsepower, reckoned on minimum stream flow. The actual capacity is not less than twice as much. Thus the total horsepower under permit for development in national forests is not far from one-third the total present development of water power in the United States.

The Forest Service has granted permits within the last four months for an aggregate power development of 340,000 horsepower at minimum stream flow, equivalent to at least 700,000 horsepower of actual development.

2. THAT THE CONCENTRATION OF WATER-POWER CONTROL IS NOT INCREASING OR THAT IT DOES NOT EXIST.

Concentration of private control of water power is the dominant feature of the water-power situation, as the following facts show:

In 1908, 13 groups of interests controlled 1,827,000 horsepower.

In 1911, 10 groups of interests controlled 3,270,000 horsepower.

In 1913, 10 groups of interests controlled 6,267,000 horsepower.

Thus the amount of private control of water power has practically doubled in the last two years.

When we compare the private control of developed and undeveloped water powers shown above with the total amount of developed water power in the United States we get these results:

In 1908, total development 5,300,000 horsepower, and the equivalent of 33 per cent in concentrated private control.

In 1911, total development 6,000,000 horsepower, and the equivalent of 55 per cent in concentrated private control.

In 1913, total development 7,000,000 horsepower, and the equivalent of 65 per cent in concentrated private control.

When we turn to individual States we find the results shown in the following table, which gives for each of the States enumerated the name or names of the leading power companies and the percentage controlled by them of the total developed commercial power in the State.

State.	Power company.	Percentage of total commercial power controlled.
California	Pacific Gas & Electric Co.; Western Power Co.	42
Washington	Washington Water Power Co.; Puget Sound Light & Power Co.	65
Oregon	Portland Railway, Light & Power Co.	54
Utah	Utah Security Corporation; Utah Power Co.	60
Montana	Montana Power Co.	80
Colorado	Colorado Power Co.	60
North Carolina	Carolina Power & Light Co.	50
South Carolina	Southern Power Co.	80
Georgia	Georgia Railway Power Co.; Georgia Power Co.	55
Alabama	Alabama Light, Power & Traction Co.	96
Tennessee	Tennessee Railway, Light & Power Co.; Chattanooga-Tennessee Power Co.	90
Minnesota	Northern States Power Co.; Northwestern Power Co.	50
Michigan	Commonwealth Power, Light & Railway Co.	42
Maine	Central Maine Power Co.; Cumberland County Power & Light Co.	45
Vermont	New England Power Co.	55

Thus in 15 of the great power States private control of developed commercial power, usually in the hands of a single company, averages 61 per cent. The total capitalization of these controlling power companies in these 15 States is approximately half a billion dollars.

3. THAT DEVELOPMENT OF WATER POWERS IN PRIVATE CONTROL IS KEEPING PACE WITH THE GROWTH OF THIS CONTROL.

In 1911 10 groups of interests controlled 3,270,000 horsepower, of which 1,821,000 was developed and 1,449,000 was undeveloped.

In 1913 10 groups of interests controlled 6,267,000 horsepower, of which 2,711,000 was developed and 3,556,000 was undeveloped.

Thus in two years the great power interests have increased their control of power held undeveloped more than twice as fast as they have increased their power development.

When we compare for 1908 and 1913 the total developed water power in the United States with the concentrated control of water powers developed and undeveloped we get these results:

In 1908 the total developed water power was 5,300,000 horsepower and the total power developed and undeveloped in the control of the 13 greatest groups of power interests was 1,800,000.

In 1913 the total developed water power was 7,000,000 horsepower and the total power developed and undeveloped in the control of 10 great groups of interests was 6,300,000.

Thus concentration of ownership of water power in the United States has increased in the last five years about seven times faster than power development.

Three western power corporations alone control about 1,000,000 undeveloped horsepower.

4. THAT IT IS DIFFICULT TO INTEREST CAPITAL IN POWER DEVELOPMENT BECAUSE OF HIGH FINANCIAL RISK AND LOW RETURNS.

During the last 10 years the net earnings of gas and electric companies have never dropped below 8 per cent on the securities issued, although these have increased by 110 per cent, or double the railroad expansion. (Henry L. Doherty & Co., bankers, New York, Apr. 21, 1913.)

The relative safety of gas and electric companies' securities compared with other securities is shown by the following figures:

Average annual amount of securities in receivers' hands per $100 of outstanding securities.

Gas and electric companies		$0.37
National banks—		
Insolvent	$0.32	
Voluntary liquidation	1.61	
		1.93
Railroads		1.84
Industrials		2.07

This shows that gas and electric companies are about as safe as national banks. For the last 10 years gas and electric companies have earned an average net return of $8.45 per $100 of outstanding securities, industrials $7.79, and railroads $4.25. Thus gas and electric companies have larger net earnings than the other classes. Their security is also greater, since their receivership risk is $0.37, against $2.07 for industrials and $1.84 for railroads.

Edward B. Lee, a recognized authority on investment securities, in "A year's review of public utilities," Moody's Magazine, January, 1913, states that 57 public-utility companies raised $469,656,000 through the sale of securities in 1912.

Mr. Lee also states:

The year 1912 saw the greatest spread of the holding-company idea and of the consolidation of public-utility companies and properties—

And goes on to say—

There are those who believe that the development of public-utility properties and the extension of their financing has gone a step too far.

5. THAT MANY POWER DEVELOPMENTS HAVE BEEN "GRAVEYARDS" FOR THE HOPES AND CAPITAL OF THEIR PROMOTERS.

Continuing, Mr. Lee says:

The record of hydroelectric companies in the United States has been, on the whole, an excellent one. There have been, of course, some failures owing to unfortunate selection of territory to be served and of water-power sites to be utilized, to faulty construction of dams and reservoirs, and to bad financing; but the losses of investors have been relatively small.

6. THAT RATES CHARGED BY POWER INTERESTS FOR WATER POWER COULD NOT REASONABLY BE LOWER.

Testimony before the House Committee on Foreign Affairs given by Gen. Francis V. Greene, president of the Niagara, Lockport & Ontario Power Co., and by Mr. C. H. Hammond, corporation counsel, Buffalo, brought out the fact that Buffalo pays $30 per horsepower for hydroelectric power generated at Niagara, and Rochester pays $25, while Toronto pays $17.45, and Hamilton, also in Canada, pays $18.55 per horsepower.

In Chicago, St. Paul, Spokane, Pittsburgh, Portland, Providence, Richmond, Reading, and San Antonio the base rate for power for lighting purposes charged by private companies is 10 cents per kilowatt hour. In Cleveland, where the municipality operates its own power plant, the maximum rate is 3 cents and the minimum 1 cent. Pasadena, which used to pay 15 cents per kilowatt hour under private ownership of its power plant, is now running its own plant and selling power for 5 cents per kilowatt hour, and has already earned enough in profits to pay for the plant.

Seattle now operates its own municipal light and power plant, with the result that power costs the city and the consumer less

than half what it cost when the power plant was privately owned and operated.

The Mississippi River Power Co., which operated the Keokuk Dam, has already sold less than one-third of the developed power for a sum representing a return of 5 per cent on its entire investment of $20,000,000.

We can not afford to forget the vast numbers of the people who must furnish the money to stimulate these water-power interests. The promoters that are in the habit of finding a snap and then forming a company will be heard to complain. Water-power development has been going on with amazing rapidity. This talk about embarrassed millionaires and timid water-power financiers is not borne out by the facts.

The Electrical World has made public some estimates of the rate of growth of the central-station business for March, 1914, compared with March, 1913, for various groups of States, based upon actual official returns from nearly 100 companies, which represent between them something over one-half of the entire light and power industry. These data show the following rates of increase on (1) revenue from the sale of energy and (2) total energy output of stations in kilowatt-hours: Middle Atlantic States, 6.1 per cent and 7.5 per cent; South Atlantic, 11.3 and 22.8; Central, 11.2 and 12.8; New England, 7.1 and 7.7. For the whole country it is closely estimated that the gross revenue from the sale of energy increased from $29,500,000 in March, 1913, to $31,913,000 in March, 1914, and the total energy output from 1,142,000,000 kilowatt-hours to 1,257,250,000.

THE WATER-POWER PROBLEM.

The water-power problem will sooner or later be brought home to every man, woman, and child, and home in this Nation. Within a few years the use of power will become a daily problem to the man on the farm, the woman in the home, and to the workingman in the shop. It does not take vision or imagination of great length to see the day when electric power, on account of the prohibitive cost of coal and wood, due to the depleted supply, will be the great factor in the power world. Even to-day, in manufacturing, water power is beginning to become a prime factor. This is shown by the fact that in six Western States 60 per cent of the power used in manufacturing is generated by falling water. When we consider the inestimable advantage of electricity over other power, we see clearly that water power will easily override all competitors.

WATER POWER IN THE HOME.

The use of electricity, generated by water power, is rapidly becoming an important economic factor in the home. Its widespread use for lighting and heating purposes is common knowledge. But in the near future will come the general operation of labor-saving devices in the home by electricity. In the West many communities have solved their servant problem, to say nothing of a reduced cost, by the installation of electric labor-saving machinery. A western governor at a recent meeting of the house of governors, to illustrate the widespread use of water power in his section, said: We have it on the farms, where we cook and heat and light by electricity, because our water powers are so cheap that we can afford to do it. In my home we have not had a fire to cook with in seven years nor a fire to heat our bath water and water for domestic use, and we do our cooking, make our ice cream, and churn the butter, do the washing and ironing, and the girls even wash the dishes by electricity. Within a few years this illustration will aptly apply to every section of this country.

CONSERVATION VERSUS DISSIPATION OF WATER POWER.

The keynote of the conservation policy with reference to water power is that our water powers should be controlled by the public. The reckless granting of power sites in perpetuity and without restrictions has been a sin of this generation which will be visited many times over on generations to come. The heedless giving of these franchises by both State and Nation to private corporations has been partly due to the failure of the public servants to safeguard this inestimable resource. There is some truth in the plea of ignorance, since it was only a few years ago that the value of a power site was realized. But there is no excuse for the frittering away of these valuable resources in this time of our Nation's life, with the ills of monopoly pressing us on every side. We must awaken to the true situation or there will be no use to lock the stable—the horsepower will be gone. Democrats ought to recognize the following words of William J. Bryan:

I know of nothing that nearer approaches the system of landlordism in Europe than the proposed giving away of these mountain streams in perpetuity to great syndicates, that through the years and generations to come could extract their toll from the toiling people. Therefore when we consider the use of these mountain streams the first thing we must decide is that there shall be no perpetual grant of water power. Who can tell what that right will be worth a hundred years from now? Look back 25 years. Who could have estimated then the value of a water-power site to-day? Within the last quarter of a century we have had a development of electricity that makes it possible to carry for hundreds of miles power generated by falling water. If you visit Canada you will find in the Province of Ontario great towers carrying for hundreds of miles the power generated at Niagara Falls. We are now in the very beginning of the use of electricity. What criminal folly for this generation to barter away sacred rights of posterity to syndicates and corporations. So it seems to me that one of the important questions to be decided in the conservation of our natural resources is that the principle of monopoly shall not be permitted in this country under a guise in any form. Let us insist that wherever or whenever a franchise is granted it shall be granted for a term of years, and that term shall not be so long but that we can reasonably estimate to-day the value of it at the end of the term. No other principles are tenable in the discussion of this subject.

DEVELOPED HORSEPOWER AND AVAILABLE SUPPLY.

The report of the Bureau of the Census made for the National Conservation Commission (1908) estimated 5,356,000 horsepower developed in the United States by water power. The Bureau of Corporations report of March 14, 1912, on water-power development estimates about 6,016,127 developed horsepower. According to this report, about 30,000,000 horsepower is developed by gas, water, and coal. It will therefore be seen that one-fifth of the horsepower in the country to-day is generated by water power.

In 1908 the United States Geological Survey estimated the potential water power of the country, minimum, 36,916,250, and maximum, 66,518,500.

It is estimated by experts that the waters of the country, if stored properly, would generate 200,000,000 horsepower, in addition to preventing floods. Power developed from storage reservoirs at the headwaters of our great rivers, like the Mississippi River, has unlimited possibilities. The late Dr. McGee, the most eminent authority on the subject of waters in the country, said of our storage-power possibilities:

It exceeds our entire mechanical power now in use, and would operate every mill, drive every spindle, propel ever boat, run every car, and light every city, town, and village in the country.

HAVE WE A WATER-POWER MONOPOLY, AND HOW?

If we should ask the average citizen this question, he would likely answer in the negative. Many doubtless have never heard of a water-power monopoly in their community, although it may already have fastened itself upon them. Let us look, for instance, at California—the State of the greatest water-power development. Upon investigation we find four large companies holding sites capable of developing 570,000 horsepower, of which only about 200,000 horsepower has been developed. This is practically a monopoly of a State's water power, when we consider the Bureau of Corporations' total water-power estimate of 1,168,216 developed horsepower. These corporations are also holding an enormous amount of power undeveloped.

But let us look at other States and see if concentration has been so widespread. In Washington we find two companies controlling 101,000 horsepower, or 75 per cent of the developed power, while in Michigan one company controls 73 per cent, or 52,000 horsepower of that State. Similar conditions exist in Montana, Colorado, Georgia, Alabama, Missouri, and New York.

"That is all right," some one will say, "to talk of these local water powers being under the domination of monopoly. We have heard lots of talk like that before, but I am from Missouri. Who are they? That is the meat of the question." All we will have to do is to put the Government behind these statements and say: There are two power fields in California—one around San Francisco, the other around Los Angeles. In the San Francisco region the Pacific Gas & Electric Co. control the water-power situation, embracing 30 counties, more than 200 cities and communities, and about two-thirds of the people of the State live in the area they serve. This company owns 118,343 horsepower and the electric and traction systems in more than 40 cities. In Washington the eastern part is largely controlled by the Pacific Coast Power Co. In the State of Montana the Butte Electric Power Co. controls 69,260 horsepower and the United Missouri River Power Co. 65,000; together they control 134,260, or about 45 per cent of the entire development. In Colorado the Central Power Co. alone controls all the developed water powers in the vicinity of Denver, and out of 72,000 horsepower developed in the State controls 47,000. This company also controls 50,000 undeveloped. In South Carolina we find the Southern Power Co. controls 101,000 horsepower, or 75 per cent of the State's power, with 73,000 undeveloped horsepower; while in Georgia the Georgia Power Co. controls 73,550 horsepower, or 58 per cent of that in the State. In Michigan 73 per cent of power is controlled by the Commonwealth Power Railway & Light Co., or 51,800 horsepower, and 71,000 undeveloped.

It is true that concentration is more acute in the West than any other section.

IN CONTROL OF THE GOVERNMENT.

However, in the national forests there is about 14,000,000 undeveloped horsepower; on the public lands there is estimated to be 10,000,000 horsepower, and on irrigation projects about 56,690 horsepower. This is 15,000,000 horsepower now under Federal control which should never be allowed to go the way of the other great water powers of the East and West.

IS A WATER-POWER TRUST IN FORMATION?

There may be a question whether or not we have a power trust to-day, but there is no denying the fact that it is on its way. If we look around, we find 10 large groups of water-power companies which are domineered to a great extent by the "General Electric interests." The General Electric absolutely controls 83,000 developed horsepower, controls by interlocking stock ownership or directors 419,000 developed horsepower, and controls through the community of directors 437,000, a total of 939,000 developed horsepower, or 15 per cent of the developed power in the United States, and 641,600 horsepower, or about 24 per cent of the undeveloped power reported by concerns owning developed power. The "Stone & Webster interests," the other large cooperative combine, own or strongly influence 278,000 horsepower, and, undeveloped, 641,000. In other words, we have these two allied interests alone controlling 2,499,600 horsepower. Is this not very near a trust in itself?

A water-power trust, granting it has not arrived, will be the greatest menace to the public welfare that we have yet experienced. Of the dangers of concentration, Senator BURTON has said:

Besides its enormous magnitude, this industry will become fundamental to many other industries which depend upon water power for their operation and success. The possibility of a control of the business of the country through the agency of water power is more imminent than any other form of control ever attempted in the history of human endeavor.

AN EXAMPLE OF THE OLD METHOD.

The Stone & Webster interests own the great Mississippi River Power Co., across the Mississippi River near Keokuk, Iowa, which is to generate 300,000 horsepower. Congress granted a perpetual franchise in 1905 to construct this dam without restrictions, except that certain locks and appurtenant works should be constructed. The project has recently been completed at a cost of $20,000,000. The dam, which will back the waters of the Mississippi for 65 miles, is eight-tenths of a mile long, of monolithic concrete, with 199 concrete arches, and a power house 1,710 feet long. Two locks on this project are of equal width of those at Panama, namely, 110 feet, and are 400 feet long. Without any regard as to the cost of constructing these locks and whether it would be sufficient remuneration to the Government for the privilege, Congress gave away this valuable right forever and for nothing. An investigation of the franchise, which Congress freely granted, should have been made by Congress. In view of its failure to do so, this news item of a recent date is interesting:

The Union Electric Light & Power Co. of St. Louis has contracted from the Mississippi Power Co. for the sale of 60,000 horsepower from this plant to be delivered in that city at $20 per kilowatt per year to consumers.

WATER POWER AND CONGRESS.

Since 1789 Congress has authorized the building of about 100 dams by special private bills. To-day 50 per cent of these dam sites are in the hands of large water-power interests. This is convincing evidence that these sites were secured primarily for monopolistic purposes. A Senator well summed up the situation in these words:

Special interests, in order to reap the harvests of the last of our great natural resources, have been grabbing for these water-power sites with a greed hardly paralleled in the history of this country, which has already suffered enough from exploitation of our natural resources.

But some will say, "Well, of course that happened many years ago, when Congress didn't understand the value of this great resource as we all do to-day." Well, just let us see. On February 24, 1911 (act 342), a right was granted by Congress to the Ozark Power & Water Co. to build a dam across the White River in Missouri. This company had been incorporated under the laws of Missouri on January 1, 1911, with authorized capital stock of $5,000, 48 of the 50 shares being held by one man. Three months after Congress passed this legislation the company increased its capital to $875,000, and nine months after its capital stock was increased to $2,000,000. This company is to-day rapidly absorbing all the local power companies in this section. The report of the Missouri Waterway Commission (p. 35, 1912) says of this same company:

It could not be learned by this commission at what price this electric energy would be delivered to the power consumer. Providing the electric power is sold to the ultimate consumer at a price which will be just a little under that of coal-produced power, it is easily seen that the profits from this water-power investment will be exceedingly large. At $40 per horsepower per annum, which, because of the high cost of producing power by means of coal and steam at Springfield and Joplin, would not be an excessive price, the annual gross income from this one water-power development would be $400,000. However, if more than the minimum power were realized the annual income would greatly exceed this amount. The promoters of the project have estimated that the annual expense, including the maintenance of transmission lines and the operation of the power plant, will not exceed $50,000. This therefore leaves a net income of $350,000 on an investment of less than $2,000,000, which is 16⅔ per cent profit. It is very likely, however, that the gross income is underestimated and the actual expenses overestimated, and therefore possible that the profits will be much greater than indicated.

Congress granted this franchise with no consideration of its worth or the speculative feature involved.

I have already referred to the fact that President Roosevelt in his veto of the James River bill, on January 19, 1909, called to the attention of Congress its failure to properly protect the public interest in these grants. But in 1909 an omnibus bill was reported favorably which contained this same grant on the James River. The grant became a law and a few months after was transferred to the power monopoly of Missouri by the grantees.

CONTROL IN FOREIGN COUNTRIES.

It may be of interest to see how they are handling this water-power problem in other countries. In the Province of Victoria, Australia, licenses are granted only for a limited period at an average charge of $5 per horsepower per annum.

The New South Wales Government retains the ownership of all land 66 feet each side of all water fronts and courses, and taxes and leases the water power.

In Switzerland, in 1908, an amendment to the constitution was adopted granting the Federal Government control of all franchises, and to-day about 70 per cent of all power generated in Switzerland is owned by public authorities or under public control through stock ownership. Many cities have municipal power plants.

In France permits are granted for development purposes on navigable streams on a rental basis.

Italy grants concession for water power not longer than 30 years on an annual rental.

Ontario reserves the right on each side of all water fronts and transmits power to municipalities at cost.

Mr. ADAMSON. Mr. Chairman, I wish to congratulate the country that there are some correct views on the Pacific coast, and I have sent to the Clerk's desk a letter to show the concurrence of the Seattle Chamber of Commerce and the San Francisco Chamber of Commerce in this bill, and I ask that it be read in my time.

The CHAIRMAN. Without objection the Clerk will read.

The Clerk read as follows:

SAN FRANCISCO CHAMBER OF COMMERCE,
July 8, 1914.

NEW SEATTLE CHAMBER OF COMMERCE,
Mr. C. B. YANDELL, *Secretary,*
Seattle, Wash.

GENTLEMEN: Referring to your favor of the 9th instant, in the matter of the Jones water-power bill and the Adamson bill, we beg to advise you that the board of directors of this chamber has taken action concurring in the recommendations of the New Seattle Chamber of Commerce, as set forth in the resolution adopted by your chamber indorsing the Jones water-power bill, suggesting a proposed amendment to that measure, and indorsing the Adamson bill.

We have to-day notified our congressional Representative of this action, as well as advising the associated chambers of commerce in the matter.

Yours, very truly.

SAN FRANCISCO CHAMBER OF COMMERCE,
L. M. KING, *Secretary.*

Mr. ADAMSON. 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. GARNER, 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. 16053—the general dam bill—and had come to no resolution thereon.

PRICES OF WHEAT IN KANSAS.

Mr. DOOLITTLE. Mr. Chairman, I ask unanimous consent for the present consideration of House resolution 571, which requests the Secretary of Commerce to report concerning the prices paid for wheat in Kansas, and so forth.

Mr. STEVENS of Minnesota. Mr. Speaker, I shall have to object to that being called up at this time. I promised the minority leader that I should object to all such matters.

The SPEAKER. The gentleman from Minnesota objects.

ADJOURNMENT.

Mr. ADAMSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 19 minutes p. m.) the House adjourned until to-morrow, Friday, July 24, 1914, at 11 o'clock a. m.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. GARNER, from the Committee on Ways and Means, to which was referred the resolution (H. Res. 570) directing the Secretary of the Treasury to transmit to the House of Representatives all facts in his possession with reference to the conduct of the collector of customs of the Laredo district, in the State of Texas, reported the same with amendment, accompanied by a report (No. 1010), which said resolution and report were referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, private bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. McKENZIE, from the Committee on Military Affairs, to which was referred the bill (H. R. 17752) for the relief of Caleb T. Holland, reported the same without amendment, accompanied by a report (No. 1008), which said bill and report were referred to the Private Calendar.

Mr. FRENCH, from the Committee on the Public Lands, to which was referred the bill (H. R. 11765) to perfect the title to land belonging to the M. Forster Real Estate Co., of St. Louis, Mo., reported the same with amendment, accompanied by a report (No. 1009), which said bill and report were referred to the Private Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. CHURCH: A bill (H. R. 18030) to provide for the sale of irrigation projects acquired under the provisions of the reclamation act to districts organized for the distribution of water for irrigation on the lands embraced within such projects, and to provide, under certain conditions, for the future construction of irrigation projects with moneys from the reclamation fund, the same to be sold, when completed, to districts organized for the purchase thereof; to the Committee on Irrigation of Arid Lands.

By Mr. OLDFIELD: A bill (H. R. 18031) amending sections 476, 477, and 440 of the Revised Statutes of the United States; to the Committee on Patents.

By Mr. EAGAN: Memorial from the House of Delegates of the State of Virginia, favoring the acquisition of Monticello by the Government of the United States; to the Committee on the Library.

PRIVATE BILLS AND RESOLUTIONS.

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

By Mr. ADAIR: A bill (H. R. 18032) granting a pension to George C. Louthain; to the Committee on Invalid Pensions.

By Mr. ALLEN: A bill (H. R. 18033) granting an increase of pension to Julia Fuhrmann; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18034) granting an increase of pension to Martha G. Le Count; to the Committee on Invalid Pensions.

By Mr. BRODBECK: A bill (H. R. 18035) granting an increase of pension to Aaron Markle; to the Committee on Invalid Pensions.

By Mr. DEITRICK: A bill (H. R. 18036) granting a pension to Charles McHugh; to the Committee on Invalid Pensions.

By Mr. FORDNEY: A bill (H. R. 18037) to remove the charge of desertion from the record of Henry T. Shafer; to the Committee on Military Affairs.

By Mr. HELM: A bill (H. R. 18038) to carry out the findings of the Court of Claims in the case of Louis Landram, administrator of William J. Landram, deceased; to the Committee on Claims.

By Mr. MacDONALD: A bill (H. R. 18039) granting a pension to Henry Wachter; to the Committee on Pensions.

By Mr. MAGUIRE of Nebraska: A bill (H. R. 18040) granting an increase of pension to Addison H. Vanderbergh; to the Committee on Invalid Pensions.

By Mr. MOSS of West Virginia: A bill (H. R. 18041) granting an increase of pension to America M. Fellows; to the Committee on Invalid Pensions.

By Mr. SMITH of Idaho: A bill (H. R. 18042) granting an increase of pension to Anna Robbins; to the Committee on Invalid Pensions.

PETITIONS, ETC.

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

By the SPEAKER: Petition signed by Herman Eissmar, of Pacific, Mo., protesting against the adoption of the Hobson prohibition amendment; to the Committee on Rules.

By Mr. AINEY: Petition of citizens of Rummerfield and Cold Creek, Pa., favoring national prohibition; to the Committee on Rules.

Also, petitions of citizens of Canton, Little Meadows, Camptown, East Herrick, Luzerne County, 13 citizens of Clifford, 138 citizens of Orwell, and sundry citizens of Preston, all in the State of Pennsylvania, favoring national prohibition; to the Committee on Rules.

By Mr. ALEXANDER: Petition of citizens of Orrick, Mo., for extension of the provisions of the pension law of May 11, 1912, to widows of soldiers; to the Committee on Invalid Pensions.

Also, petition of sundry voters of Gentry County, Mo., and Lone Star Woman's Christian Temperance Union, of Lone Star, Mo., favoring national prohibition; to the Committee on Rules.

By Mr. ALLEN: Memorial of Noyes McCook Post, No. 30, Department of Ohio, Grand Army of the Republic, favoring an appropriation for reunion of veterans at Vicksburg, Miss., in 1915; to the Committee on Appropriations.

By Mr. BRUCKNER: Petition of the Merchant Tailors' Society of New York City, relative to evasions of the tariff law; to the Committee on Ways and Means.

Also, petition of Lord's Day Alliance, protesting against section 6 of H. R. 12928; to the Committee on the Post Office and Post Roads.

Also, petition of Merchants and Manufacturers' Association of Philadelphia, Pa., relative to legislation affecting business; to the Committee on the Judiciary.

Also, memorial of General Post Office Letter Carriers' Mutual Benefit Association of New York City, protesting against section 6 of House bill 12928; to the Committee on the Post Office and Post Roads.

Also, petition of Central Federated Union, favoring the passage of the seamen's bill; to the Committee on the Merchant Marine and Fisheries.

By Mr. CLANCY: Petitions of C. G. Van Wormer, B. W. Ingraham, Rev. J. B. Knappenbeyer, and others, of Syracuse; Rev. Charles J. Howell, R. J. Manchester, Edwin K. Munro, and others, of Camillus; C. E. Green and others, of Apulia; Ernest Ashby, E. E. McDowell, and others, of Memphis; Rev. John C. Nichols and others, of Skaneateles; W. H. Graham, Mrs. Frank M. Jones, and others, of Syracuse, all in the State of New York, favoring national prohibition; to the Committee on Rules.

Also, petition of 95 voters of the thirty-fifth New York congressional district, against passage of Hobson-Sheppard-Works resolution; to the Committee on Rules.

Also, petitions of sundry citizens of Syracuse, Baldwinsville, Lysander, East Syracuse, Onondaga, Jordan, Skaneateles, Marcellus, and Camillus, all in the State of New York, against national prohibition; to the Committee on Rules.

Also, petition of employees of the Syracuse (N. Y.) Lithographing Co., against national prohibition; to the Committee on Rules.

By Mr. DOOLITTLE: Petition of 200 citizens of Eureka, Kans., favoring national prohibition; to the Committee on Rules.

By Mr. EAGAN: Petition of Howard F. Malt, of New Jersey, relative to carrying railway postal clerks on railroads free of charge; to the Committee on the Post Office and Post Roads.

Also, petition of Roseburg (Oreg.) Commercial Club, relative to new post-office building in Roseburg, Oreg.; to the Committee on the Post Office and Post Roads.

Also, memorial of United Societies for Local Self-Government of Chicago, Ill., protesting against national prohibition; to the Committee on Rules.

By Mr. FESS: Petition of W. A. Brand Post 98, Department of Ohio, Grand Army of the Republic, favoring appropriation for reunion of veterans at Vicksburg, Miss., in 1915; to the Committee on Appropriations.

By Mr. MERRITT: Petitions of Frederick R. Griffiths, Samuel J. Orr, G. W. Owen, W. F. Chaffee, Frank Backus, Noah Walker, Floyd Patterson, J. B. Wheater, C. E. Wheater, L. B. Ginn, Robert Merrifield, A. L. Dickinson, James Weatherup, Newton Stone, Joseph Ross, R. R. Ormsbee, William Graham, L. W. Seaman, L. N. Stone, C. E. Sunderland, J. L. Wood, J. H. Hutchinson, John McAllester, James Davis, E. R. Smithers, Henry Parkhill, E. M. Bagley, John Cline, W. A. Burlingan, E. H. Dexter, G. H. Simpson, C. B. Doty, R. S. Murray, Richard Kelly, Fred N. Bockers, S. C. Kendrew, F. W. Laidlaw, E. D.

Hanson, Allen Bill, S. M. McCrea, and S. C. Lytte, all of Rensselaer Falls, N. Y., favoring national prohibition; to the Committee on Rules.

By Mr. PATTON of Pennsylvania: Petition of citizens of Unionville, Pa., favoring national prohibition; to the Committee on Rules.

By Mr. ROBERTS of Nevada: Petitions of Jack Volz, A. J. Campbell, and 11 others; Frank England, S. J. Lachman, and 5 others; and C. H. Smith, of Rhyolite, Nev., protesting against national prohibition; to the Committee on Rules.

By Mr. SMITH of Idaho: Petition of J. P. Sargood and 30 other citizens of Eagle, Idaho, favoring national prohibition; to the Committee on Rules.

By Mr. TALCOTT of New York: Petitions of the Liquor Dealers' Association of Herkimer and Mohawk; citizens of Waterville; Coopers' Union, Meat Cutters' Union, Carpenters' Union No. 1632, Steam Engineers' Union, Paper Hangers' Union, Street Railway Employees' Union, Bartenders' Union, Cigar Makers' Union, Mule Spinners' Union, Switchmen's Union, Hod Carriers' Union No. 132, Horseshoers' Union, Iron Molders' Union, Hod Carriers' Union No. 35, Lathers' Union No. 52, Barbers' Union, and Plumbers' Union, all of Utica, N. Y., protesting against national prohibition; to the Committee on Rules.

Also, petitions of Charles Younker, Dolgeville; First Methodist Episcopal Church, Rome, N. Y.; R. N. Jessup, Rome, N. Y.; J. B. Kingsley, F. M. Horton, Rev. F. J. Lee, Henry Ernst, J. A. Bailey, and C. E. Stedman, of Rome; E. N. Ames, Rome; 48 citizens of the thirty-third New York district; Truman Cole, C. T. Cole, Little Falls; A. W. Deitz, Verona Station; Lambert Family, New Hartford; F. R. and E. A. Stone, Little Falls; citizens of Oneida County; A. C. Burnam, Camden; W. J. Bennett, Waterville; Mr. and Mrs. Morris Smith, Henry Smith, representing 100 citizens of Herkimer; J. P. Jones, Dolgeville; Poland Baptist Church, Poland; T. P. Marsh, Dolgeville; M. C. Bullock, West Winfield; J. A. Hayes, Utica; citizens of Little Falls; Methodist Episcopal Church, Little Falls; A. E. Cox, Poland; citizens of New Hartford; P. H. Quackenbush, Herkimer; Men's Bible Class, First Presbyterian Church, Little Falls; Rev. H. L. Campbell, Sauquoit; William Carpenter, Rome; Alonzo Murray, Little Falls; Bethesda Welsh Congregational Church, Utica; H. S. Ninde, Rome; Rev. Thomas Browne, New Hartford; M. A. Spicer, West Winfield; F. H. Swanson, Camden; Young People's Society of Christian Endeavor of Bethesda Church, Utica; Woman's Christian Temperance Union of Poland, all in the State of New York, favoring national prohibition; to the Committee on Rules.

Also, petition of Department Veteran Army of the Philippines, relative to civil-service conditions in Philippine Islands; to the Committee on Reform in the Civil Service.

Also, memorial of citizens of Rome, N. Y., favoring a national motion-picture commission; to the Committee on Education.

By Mr. WALLIN: Petition of sundry citizens of Schenectady, N. Y., protesting against any change in the flag; to the Committee on the Judiciary.

SENATE.

FRIDAY, *July 24, 1914.*

(Legislative day of Thursday, July 23, 1914.)

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

FEDERAL TRADE COMMISSION.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 15613) to create an interstate trade commission, to define its powers and duties, and for other purposes.

The VICE PRESIDENT. The pending question is on the amendment proposed by the Senator from Nevada [Mr. NEWLANDS].

Mr. BRANDEGEE. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

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

Ashurst	Gallinger	Perkins	Smoot
Brady	Hitchcock	Pittman	Stone
Brandegee	Hollis	Poindexter	Swanson
Burton	Jones	Pomerene	Thomas
Camden	Kenyon	Reed	Tillman
Catron	Kern	Saulsbury	Vardaman
Chamberlain	Lane	Sheppard	Walsh
Chilton	Martine, N. J.	Shively	Weeks
Clapp	Myers	Simmons	West
Culberson	Newlands	Smith, Ga.	White
Cummins	Page	Smith, Md.	Works

Mr. PAGE. I wish to announce the necessary absence of my colleague [Mr. DILLINGHAM]. He is paired with the senior Senator from Maryland [Mr. SMITH].

Mr. KERN. I desire to announce the unavoidable absence of the junior Senator from Kansas [Mr. THOMPSON]. He will be detained for several days.

Mr. GALLINGER. I wish to announce the necessary absence of the junior Senator from Maine [Mr. BURLEIGH].

Mr. SIMMONS. I wish to announce the unavoidable absence of my colleague [Mr. OVERMAN]. He is paired with the Senator from California [Mr. PERKINS].

Mr. CAMDEN. I desire to announce the unavoidable absence of my colleague [Mr. JAMES]. He will be absent to-day. He is paired with the Senator from Massachusetts [Mr. WEEKS].

Mr. KERN. I wish to state that the Senator from Louisiana [Mr. THORNTON] is necessarily detained from the Chamber.

The VICE PRESIDENT. Forty-four Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators, and Mr. BRYAN, Mr. SMITH of Arizona, and Mr. SMITH of Michigan answered to their names when called.

Mr. SWANSON. My colleague [Mr. MARTIN of Virginia] will be unavoidably detained from the Senate to-day and tomorrow. It is impossible for him to be present.

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

Mr. KENYON. I desire to announce the unavoidable absence of the senior Senator from Wisconsin [Mr. LA FOLLETTE] on account of illness.

Mr. JONES. I desire to announce that the junior Senator from Michigan [Mr. TOWNSEND] is necessarily absent. He is paired with the junior Senator from Arkansas [Mr. ROBINSON]. I will let this announcement stand for the day.

Mr. SMOOT. I desire to announce the unavoidable absence of the junior Senator from Wisconsin [Mr. STEPHENSON].

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

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

Mr. WORKS obtained the floor.

Mr. ASHURST. Mr. President——

The VICE PRESIDENT. Will the Senator from California yield to the Senator from Arizona?

Mr. ASHURST. I was going to move to proceed to the consideration of the conference report on the Indian appropriation bill; but, of course, I would not make that motion so as to interfere with the remarks of the Senator from California. However, as soon as he has concluded his remarks I shall make that privileged motion.

Mr. WORKS. Mr. President, I have already expressed my views in somewhat extended remarks made by me a few days ago on the three trust bills that are now before the Senate. I am not going to take up the time of the Senate in any further extended remarks upon the bill that is now immediately under consideration.

I have contended in the Senate for a long time and on different occasions that the only effective way to deal with the trusts is by specific provisions against wrongful offenses committed. We have legislated for a long time against combinations, conspiracies, and monopolies, but after all it is not the monopoly that offends or injures competition, nor is it the combination or conspiracy. It is the specific acts done in restraint of trade after that combination or monopoly has been formed or is in existence.

I listened with a good deal of interest to what was said by the Senator from Idaho [Mr. BORAH] in commenting upon the Standard Oil case, the Tobacco Trust case, and others of a like kind. I want to say to the Senate that the adjudication of those cases and the results which followed did more to satisfy my mind of the inadequacy and inefficiency of the Sherman antitrust law than anything that has happened. What was said by the court in laying down the principles involved in the controversy was interesting. They were correct principles that ought to control the conduct of business. But, after all, the only thing that was accomplished or attempted to be accomplished as the result of that litigation was to dissolve the combinations that had been formed, resulting, as it was claimed, in each case as a monopoly of the business in which these different corporations were engaged.

Now, what harm resulted to the Standard Oil Co. by the decree that was rendered in that case or its enforcement? Absolutely none. Instead of affecting the value of the stock of the corporation the stock went up soon after that time.