

the respective reservations, and there is hereby appropriated for the expense of such investigation and report the sum of \$1,000, or so much thereof as may be necessary, to be immediately available."

And the Senate agree to the same.

Amendment numbered 129: That the House recede from its disagreement to the amendment of the Senate numbered 129, and agree to the same with an amendment as follows: In line 7 of said amendment, after the word "highway," insert a comma and the following: "reimbursable out of any funds now or hereafter placed to the credit of said Indians in the Treasury of the United States"; and the Senate agree to the same.

Amendment numbered 132: That the House recede from its disagreement to the amendment of the Senate numbered 132, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"The Secretary of the Interior is hereby authorized to withdraw from the Treasury of the United States the sum of \$1,000, or so much thereof as may be necessary, of the funds on deposit to the credit of the Uintah Tribe of Indians, in the State of Utah, and to use the same to protect the north abutment of the Government bridge at Myton, Utah, under such rules and regulations as he may prescribe, said sum to be immediately available."

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 proposed insert the following:

"That the Secretary of the Interior be, and he hereby is, authorized to sell and dispose of not to exceed 20 acres of that portion of the lands situated on the north side of and within the limits of the abandoned Fort Spokane Military Reservation, State of Washington, not necessary for hospital purposes, as provided for in the act approved August 1, 1914 (38 Stat. L., p. 584), at not less than the appraised value thereof, and to place the proceeds thereof in the Treasury of the United States to the credit of the Spokane Indians in said State."

And the Senate agree to the same.

Amendment numbered 142: That the House recede from its disagreement to the amendment of the Senate numbered 142, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$5,000"; and the Senate agree to the same.

Amendment numbered 146: That the House recede from its disagreement to the amendment of the Senate numbered 146, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"That without bias or prejudice to the rights or interests of any party to the litigation now pending, the Secretary of the Interior be, and he hereby is, authorized to sell the timber on the so-called 'school lands' and 'swamp lands' within the boundaries of the Bad River and Lac du Flambeau Indian Reservations in Wisconsin, and to which the State of Wisconsin has asserted a claim; to keep a separate account of the proceeds of such sale with each legal subdivision of such land and to deposit the said proceeds at interest in a national bank, bonded for the safe-keeping of individual Indian moneys, to be paid over, together with the interest thereon, to the party or parties who shall finally be adjudged to be entitled to such fund: *Provided*, That the consent of the State or parties claiming title thereto be obtained before any such sale shall be made."

And the Senate agree to the same.

Amendment numbered 156: That the House recede from its disagreement to the amendment of the Senate numbered 156, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"SEC. 27. On the first Monday in December, 1917, and annually thereafter, the Secretary of the Treasury shall transmit to the Speaker of the House of Representatives estimates of the amounts of the receipts to and expenditures which the Secretary of the Interior recommends to be made for the benefit of the Indians from all tribal funds of Indians for the ensuing fiscal year; and such statement shall show (first) the total amounts estimated to be received from any and all sources whatsoever, which will be placed to the credit of each tribe of Indians, in trust or otherwise, at the close of the ensuing fiscal year, (second) an analysis showing the amounts which the Federal Government is directed and required by treaty stipulations and agreements to expend from each of said funds or from the Federal Treasury, giving references to the existing treaty or agreement or statute, (third) the amounts which the Secretary of the Interior recommends to be spent from each of the tribal funds held in trust or otherwise, and the purpose for which said amounts are to be expended, and said statement shall show

the amounts which he recommends to be disbursed (a) for per capita payments in money to the Indians, (b) for salaries or compensation of officers and employees (c) for compensation of counsel and attorney fees, and (d) for support and civilization: *Provided*, That hereafter no money shall be expended from Indian tribal funds without specific appropriation by Congress except as follows: equalization of allotments, education of Indian children in accordance with existing law, per capita and other payments, all of which are hereby continued in full force and effect: *Provided further*, That this shall not change existing law with reference to the Five Civilized Tribes."

And the Senate agree to the same.

HENRY F. ASHURST,

H. L. MYERS,

MOSES E. CLAPP,

Managers on the part of the Senate.

C. D. CARTER,

THOS. F. KONOP,

CARL HAYDEN,

P. P. CAMPBELL,

P. D. NORTON,

Managers on the part of the House.

MR. HOLLIS. I move that the Senate adjourn.

The motion was agreed to, and (at 3 o'clock and 46 minutes p. m.) the Senate adjourned until Monday, May 1, 1916, at 12 o'clock meridian.

## HOUSE OF REPRESENTATIVES.

SATURDAY, April 29, 1916.

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

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

O Lord God, our heavenly Father, let the light of heaven shine in upon our souls, that our minds may be clarified, our hearts strengthened, and our way made clear, that we may quit ourselves like men in all the trying circumstances of life and wear the seal of approval upon our hearts. To-day, to-morrow, and all through the journey of life is the day of salvation. Thus may we keep to the high-water mark of Christian manhood day by day, in the spirit of Him who came that we might have life and that we might have it more abundantly. Amen.

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

### ORGANIZED LABOR AND MILITARY PREPAREDNESS.

MR. BAILEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD regarding the attitude of organized labor in my district with respect to military preparedness.

THE SPEAKER. The gentleman from Pennsylvania [Mr. BAILEY] asks unanimous consent to extend his remarks in the RECORD on the attitude of organized labor in his district toward the question of preparedness. Is there objection?

There was no objection.

### LEAVE TO WITHDRAW PAPERS.

MR. KINCHELOE, by unanimous consent, obtained leave to withdraw from the files of the House, without leaving copies, the papers in the pension case of George Price (H. R. 5779, 63d Cong.), no adverse report having been made thereon.

### LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. RAKER, for this day, on account of illness.

To Mr. WILLIAMS of Ohio, indefinitely, on account of illness in his family.

### AGRICULTURAL APPROPRIATION BILL.

MR. LEVER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the Agricultural appropriation bill.

THE SPEAKER. Under the rule the House automatically resolves itself into the Committee of the Whole House on the state of the Union.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the Agricultural appropriation bill (H. R. 12717), with Mr. HAMLIN in the chair.

MR. ANDERSON. Mr. Chairman, I move to strike out all after the word "that" in the pending amendment and insert the matter which I send to the Clerk's desk.

THE CHAIRMAN. The Clerk will report the amendment to the amendment.

The Clerk began the reading of the amendment. During the reading,

Mr. GREEN of Iowa. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GREEN of Iowa. How far has the Clerk read?

The CHAIRMAN. The Clerk has read to about the middle of section 6.

Mr. GREEN of Iowa. I ask unanimous consent to dispense with the reading after the Clerk has finished section 7, because the remainder of the amendment of the gentleman from Minnesota simply applies to changes made to conform—

Mr. ANDERSON. If the Clerk will read to the end of section 7, I will then ask unanimous consent to have the remainder of the amendment printed in the RECORD.

The CHAIRMAN. When the Clerk finishes section 7, if either gentleman desires to do so he may ask unanimous consent to dispense with the further reading. The Clerk will continue to read, to the end of section 7.

The Clerk read to the end of section 7.

Mr. ANDERSON. I ask unanimous consent to dispense with the further reading of the amendment, and that it be printed in the RECORD.

The CHAIRMAN. The gentleman from Minnesota asks unanimous consent to dispense with the further reading of the amendment and that the whole amendment be printed in the RECORD. Is there objection?

There was no objection.

The amendment is as follows:

Strike out all after the word "that" in the pending amendment and insert the following:

"This act shall be known by the short title of the 'United States grain-grades act.'

"SEC. 2. That the Secretary of Agriculture is hereby authorized to investigate the handling, grading, and transportation of grain and to fix and establish as soon as may be after the enactment hereof standards of quality and condition for corn (maize), wheat, rye, oats, barley, flaxseed, and such other grains as in his judgment the usages of the trade may warrant and permit, and the Secretary of Agriculture shall have power to alter or modify such standards whenever the necessities of the trade may require. In promulgating the standards, or any alteration or modification of such standards, the Secretary shall specify the date or dates when the same shall become effective, and shall give public notice, not less than 60 days in advance of such date or dates, by such means as he deems proper.

"SEC. 3. That the standards so fixed and established shall be known as the official grain standards of the United States.

"SEC. 3½. Whenever, by reason of climatic or other conditions, any large quantity of grain shall be ineligible to grade under the standards fixed pursuant to section 2 the Secretary may establish supplemental or commercial grades for such grain, and such supplemental or commercial grades may be promulgated upon such notice as the Secretary shall deem proper.

"SEC. 4. That whenever standards shall have been fixed and established under this act for any grain no person thereafter shall ship or deliver for shipment from any State, Territory, or District to or through any other State, Territory, or District, or to any foreign country, any such grain which is sold or offered for sale by grade unless the grain shall have been inspected and graded under this act and the grade by which it is sold or offered for sale be one of the grades fixed therefor in the official grain standards of the United States: *Provided*, That any such grain not sold or offered for sale by grade may be sold, offered for sale, shipped, or delivered for shipment in interstate and foreign commerce by sample or by type, or under any name, description, or designation which is not false or misleading, and which name, description, or designation does not include in whole or in part the terms of any official grain standard of the United States: *Provided further*, That any such grain sold or offered for sale by one of the grades fixed therefor in the official grain standards may be shipped to or through any place at which an inspector is located, subject, under such rules and regulations as the Secretary of Agriculture shall prescribe, to be inspected at the place to which shipped, or at the place through which shipped for inspection, and subject, further, to the right of appeal from such inspection, as provided in section 6 of this act: *And provided further*, That any such grain sold or offered for sale by any of the grades fixed therefor in the official grain standards may, upon compliance with the rules and regulations prescribed by the Secretary of Agriculture, be shipped without inspection from a place at which there is no inspector to a place at which there is no such inspector, subject to the right of either party to refer any dispute as to the grade of the grain to the Secretary of Agriculture, who may determine and certify the true grade thereof. No person shall in any certificate or in any contract or agreement of sale or agreement to sell by grade, either oral or written, involving, or in any invoice or bill of lading or other shipping document relating to, the shipment or delivery for shipment in interstate or foreign commerce of any grain for which standards shall have been fixed and established under this act describe or in any way refer to any of such grain as being of any grade other than a grade fixed therefor in the official grain standards of the United States.

"SEC. 5. That no person shall represent that any grain shipped or delivered for shipment in interstate or foreign commerce is of a grade fixed in the official grain standards other than as shown by a certificate therefor issued in compliance with this act; and the Secretary of Agriculture is authorized to cause examinations to be made of any grain for which standards shall have been fixed and established under this act and which has been certified to conform to any grade fixed therefor in such official grain standards or which has been shipped or delivered for shipment in interstate or foreign commerce. Whenever, after opportunity for hearing is given to the owner or shipper of the grain involved and to the inspector thereof, if the same has been inspected, it is determined by the Secretary that any quantity of grain has been

incorrectly represented to conform to a specified grade or has been sold or offered for sale under any name, description, or designation which is false or misleading he may publish his findings.

"SEC. 6. That whenever standards shall have been fixed and established under this act for any grain and any quantity of such grain which has been sold, offered for sale, shipped, or delivered for shipment in interstate or foreign commerce shall have been inspected and a dispute arises as to whether the grade as determined by such inspection of any such grain in fact conforms to the standard of the specified grade, any interested party may appeal the question to the Secretary of Agriculture, and the Secretary of Agriculture is authorized to cause such investigation to be made and such tests to be applied as he may deem necessary and to determine the true grade: *Provided*, That any appeal from such inspection to the Secretary of Agriculture shall be taken before the grain leaves the place where the inspection appealed from was made and before the identity of the grain has been lost, under such rules and regulations as the Secretary of Agriculture shall prescribe. In every such case the Secretary of Agriculture shall charge and assess, and cause to be collected, a reasonable fee in amount to be fixed by him, which fee shall be refunded if the appeal is sustained. All such fees shall be deposited and covered into the Treasury as miscellaneous receipts. The findings of the Secretary of Agriculture as to grade, made after the parties in interest have had opportunity to be heard, shall be accepted in the courts of the United States in all suits between such parties, or their privies, as *prima facie* evidence of the true grade of the grain determined by him at the time and place specified in the findings."

Strike out all of section 7 and in lieu thereof insert the following:

"That whenever standards shall have been fixed and established under this act for any grain no inspector shall certify that any grain which has been shipped or delivered for shipment in interstate or foreign commerce is of any grade, unless said grade be one of the grades fixed in the United States official grain standards, nor shall any such inspector use any other standard than that established under this act to determine such grade.

"Whenever, after opportunity for hearing has been given, the Secretary shall determine that any inspector is incompetent or has knowingly or carelessly graded grain improperly or by any other standard than is authorized by this act, when such standard has been fixed and established, or has issued any false certificate of inspection, or has accepted any money or other consideration directly or indirectly for any neglect or improper performance of duty, or has knowingly violated any provision of this act or of the rules and regulations made hereunder, the Secretary may issue an order prohibiting such inspector thereafter from inspecting or grading grain for interstate or foreign commerce and from issuing any certificate of inspection thereon.

"Every certificate of grade issued by an inspector under this act shall state that the grain to which it refers has been inspected and graded in accordance with the United States official grain standard."

SEC. 8. That the Secretary of Agriculture shall, from time to time, make such rules and regulations as he may deem necessary for the efficient execution of the provisions of this act.

SEC. 9. That any person who shall violate any of the provisions of sections 4 or 7 of this act, or any inspector licensed under this act who shall knowingly or carelessly inspect or grade improperly any grain which has been shipped or delivered for shipment in interstate or foreign commerce, or shall knowingly or carelessly give any false certificate of inspection or grade, or shall accept money or other consideration, directly or indirectly, for any neglect or improper performance of duty, and any person who shall improperly influence or attempt to improperly influence any such inspector in the performance of his duty, shall be guilty of a misdemeanor, and upon conviction thereof shall be fined not more than \$1,000, or be imprisoned not more than one year, or be punished by both fine and imprisonment.

SEC. 10. That every person who forcibly assaults, resists, impedes, or interferes with any officer or employee of the United States Department of Agriculture in the execution of any duties authorized to be performed by this act or the rules and regulations made hereunder shall, upon conviction thereof, be fined not more than \$1,000 or be imprisoned not more than one year, or be punished by both fine and imprisonment.

SEC. 11. That the word 'person' wherever used in this act shall be construed to import the plural or singular, as the case demands, and shall include individuals, corporations, companies, societies, and associations. When construing and enforcing the provisions of this act the act, omission, or failure of any official, agent, or other person acting for or employed by any corporation, company, society, or association within the scope of his employment or office shall in every case also be deemed the act, omission, or failure of such corporation, company, society, or association, as well as that of the person.

SEC. 11½. The term 'inspector' as used in this act shall mean a person authorized or employed by a State, county, city, town, board of trade, chamber of commerce, corporation, society, or association to inspect or grade grain.

SEC. 12. That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$125,000, which shall be available until expended, for the expenses of carrying into effect the provisions of this act, including rent and the employment of such persons as the Secretary of Agriculture may deem necessary in the city of Washington and elsewhere."

The CHAIRMAN. Does the gentleman from Minnesota desire recognition on his amendment?

Mr. ANDERSON. I desire recognition, but I understand that the gentleman from Missouri [Mr. RUBEY] desires to make a request for unanimous consent.

Mr. RUBEY. Mr. Chairman, I renew the request I made yesterday for unanimous consent, that the remainder of the time for debate under the five-minute rule on this amendment be divided, and that the gentleman from Minnesota [Mr. ANDERSON] who is a member of the subcommittee, may control half of the remaining time for that side and that I may control half the remaining time on this side.

The CHAIRMAN. The gentleman from Missouri asks unanimous consent that the remainder of the time for debate under the five-minute rule on this amendment, which is 80 minutes, be

controlled one-half by himself and one-half by the gentleman from Minnesota [Mr. ANDERSON]. Is there objection?

Mr. LINTHICUM. Mr. Chairman, reserving the right to object, I should like to have at least seven minutes on this amendment in opposition to it.

Mr. ANDERSON. Of course, I am perfectly willing to yield to the gentleman. I presume, however, that the gentleman from Missouri [Mr. RUBEEY] will have no objection to yielding to him.

Mr. LINTHICUM. I am opposed to the amendment. I will take time from either side. I have no objection.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. The gentleman from Minnesota [Mr. ANDERSON] is recognized for 40 minutes.

Mr. ANDERSON. Mr. Chairman, I desire to be notified when I have occupied 10 minutes, if I occupy that much time.

The amendment which I have offered goes only to section 7 of the amendment, which authorizes the Secretary of Agriculture to license persons who may be found competent to grade and classify grain under this act.

There are in the country now a number of grain-inspection systems in the different States. These systems may be divided into two general classes. One of these classes is that in which the inspectors of grain are appointed by the boards of trade or grain associations representing the buyers of grain. The other is what is known as the State inspection system, such as exists in the State which I have the honor to represent in part, in the State of Washington, in the State of Oklahoma, in the State of Missouri, and in several other States.

These State systems have grown up through the years, the one in my State having been in operation some thirty-odd years. The fundamental difference between the State system and the board of trade system is this: Under the State system the inspector represents the State. He neither represents the buyer nor the seller. He is a State officer, and the certificate which he issues is a State certificate. In the case of the board of trade inspection the inspector represents the board of trade, and the board of trade represents the buyer. The purpose of the State system is to separate the inspection from the interest of the buyer, the seller, the elevator man, or any other person interested in the grading or standardization of the grain and put the inspection squarely under the disinterested authority of the State.

Now, the grading of grain is a very technical subject. Perhaps it would not be out of place for me to take five minutes to outline the system that exists in Minnesota and other States for grain inspection.

At the terminals in Minneapolis and Duluth there are hundreds of cars of grain arriving during the day and night. Sometimes at the yard there are as many as a thousand cars of grain to be inspected during a single day. These cars are run onto special tracks, and as soon as it is daylight the samplers, who represent the State and are State officers, bonded to the State, come into the yard to take samples from the cars of grain. Ahead of them go the State sealers. They break the seals, take the number of the car, and the number of the seal, which is reported to the State grain-inspection department. After the sealer has broken the seals the sampler who represents the State goes into the car, and, with an instrument known as a probe—a long, brass tube—he takes at least seven probes in the car, and these are mixed together on a cloth provided for that purpose and then placed in a sack, and constitute the sample upon which the State grain-inspection service determines the grade. Into the sack goes a little card, upon which is the number of the car, the date, and the name of the sampler. There is absolutely nothing on the card to indicate from what point the grain came or who its owner may be.

These sacks are taken to a large room, where the State inspectors do their work. Each one of the inspectors has a large table set up against a large window, having the character of a skylight, and there, by means of certain mechanical appliances, together with his judgment of grain, he determines the grade of that grain. He places on the card the grade, and if it falls below No. 1 or is rejected or is classed as no grade, the reason why it is so classed and the amount of dirt in the grain per bushel or dockage.

If the shipper or purchaser is dissatisfied with the grade fixed by the inspector, he may ask for a reinspection. If he asks for a reinspection, the sample is reinspected by the chief inspector or his deputy. After the chief inspector or his deputy re-inspects the grain, if the purchaser or seller is still dissatisfied, he may appeal to the State board of grain appeals. This board consists of three members appointed by the governor, and they have the final say as to the grade of the grain and the amount of the dockage.

Now, under this bill no provision is made for sealers—men who may unseal the car and seal it up again under the authority of the Federal Government. No provision is made for taking any sample of any kind. The men appointed and licensed under this act are in no sense Federal employees. They must be either the employees of the State or the employees of the board of trade.

Mr. MOSS of Indiana. Will the gentleman yield?

Mr. ANDERSON. Yes.

Mr. MOSS of Indiana. Why not explain to the House just how these inspectors are appointed?

Mr. ANDERSON. The inspectors under this bill are appointed by the State, by the board of trade, or possibly by the Federal Government. But the provision to which I have referred authorizes the Secretary of Agriculture to license these inspectors, and his control over them, of course, is established by his power to license, to refuse to license, or to revoke the license.

Mr. MOSS of Indiana. Will the gentleman yield again?

Mr. ANDERSON. Yes.

Mr. MOSS of Indiana. Under this bill, as presented by the committee, would there be any change whatever in Minnesota, so far as the inspectors are concerned?

Mr. ANDERSON. I hope not, but I fear there will be. This bill authorizes the Secretary of Agriculture to license any person as inspector. Suppose he licenses somebody not authorized as an inspector by the State of Minnesota? That person may under this act inspect grain for interstate commerce, and we will have a conflict of authority and of certificates.

Mr. MOSS of Indiana. The gentleman wants to be perfectly fair, and he is well acquainted with this bill. Isn't it true that the Secretary of Agriculture under this bill has no right whatever, under any circumstances, to appoint any man to make a primary inspection of grain?

Mr. ANDERSON. I do not think so. I think under the language of this section, for which I have offered a substitute, the Secretary of Agriculture may license anybody who is competent to inspect grain.

Mr. MOSS of Indiana. That is true.

Mr. ANDERSON. Whether he is authorized under the laws of the State or not. If a license means anything, it means the authority to do an act which is otherwise unlawful.

The CHAIRMAN. The gentleman from Minnesota has used 10 minutes.

Mr. MADDEN. Will the gentleman yield to me for a question?

Mr. ANDERSON. For a question.

Mr. MADDEN. Does the gentleman know that the inspectors of States are all under bond, and if they grade grain at one place and it turns out at the destination that it is another grade that inspector is liable under his bond for the difference between the two standards?

Mr. ANDERSON. I know that. I know that every employee is bonded to the State for the faithful performance of his duty. In Minnesota all of the inspectors have been in the service more than 10 years and half of them more than 20 years.

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

Mr. ANDERSON. Yes.

Mr. MCKENZIE. While it is true that this bill provides that anyone who is competent may be appointed as an inspector, is it not also true that the preference shall be given to State inspectors already in the service?

Mr. ANDERSON. That is true; a preference is given to the State inspectors; but we must judge this law not from what we hope the Agricultural Department will do under it but by what it may do under it, and it may wipe out the State systems by the appointment of inspectors who are not authorized under the State laws.

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

Mr. ANDERSON. I can not yield any further. I want to explain the amendment that I have offered. If later on I can get more time I shall be glad to yield. The situation which is now presented illustrates more forcibly than anything I can say the absolute absurdity of attempting to pass a bill of this kind under the circumstances under which we are now legislating. There is not one man in a hundred in this House who knows anything about the technical conditions to which this bill is to be applied. No man can legislate with any degree of intelligence upon any subject who does not know the technical conditions to which the bill when it finally becomes a law must of necessity be applied, and yet we can not get time to answer the legitimate questions which may be asked. The amendment which I have offered goes this far: It authorizes the Federal Government to fix a standard for grain. It leaves the State systems as they are, but provides that if

an inspector under a State system fails to perform his duties in accordance with the law or to grade in accordance with the standard fixed by the Federal Government the Secretary of Agriculture may prohibit him thereafter from inspecting grain for interstate and foreign commerce. It simply provides that the inspectors under the State must grade grain to conform to the United States standard when that is once fixed, and if they fail to apply that standard fairly the Secretary of Agriculture may issue an order prohibiting them from inspecting grain for interstate and foreign commerce. The question may arise as to whether we have the power to do that. If we have the power to license, I think we have the power to prohibit in the form which I propose in my amendment.

Mr. CHIPERFIELD. Mr. Chairman, I would like to ask the gentleman a question, and in fact I would like to have a little time.

Mr. ANDERSON. Mr. Chairman, I will ask the gentleman from Missouri to use some of his time now.

Mr. RUBEY. Mr. Chairman, I yield five minutes to the gentleman from Indiana [Mr. Moss].

Mr. MOSS of Indiana. Mr. Chairman, I shall not attempt to discuss the technical details of the bill, but I shall give notice to those present that I will, when I can get consent, place in the RECORD a speech that I had the honor to deliver before the National Grain Dealers' Association, at Peoria, Ill., in which I attempted a careful analysis of this bill.

Mr. MADDEN. Mr. Chairman, I suggest that the gentleman ask that permission now.

Mr. MOSS of Indiana. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD by printing in connection therewith a speech that I delivered before the National Grain Dealers' Association of Peoria, Ill.

The CHAIRMAN. Is there objection?

Mr. MANN. Mr. Chairman, reserving the right to object, I do not intend to object to all of these requests to extend, but I believe I did yesterday object to two or three for the purpose of showing the enormity committed by the majority in attempting to dispose of such important matters without consideration. I shall withdraw the objection I made yesterday and I will not object now.

The CHAIRMAN. Is there objection?

Mr. MOORE of Pennsylvania. Mr. Chairman, reserving the right to object, inasmuch as the gentleman from Illinois [Mr. MANN] objected to my extending yesterday, I will not object to it to-day.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MOSS of Indiana. Mr. Chairman, this bill recognizes that there are two functions in grain inspection. One is purely State and the other is national in its scope and purpose. No man can pretend that the National Government has the power to go into a State and inspect grain intended purely for State commerce. Hence there must be a purely State system of inspection, but there should also be an inspection of grain which goes into interstate commerce. These two functions are separate and distinct, because each is exercised under a separate sovereignty. If it is insisted that no cooperation shall take place between State and Nation, then we must organize and maintain two distinct systems. This bill seeks to take those two systems and place them in harmony with each other. It does so by recognizing that the State shall appoint all of the inspectors and shall conduct absolutely and without any restriction whatsoever all primary inspection of grain, exactly as it is done to-day. Illinois will inspect all grain, just as that State conducts such inspection to-day, and so will Minnesota and every other State in the Nation.

The Secretary of Agriculture does not now have the power to interfere in any way with the primary inspection of grain, and he is not given that power in this bill. In every State system there is a provision for appeals from inspection to be made, and this bill seeks to take over all appellate power so far as it relates to grain in interstate commerce and vests that power exclusively in the Secretary of Agriculture. If the bill be enacted into law, this is what will happen: The States will control primary inspection, precisely as they do to-day, for all State inspection and purposes whatsoever, but with that grain which enters into interstate commerce, or which is offered for sale to enter interstate commerce, if a dispute shall arise between the buyer and seller as to the true grade of the grain that dispute will be referred to the Secretary of Agriculture for determination. That is all there is in the bill one way or the other. Permit me to say that this bill has the indorsement of the grain trade in all parts of the United States. It has been indorsed by the National Millers' Federation and by the National Grain Dealers' Association; it

has been indorsed by every prominent chamber of commerce in the United States. It has the indorsement of every paper in the United States that is devoted to the grain trade. It has been indorsed by every State grain association in the United States. It has the indorsement of the Secretary of Agriculture and of all the experts in the Department of Agriculture. It has the indorsement of two subcommittees that have been appointed from the Committee on Agriculture, representing the great grain States of this Union. It has received at least two unanimous votes of the Committee on Agriculture and it has passed this House on a roll-call vote by a very much larger than two to one vote.

Mr. STEENERSON. Mr. Chairman, will the gentleman yield? Mr. MOSS of Indiana. Yes.

Mr. STEENERSON. Has it the support of the farmers' associations?

Mr. MOSS of Indiana. I can not state that definitely. If it has their opposition, I do not know it; but I do know this, that I have letters from some of the most prominent members of the farmers' associations in the Northwest in which they tell me that this bill takes a long step forward in the direction which they want to go. I will be fair with the gentleman and say that most of the farmers of the United States, through their associations, want absolute national inspection instead of national supervision, and the only difference in opinion between the farmers of the United States and those who framed this bill is that they—the farmers—want to go to a system of absolute national inspection, while the authors of this bill know that it is impossible to get such a bill through Congress. Every farmer who wants national inspection, however, is in favor of national supervision if he can not get the more radical step.

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

The Peoria address is as follows:

PROPOSED LEGISLATION PROVIDING FOR FEDERAL SUPERVISION AND INSPECTION OF GRAIN IN INTERSTATE AND FOREIGN COMMERCE.  
[Address of RALPH W. MOSS before the National Grain Dealers' Association, Peoria, Ill., Oct. 12, 1915.]

"Mr. President and gentlemen, men who control large business enterprises are apprehensive when legislation is proposed which affects their interests. In America, this feeling is more marked than in older countries, because her individual initiative has been given greater freedom. The best public opinion of to-day, however, is demanding that closer governmental supervision be given business activities, not in way of hostile repression, but rather of helpful organization and of friendly supervision. I am glad that your powerful association has invited so eminent authority as Senator SHERMAN to discuss this subject for your benefit. The farmer is the producer of a large share of the wealth of this great Nation. He does produce nearly all the prime necessities of life. Any condition which affects the interests of the farmer is of vital interest to all people of our Republic, because their food supply comes from the farm. Unfortunately, the farmers are the poorest organized of any of our wealth-producing classes and have, perhaps, the lowest individual initiative. It is but natural that we should seek to give to this great industrial calling the benefits of Federal supervision in the marketing of their principal products. But while I welcome this extension of Federal power and activity, I deplore the zeal which has led the Bureau of Chemistry to attempt to apply the terms of the national pure-food law to the commerce of our principal grain crops. All thoughtful men will quickly agree that legislation which is to apply to any line of commerce should be carefully considered in full and free conference with those whose business is to be affected by it. The extension of the terms of any statute so as to include scope which was not originally intended by the framers of the law has rarely given beneficial results; and I believe that I am on safe grounds when I assert that in the instance under consideration the results have been mischievous if not actually pernicious to the legitimate grain trade. Your experience with the regulations framed under this law ought to prompt your membership to earnest zeal in securing a fair statute which shall be framed especially to meet the necessities of the grain trade and which will be administered by experts chosen expressly because of their knowledge and experience in the grain trade. It is only by this method that you can secure relief from attempts to apply the pure-food law to the control of interstate commerce in grain.

"There is a well-organized and intelligently directed movement, having for its purpose the demand that the National Government shall take cognizance of the grain trade. It is desired that uniform standards of quality and condition for the principal commercial grains shall be established and declared and their integrity be guaranteed by general supervision of our interstate and foreign grain commerce. This agitation has led

to extended hearings by committees of both Houses of Congress, the preparation of many bills dealing with this subject, and the passage in the House during the late session by practically a unanimous vote of House bill No. 17971, known as the Moss bill. Later this bill was favorably reported to the Senate and its passage was prevented only by the lateness of the session.

"This bill has the favorable indorsement of the Secretary of Agriculture, the representatives of your own association, of the National Millers' Federation, the Indiana Grain Dealers' Association, the principal chambers of commerce and boards of trade, national farmers' organizations, that portion of the American press which is particularly devoted to the grain trade, and of general public opinion, so far as any authorized and definite expression can be secured.

"To this general statement there must be noted two exceptions which comprise the opposition to the bill, so far as such opposition has come to my knowledge. First, the opposition of the exporters of Baltimore, New York, and Boston, so far as their organizations have spoken; and second, that very influential body of men, particularly among grain producers, who favor the more radical proposal of Government inspection as against the method of supervision which is proposed in the bill. It is to be noted that the Gulf exporters support the bill. It may also be said that many among those whose first preference is for Government inspection are heartily supporting the bill, both as a matter of expediency and also because it is a long step forward in the direction which they wish the Nation to travel. Excepting the position of the grain exporters referred to, I have observed no expression of opinion which was not to the effect that the bill would have a most salutary effect on the grain trade and will meet the criticisms which are generally directed against it at the present moment.

"There can be no hazard in the statement that legislation will be enacted speedily on this subject; and because of its position of advantage—because of the definite expressions of approval from powerful bodies among grain men—I can confidently predict that the bill which I have the honor to have introduced in Congress will be made the basis of such legislation. I feel, therefore, that an analysis of the proposals contained in the bill will be more profitable at this moment than any argument which I might be able to present in support of the bill. I feel sure that among the membership of your association the fact that the bill has been able to command the indorsement of your very able legislative representatives, Mr. Reynolds and his associates, will be accepted as conclusive that its provisions are not inimicable to your interests as a trade body. In this connection, I beg to express my personal indebtedness to Mr. Reynolds and to members of the grain trade generally for their generous cooperation in the preparation of this measure. In their various appearances before our committee and in the many private conferences which were held during the course of the bill's preparation, your representative men used their intimate knowledge of the grain trade with such courtesy and tact as to impart information freely without any appearance of dictation; and it is not much to say that the bill in its present form is much influenced by this generous cooperation among the representative grain men of the Nation. This result is a refutation of the charge that legislation affecting large business interests can not be perfected without undue antagonism from those who will be affected by its restrictions and provisions.

"The legislative proposals contained in the bill may be roughly divided into three parts. The preparation and publication of uniform standards of quality and condition of grain by the National Government; the coordination of all existing systems for grain inspection with the newly-created Federal system, and the establishment of a general supervision by the Federal Government over all grain moving in interstate and foreign commerce for the detection and publication of all fraudulent practices.

"The first proposal is to authorize and direct the Secretary of Agriculture to investigate the handling, grading, and transportation of grain and to fix and establish standards of quality and condition for corn (maize), wheat, rye, oats, barley, flaxseed, and such other grains as, in his judgment, the usages of the trade may warrant. There is no opposition to this proposal so far as it has come to my knowledge. It is universally conceded that we ought to have uniform standards in the grain trade and that we can secure them only through the action of the Federal Government. National standards can be established and enforced only by national power. Congress has been appropriating large sums annually for some years to enable the Secretary of Agriculture to investigate these related questions and ultimately to establish such standards. It will be recalled that standards of corn have been published by the department; but the Government has no power to enforce such standards after they have been prepared and published. The fact that corn

standards have not been universally adopted demonstrates the fact that mere publication or promulgation of grades by any authority, however eminent, will not work reform without effective supervision by the National Government.

"It is not necessary to question the ability or the honesty of State inspection officials. Their authority can not extend beyond State lines, and it is manifestly impossible to secure uniform grain-inspection service or the adoption and use of uniform standards by an appeal to the action of 48 independent State governments. Grain moves so freely in interstate commerce that it presents a national question and must be dealt with by the National Government. The bill vests the power of supervision in the National Government through control of interstate commerce. This power is ample and is not questioned. Personally, I have no doubt that Congress, through its grant of power to fix the standards of weights and measures, can legislate to fix standards of quality for grains; but it has been thought best to work through the interstate clause of the Constitution and thus avoid any new interpretation of constitutional powers.

"The bill seeks to control only the sale of grain when made or offered by grade. The liberty to buy and sell by sample or by type is left unabridged; sales may also be negotiated under any name or designation which is not false or misleading and which name or designation in whole or in part does not include the terms of any official grain standard. No grain can legally be sold by grade except the grade be one of the official grades designated by the Secretary of Agriculture, and the grain actually conforms to the requirement of the grade specified. We must agree that these are ideal conditions—that the seller must deliver exactly that which he contracts to deliver, and that the buyer will thus be given that which he has purchased. The Secretary of Agriculture is given broad administrative powers to enforce these ideal conditions and thus secure their general adoption.

"The bill does not vest the Federal Government with the power to make primary inspection of grain or to appoint grain inspectors. It seeks to establish practical cooperation between State and Nation in the work of first inspection and takes over to the National Government exclusively the determination of all appeals from the first inspection. The general work of primary inspection is left with local authorities as now constituted. This means that in those States where State inspection is now authorized by law, the State authorities will continue to appoint inspectors and to control the work of inspection. If the boards of trade and chambers of commerce appoint the inspectors, these trade bodies will continue to exercise such powers. The inspection service is left precisely where it is now vested by State law. Even if this were not desirable as a matter of expediency in securing the enactment of this legislation it would suggest itself as a matter of desirable economy in administration of intrastate and interstate commerce in grain. It is evident that the National Government can not take over the work of inspecting grain designed wholly for intrastate shipment. If there is to be no cooperation between national and local authorities in this necessary work of grain inspection, it follows that there must be maintained two separate and complete systems of grain inspection—one maintained by the State for State purposes and one by the National Government for interstate commerce.

"This would be a duplication of service and expense which can not be justified on any other grounds than that of actual necessity. If practical cooperation can be organized, good business judgment will confirm its adoption. The bill seeks to perfect such practical cooperation by authorizing the Secretary of Agriculture to issue licenses to competent persons to inspect grain for interstate shipment. If the local authorities appoint a duly licensed inspector, then such inspector would have the authority to make inspection for both State and interstate commerce. In effect, the State authorities would be compelled to appoint from the eligible list prepared by the Secretary of Agriculture or else deny to the grain in their territory—when sold by grade—entrance into interstate commerce or compel its inspection at some point where such licensed inspectors are employed. Such license is revocable by the Secretary for failure to grade grain correctly in accordance with the official grain standards of the United States or for any corruption of official integrity. Under this provision, if cooperation was maintained, each local grain inspector's authority would depend upon the joint approval of State and National authority. The State authority would appoint and the national authority would license with power to revoke.

"This license feature has met with strong opposition from the friends of State inspection. It is one of the exasperating small details which vex the preparation for any measure which con-

cerns the employment of salaried men. The friends of those who now enjoy positions wish to make assurance doubly sure that no discrimination is possible against their friends, while others are afraid that loopholes will be constructed which can be taken advantage of by the unscrupulous. Doubtless the fears of each group of partisans are groundless. I can not believe that any State would knowingly tolerate the employment of incompetent or corrupt graders, and I am perfectly confident that with the other administrative features of this bill in operation, even without the license feature, that such incompetence or corruption would be detected and exposed by the supervisory force of Government experts. In the end a State, even if it can be conceded that it is possible for the low standards of efficiency or honesty to find favor with any State, such a State would be driven to raise its standard to the common level of national service. On the other hand, under the high administrative methods sure to be sanctioned by the National Government hostile discrimination against individuals or States would be impossible, and those now in the employ of local authorities who are competent and worthy would doubtless be licensed by the National Government so that the service might benefit by their continued employment. Practical cooperation is always based on the assumption of honest, good-faith effort on part of all cooperators, and I know of no reason to challenge such an attitude on part of either State or National Government in an effort to improve and perfect the grain-inspection service.

Uniformity in this service is further guaranteed by the provision that all certificates, written or oral contracts, invoices, and bills of lading relating to any shipment or offer for shipment of grain in interstate or foreign commerce shall not refer to such grain as being of any other grade than one of the official grades of the United States. As grain can be legally sold by sample or by type or by special trade designation, this provision is necessary in order to give that class of sales which the bill is designed to encourage that advantage which the judgment of third parties not interested in the terms of the trade always confers. It also makes it practically impossible to negotiate trade on credit instruments except that such trades be made by grade. It is one of the strong features of the bill, viewed from an administrative standpoint, and I am gratified to find so little objection to its adoption. Taken in connection with the licensing feature, it will go far toward strengthening the administration of all local inspection service.

We may sum up the provisions of the bill so far as they relate to the ordinary routine of sale and delivery in interstate commerce: The Secretary of Agriculture is authorized to fix uniform standards for all commercial grains, which standards must be used in all trading in grain where the sales are made by grade. Grain may be sold by sample or by type without reference to the terms of the bill. Sales may be made by name or designation, if such name or designation is not false or misleading, and which name or designation does not include in whole or in part the terms of any official grain standard. All grain inspectors are appointed by local authority, after such persons have passed a successful examination before the Secretary of Agriculture. Provision is made whereby grain can be shipped from a point where no licensed inspector is stationed to a point or through a point where such licensed inspector is stationed, subject to inspection at such points. All grain which is sold by grade must be sold under one of the official grades, and the grain must conform to the requirements of the grade under which it is sold. All certificates, invoices, contracts of sales, and agreements to sell, relating to the shipment or delivery for shipment in interstate or foreign commerce, must refer to the grain as being one of the official grades as fixed by the Secretary of Agriculture.

#### APPEALS.

After grain has entered interstate or foreign commerce, or has been offered for such shipment, and the grain shall have been inspected, any dispute as to the fact that the grain actually conforms to the standard of the grade specified in the contract of sale may be referred to the Secretary of Agriculture for settlement by either party in interest. This provision of the bill takes away from State authority all appellate power in the grain-inspection service in interstate commerce and lodges that jurisdiction with the Secretary of Agriculture. The findings of the Secretary as to the grade is made *prima facie* evidence in any United States court of the true grade of the grain at the time and place specified by the Secretary in his findings. No objection has appeared prominently to this grant of power to the Secretary, but a sharp difference of opinion exists as to the manner in which this right to appeal should be exercised. This is one of those apparently irreconcilable differences which grow out of the natural conflict of interest between buyer and seller. The position of the seller is that the right of appeal

should be limited to the time and place of delivery or offer of delivery; the buyer prefers to prolong his right of appeal to include the moment when he receives his grain at the point of final destination. The bill seeks to harmonize this natural difference in interest by providing that the appeal must be taken before the grain leaves the place where the inspection appealed from was made, and before the identity of the grain is lost. As grain may be shipped to any point where a licensed inspector is stationed, subject to inspection at that point, it follows that by contract it is possible for any buyer of grain to designate the point where he may wish to receive the grain. The appeal can thus be taken at the point where he has elected to receive his grain. The general principle recognized by the bill is that the owner of the grain must accept all hazard as to the grain going out of condition. This risk is usually calculated by the seller in naming price and terms. This is the best business procedure and it was accepted in framing the bill. If grain is sold for Chicago delivery, then the inspection and appeal, if one is taken, must be in Chicago. If delivery is specified to be Buffalo, then these processes are deferred until the grain actually arrives in Buffalo; and this is true of every sale, regardless of the origin of the grain. The point of delivery controls the right of appeal and designates the time and place where the party feeling aggrieved must exercise that right.

The administrative policy contemplated by the bill is the establishment of grain laboratories at all the principal grain markets and to employ a corps of competent grain experts, who will compose the boards of appeal. These men will be appointed by the Secretary of Agriculture and be solely responsible to him. The bill thus offers the grain trade an official arbitral tribunal absolutely removed from all trade influences and responsible alone to the majority of the voters of the United States. In this sense the bill provides for Government inspection, because it is possible under its terms for any given lot of grain to be graded directly by the Government officials. The result is secured without in any way impairing existing local systems of grain inspection or by duplicating existing inspection officials. In fact, the local inspection will be strengthened because of Federal examination, supervision, and the adoption of uniform standards. Thus we will secure better grading for strictly intrastate grain commerce and establish an effective system for interstate and foreign commerce.

The Secretary is also vested with the power to examine grain passing in interstate and foreign commerce by whatever method the sale may have been negotiated. Whenever, after opportunity for a hearing is given to the owner of the grain and to the inspector thereof, if the same has been inspected, it is determined by the Secretary that the grain has been incorrectly graded or has been sold under a name or designation which is false or misleading, he may publish his findings. This provision gives the Secretary power to detect fraudulent practices in the grain trade and to give publicity to fact of their existence. It will tend to standardize the grading at the various market centers and will assist in detecting incompetent or corrupt inspectors, if such should be employed by any local authority.

The only other important feature of the bill which has provoked serious discussion is that of the permanency of the grades when once established by the Secretary. No question is more vital to the efficiency and to the integrity of the proposed system than this one. I have the greatest regard for the honesty of opinion which this controversy has provoked. It is a moot question and perhaps no man is qualified to say the last word in the argument. There is always a possibility of a mistake being made when the original grade has been established. It is impossible to eliminate the element of human error in the application of the standards when they shall have been declared. The work of grading grain can never be reduced to a mathematical demonstration of accuracy. It is well known that the prevailing quality of grain grown in any locality will vary with the seasons. These are the general reasons which are usually assigned by those who desire flexibility in the grades.

Canada has settled this vexed question by fixing permanent grades by statute and then permitting the administrative officers to establish commercial grades which may be changed from season to season and for the different provinces. It is apparently the purpose in permitting the formation of commercial grades to facilitate the sale of grain to the best possible advantage. The commercial grades in Canada are in reality sales by sample or by type and can be made under the provisions of the bill, except that the sales would be negotiated between buyer and seller without the advantage of governmental regulation and supervision, other than that of supervision to prevent fraudulent representation. The bill seeks to accommodate the element of error by permitting variations from the official standards under rules and regulations by the Secretary of Agri-

culture. I have been pressed by students of the bill to define exactly the latitude which this language will permit. Unfortunately, this can not be done. It is an administrative liberty of discretion which only the individual officer will determine. It is not the purpose of those who framed the bill and chose the language to permit a greater variation than will exist between the margins of successive grades in any series. Certainly, there was no intention to confer authority on the Secretary of Agriculture to change standards when once published. The authority to make such changes or to authorize them to be made would reside exclusively in Congress. I am strongly opposed to vesting in executive officials large powers which of right should be exercised by the representatives of the people. The functions of executive officials should be that of administration and their influence on the legislative branch should be limited to the making of recommendations when important changes should be made in our legal code.

"It was my hope and ambition to present a bill under the operations of which any grain grower in the United States could offer his product with well-founded confidence that he would receive the ruling market quotation for the particular quality which he had actually produced; and, likewise, that any buyer of grain could place his order for any particular quality obtainable in the markets with reasonable assurance that he would receive that quality for which he had contracted. If these ends were accomplished, then it would be impossible for the present practices, which I am convinced do obtain at times in certain markets where wheat is purchased as a low grade and the identical wheat resold as of a higher grade. Such profits are not legitimate; such practices are not honest. The Government of the United States owes it to her citizens to promote honesty in commercial channels and to encourage legitimate commercial methods by fearlessly searching out fraudulent transactions and exposing them and their authors before the world.

"I do not have special reference to the practice of recleaning, drying, and other like operations, whereby the actual condition of the grain is improved, and hence its rightful commercial grade has been raised. Such operations may be entirely legitimate and of great economic importance. This fact was fully established during the present abnormal season. There is here, as in many other details of actual commercial transaction, a twilight zone in which honesty can be merged into dishonesty, where reputable practices may be displaced by disreputable ones. The grain trade, through the operations of this bill, will be permitted to offer their grains for sale at the actual grade which they bear at the moment of delivery, and will receive quittance for all time from imputations and direct charges of questionable manipulation to the disadvantage of both the producer and the ultimate consumer.

"The provisions of this bill have been subjected to the most crucial tests of criticism. I do not present it with the extravagant claims that it is a perfect bill, but I do claim that it has received the most universal support of any bill on this subject which has ever been presented to Congress. There is not a critic of the bill which will not admit that it will better existing conditions and will remove most of the evils which are known to exist at the present time in the grain trade. It is a distinct step forward in the path which every student wishes to travel. It may not be exactly in all its details as you wish to frame it. That may be said of every important measure. Legislation, as is well known, is a matter of compromise, and good legislation is usually a matter of honest compromise. This bill was framed in the open. The committee hearings were extended and patient. No man can truthfully say that he was not accorded a hearing, and I believe that no man will say that he was not accorded a courteous and patient hearing.

"Legislation will be accomplished at the coming session of Congress. It is possible to secure the enactment of this bill without substantial change if the grain trade will continue to give it undivided support. It is my intention to reintroduce it in its present form the first day of the next session of Congress and to press for an early vote. So far as my present conviction goes, I shall favor no substantial change in its text. I deeply appreciate the generous support which the officers and membership of your association have given me in my efforts to perfect this bill and to secure its approval by Congress. I also wish to express my deep sense of obligation for the honor which the opportunity to make this address conveys."

Mr. RUBEY. Mr. Chairman, I yield now to the gentleman from New York [Mr. HULBERT].

Mr. HULBERT. Mr. Chairman, if I had succeeded in getting the recognition that I asked for yesterday I would perhaps have been better able to present the argument which I have to submit than now because of the cold which I have contracted in the meantime. This may even prevent me from using the

time allotted to me, but I desire at the conclusion to offer an amendment, the purpose of which is to strike out those provisions of this grain-grade act so that the inspection will not be applicable to foreign commerce.

I do that because, as I understand it, the real purpose of this bill is aimed at the operation of grain inspection with regard to the exportation of corn, and there is no community in this country which is more affected by the enactment of this amendment than the city of New York, from which port I believe a greater amount of grain has been exported than from any other port in the United States.

And yet, Mr. Chairman and gentlemen, I make protest now that while a measure of this character was under consideration by a committee of this House, affecting, as it does, such a substantial interest in the commercial development of the city of New York and the greatest port of this Nation, the people of that city were not afforded an opportunity to attend before this committee and to give expression to their opposition to this measure.

Mr. MOSS of Indiana. Mr. Chairman, will the gentleman yield there?

The CHAIRMAN. Does the gentleman from New York yield to the gentleman from Indiana?

Mr. HULBERT. I do.

Mr. MOSS of Indiana. I would like to say that the gentleman is entirely mistaken in his statement about this question. I happened to be on the committee at the time the original bill was framed, and I know of my own knowledge that representatives of the interests concerned in New York appeared before the committee and were given every opportunity to enforce their objections to this bill.

Mr. HULBERT. Mr. Chairman, I will say in answer to the gentleman that I hold in my hand a copy of the hearings of the Committee on Agriculture on the bill H. R. 10405, which is substantially this same measure, and there is not a word in there showing that an opportunity was offered to the representatives of the grain or produce exchanges in New York City to be heard on this matter.

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

Mr. HULBERT. Yes.

Mr. RUBEY. Does not the gentleman know that in April, May, and June, 1914, we had extensive hearings on this bill, and that all the principal representatives of these exchanges in New York and Boston and Philadelphia were present and were heard?

Mr. HULBERT. Can the gentleman give me the names of any members of the New York Produce Exchange who were heard before this committee?

Mr. RUBEY. I can not give the names, but I know that they were heard.

Mr. HULBERT. I dispute that, and will read a letter which I have in my hand from the New York Produce Exchange, through which practically all the grain that is exported from the port of New York passes. I read:

NEW YORK PRODUCE EXCHANGE,  
New York, February 25, 1916.

Hon. MURRAY HULBERT,  
*House of Representatives, Washington, D. C.*

DEAR SIR: I beg to confirm my telegram of February 23, as follows:

"Your letter of 22d concerning H. R. one naught four naught five, grain-grades act received. In May, nineteen fourteen, we were notified of hearing before Agriculture Committee of House, to be held on a Monday, and New York Produce Exchange delegates were present but were not heard, others taking precedence. Hearing was continued following Wednesday, when our delegates were again present and unable to obtain a hearing. At that time the committee granted us the privilege of filing a brief, which was in effect about the same as memorandum forwarded to you last week. Will write more fully."

Then in that letter, confirming this telegram, the chairman of the committee on grain of the New York Produce Exchange continues:

To go into more minute detail, I would say that on examination of the record of the proceedings before the House Committee on Agriculture, in April, May, and June, 1914, we find that 36 witnesses appeared before the committee, of whom 3 represented Government departments, 24 represented the West and Middle West, 1 represented New Orleans, 4 represented Baltimore, 1 Boston, and 1 Philadelphia. NOT A SINGLE REPRESENTATIVE FROM NEW YORK WAS HEARD, ALTHOUGH TWO GENTLEMEN WERE PRESENT ON MONDAY, APRIL 27, AND ON WEDNESDAY, APRIL 29. On the latter date the committee granted our representatives the privilege of filing a brief with the committee. Such brief was forwarded to the committee on May 9, 1914, and was printed in the record of the committee hearings.

We are prepared to send to Washington one of our members who is thoroughly familiar with all the features of the grain business, if you think it would be of any advantage to have him confer with you and other members of the New York City delegation in Congress. If so, will you kindly indicate what day will be convenient to you and most opportune for such a conference?

Yours, very truly,

A. C. FIELD,  
*Chairman Committee on Grain.*

Now, Mr. Chairman, since the New York Produce Exchange did not secure an opportunity to be heard, under the unanimous

consent which has been given me to extend my remarks, I desire to submit, and have incorporated in the Record, a statement of their attitude in the matter.

MEMORANDUM SETTING FORTH REASONS WHY H. R. 10405, INTRODUCED BY MR. RUBEY AND KNOWN AS THE GRAIN GRADES ACT, SHOULD BE DEFEATED.

The New York Produce Exchange is an organization made up of some 1,800 members, a large percentage of whom are engaged in the handling of grain in both the domestic and export trade.

The purpose of the produce exchange, as stated by its charter, granted by the State of New York April 19, 1862, is, among other things, "to inculcate just and equitable principles in trade, to establish and maintain uniformity in commercial usages, to acquire, preserve, and disseminate valuable business information, and to adjust controversies and misunderstandings between persons engaged in business." Its by-laws and rules provide means by which business between its members, or between its members and nonmembers, may be conducted with the least amount of friction, and fixes the manner of settlement for any breach of contract or failure to conform to the existing rules and regulations. Under these very proper rules applied and enforced by the elective officers of the exchange, who are chosen for such offices because of the confidence reposed in them by their associate members, the New York Produce Exchange has acquired the reputation here and abroad of maintaining only honorable and equitable principles in trade in all the relations of its members with one another and with non-members, whether these latter are in America or abroad.

As a part of its machinery the New York Produce Exchange maintains a grain-inspection department, at the head of which is an inspector in chief, assisted by a deputy inspector in chief, and many inspectors, weighers, car examiners, samplers, helpers, etc., all of whom, through the inspector in chief, are subject to the supervision of a committee on grain, representing varied interests, and elected to their position by the board of managers because of their standing in the trade, and because of special fitness for such committee work. The salaries of the inspectors and other employees are paid by the New York Produce Exchange, and their employment is assured as long as their work is faithful, efficient, and honest. The inspector in chief has occupied his present position for 25 years, and previously was a deputy inspector. The deputy inspector in chief has been in the department 42 years. Many other inspectors have been with the department over a long series of years, their services being retained during dull periods in order to have them on hand when movement of grain is in greater volume. Competent and trustworthy inspectors are difficult to obtain, and so it has been the practice of the department, having once obtained their inspectors, to retain their services by paying liberal salaries with assurance of continued employment. Inspectors do not come in contact with shippers or receivers, and take their orders only from the inspector in chief.

The grades of grain established by the committee on grain, and approved always by the grain trade of the New York Produce Exchange, are such as are suggested by the experience of years. Be it remembered at this point that those members of the New York Produce Exchange who constitute the grain trade of the exchange do not represent any single interest of the grain trade. Some are brokers representing the western sellers and interested in only those things which facilitate the business of the western seller and himself as broker. Some are buyers from western sellers, direct or through brokers, these buyers differing from each other as to the outlet they seek for the disposition of their purchases. Other members of the exchange purchase in New York and either export or sell for export or sell into domestic distribution. Still others are buyers on the exchange for their own use in milling or otherwise manufacturing or feeding. Even foreign houses have direct representatives in the exchange membership or employ brokers, and the views of these brokers are naturally in agreement with those of the foreign house employing them. Thus in the establishment of grain grades by the grain trade of the New York Produce Exchange the grades are fixed to accommodate the requirements of buyers and sellers, producers and consumers. In Europe the qualities of our various grades are well known, and have been well known for years through an uninterrupted commerce in grain with the United States. These qualities are familiar to buyers not only in the great European seaboard markets but as well in every inland hamlet of the United Kingdom or Continent. That these grades and qualities are in general satisfactory to buyers and consumers is evidenced by the fact that export business has continued uninterruptedly throughout all these years on basis of those grades, and is now being done in all grades whenever the supplies in this country are large enough to permit an export movement. These grades, too, are such qualities as come into competition with grain from Argentina, Russia, and the Danubian countries. The New York Produce Exchange grain-inspection department having gained an enviable reputation because of the integrity of its inspection, and buyers and sellers everywhere, especially foreign buyers, having become accustomed to our grades and qualities, the members of the New York Produce Exchange not only desire to retain these grades so long existing, but as well to protest against any enforced legislation that will disturb the orderly methods that have prevailed for years between the members of the New York Produce Exchange and their customers. By advancing the requirements of the grades in question (corn), as is proposed by the Agriculture Department, competition with foreign export countries for the export grain business to consuming countries becomes the more and more difficult.

The New York Produce Exchange, then, does most earnestly and respectfully protest against the passage of the so-called Rubey bill No. 10405, or any other bill (1) which would make effective any grain grades not established by the grain trade itself, (2) which would make effective any methods of inspection not reasonable and practicable, and (3) which would establish fixed standards at this time on only one kind of grain (corn), leaving all the other grains and seeds for future consideration.

(1) In the first place, the New York Produce Exchange is of the opinion that grain grades should be fixed by those who are practical grain handlers, and that the requirements of each of the several grades should be such as are suggested by the years of experience of these practical grain men. The grades of corn of the Agricultural Department (grades of other grain not yet considered) are not those under which the grain trade has been working nor were they satisfactory to the grain trade (see proceedings of New Orleans convention in October, 1913); but have been put out as what, in the opinion of the Agricultural Department's chemists, these grades ought to be and what will be enforced eventually. Our grades of grain are now well known abroad in every large as well as every small market. To raise requirements as these new corn grades do is to, in effect, introduce entirely new

methods, and this means to be obliged to familiarize the thousands of foreign buyers with the changed conditions and new requirements. This is not a matter of months but rather of years, so well known and strongly introduced are the present grades and so generally satisfactory are the present methods of doing business.

(2) In the second place the New York Produce Exchange protests against any legislation that makes effective any method of inspection not reasonable and practicable. Those proposed by the Agricultural Department the New York Produce Exchange claims are neither reasonable nor practicable, the moisture-testing apparatus of Mr. Duval, together with the accompanying scales being too complicated and delicate to permit of rapid work, or at least as rapid as is necessary, for at times the movement of grain is heavy and thus to apply these mechanical devices to every car of grain becomes physically impossible. It would probably be impossible to apply them at times to corn alone, but when other grains are included eventually, as now contemplated, the task becomes indeed hopeless.

Furthermore, the sample (about a handful) from which a moisture test is made is too small to be a basis on which a whole car is graded. Two of these small samples drawn from a carload or from a larger sample, also drawn from a carload, may when tested differ in percentage of moisture one-fourth to one-half of 1 per cent or more, enough to class the two samples in two different grades. In such case, which governs? The Agricultural Department's grade for No. 3 corn is 17½ per cent moisture, 6 per cent damaged corn (not including mahogany), 2 per cent dirt and finely broken corn, and 4 per cent cracked corn.

To ascertain percentage of damaged corn, the sample must be first weighed on these delicately adjusted chemists' scales and then weighed again after the damaged corn has been counted out or separated from the good.

The same process follows to ascertain percentage of dirt.

The same process follows to ascertain percentage of cracked corn.

If one of these factors fall below the prescribed percentages named, the grain must be inspected of a lower grade irrespective of the fact that the other three factors may be above the percentages required. The rule of fair averages may not be applied. In other words, no inspector, however well qualified, is permitted in any way to exercise his intelligence or common sense in the grading of grain, but must fix his grades entirely on result of these involved and impracticable Government tests—tests which may be applicable to drugs and chemicals but not to grain in its natural state.

It is only necessary to bear in mind the several processes required to establish, according to Agricultural Department's methods, the four factors named in the grades to know that any such method as to every car of grain is physically impossible. But, of course, such methods must be applied to every car under the bill proposed, otherwise the certificate of inspection of that car or cars is not what it purports to be; in other words, it would be fraudulent. All the other proposed grades require similar or even more complicated procedure to fix the actual grade.

(3) The New York Produce Exchange protests against any legislation which would establish fixed standards on only one kind of grain (corn). If the standard on one grain is to be fixed, then the standard on all should be fixed at the same time. Much confusion and complaint would follow having a Government standard for corn and a non-Government standard for wheat and all other grains. If Government standardization is to apply at all, it should apply at one and the same time to all grains, and not to one only.

The New York Produce Exchange respectfully submits, furthermore, that if the bill is approved it should be under an amendment relieving from its provisions grain to be exported. For example, because of climatic and other conditions it is not feasible to establish one standard for corn applicable at all points. The existing Atlantic grades are suitable for the European demand and should not be disturbed, as this bill proposes, otherwise competition with Argentina, Russia, and Danubian countries for the export trade to consuming countries in similar qualities will be made more difficult than before.

The principle of Government supervision is commended—supervision of grades established by grain handlers. We most earnestly protest, however, against giving the Agricultural Department or any bureau of that department power to arbitrarily fix grades at this time and forever after; not only to fix grades, but also to prescribe such impossible methods of inspection as those which have been promulgated by that department.

We further believe that much of the support given the bill does not reflect the free, frank opinion of the western sections, but comes much from fear that should this bill fall of passage greater ills would befall the trade through the workings of the pure-food law. Just what we mean is shown by the following editorial extract from the Price Current Grain Reporter of April 29, 1914:

"The Toledo correspondent of the Price Current Grain Reporter informs his readers that President Paddock, of the produce exchange (of Toledo) has been informed by Secretary Houston, in substance, though not specifically so, perhaps, that those shippers who do not after July 1 next conform their business in corn to the standard corn grades, but ignore them, will come into conflict with the pure-food inspectors, and that all the uncertainties of trade will again obtain in the grain trade."

If the Agricultural Department has conveyed such an impression to the president of the Toledo Produce Exchange, is it not possible that other western interests have been similarly informed and through such information led to support the bill, which, in absence of this information, would not have received such support?

NEW YORK, February 18, 1916.

I have no special interest in presenting the claim of the New York Produce Exchange alone, but I am interested in any measure which comes before this House for consideration that enhances or diminishes the commercial development of the port of New York.

It has been stated that the real object of the grain-grades act is to protect the foreign consumer of our domestic grains produced for export. This, it seems to me, is an indictment of our exporters and the commercial bodies under whose rules and regulations their business is fostered and carried on. I, for one, favor legislation which will prevent fraudulent imposition and help establish American ideals of the highest standard in our foreign as well as in our interstate commerce, but to my mind it is un-American and hypocritical that we should enact legislation concededly designed to meet a situa-

tion which must necessarily have arisen because of the complaint of the foreign importer without at least giving the American exporter an opportunity to be heard in his own behalf and to present the other side of what seems to me to be a very serious question. Members of this House do not seem to realize the fact that legislation of this character is bound to prove detrimental to the commercial interests of what is after all not the local port of New York but the commercial center of this hemisphere.

On April 4 I called the attention of this House to the fact that two-thirds of the entire customs receipts of the country—42 per cent of the individual income tax and 25 per cent of the corporation income tax—was paid into the Treasury of the United States from the port of New York; and the exports from the port of New York for the week ending March 11, 1915, totaled in value twice that of the corresponding week for 1914 and were three times as great for the week ending March 11, 1916. How could this committee disregard interests of such vast importance, and how can this House ratify such indifference and justify it before the people of our country?

Fifty-one years ago to-day Jefferson Davis said to the people of the North, "All we ask is to be let alone," and on this anniversary I repeat that all we want in the administration of our affairs is to be let alone; but, if it is considered to be a matter in which the interests of the country as a whole are involved, do not attempt to enact legislation which will stifle and strangle our commercial prosperity and advancement without at least giving us an opportunity to appear before the committee and present for consideration arguments in support of those sacred American rights which we hear so much about.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. HULBERT. I ask leave, Mr. Chairman, to extend my remarks and to submit an amendment.

The CHAIRMAN. The gentleman from New York asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will report the amendments offered by the gentleman from New York.

The Clerk read as follows:

Mr. HULBERT submits the following amendments:

Page 23, line 13, strike out the words "and foreign"; page 24, line 15, strike out the words "or foreign"; page 24, line 21, strike out the words "or foreign"; page 25, line 16, strike out the words "or foreign"; page 26, line 20, strike out the words "and foreign"; page 26, line 25, strike out the words "or foreign."

Mr. RUBEY. Mr. Chairman, I yield one minute to the gentleman from Indiana [Mr. Moss].

The CHAIRMAN. The gentleman from Indiana [Mr. Moss] is recognized for one minute.

Mr. MOSS of Indiana. Mr. Chairman, in connection with what the gentleman from New York [Mr. HULBERT] has just been saying, that the New York exporters were not given opportunity to be heard, I beg to say that I was chairman of the subcommittee before which these hearings were held. The committee was in session an entire week, and the exporters and representatives of all exchanges were heard fully. No man or section was denied a hearing. The New York men attended some of the sessions. They declared that they could not afford to lose their time and attend all of our sessions. They finally stated they would be very glad to submit their views by brief rather than wait their turn to appear before the committee. This arrangement was suggested by them and at that time was satisfactory to them.

But I want to say here, and will produce the telegraphic correspondence if it is deemed to be necessary to settle the matter of veracity in this case, that the New York exporters were given opportunity to be heard in person and they voluntarily filed a brief.

Mr. HULBERT. I do not question the gentleman's veracity, but is it not true that the representatives of the New York Produce Exchange were here on the two days specified during the week when, as the gentleman stated, the hearings were continued?

Mr. MOSS of Indiana. All gentlemen appeared before the committee in the order in which they notified the committee of their appearance in the city, unless the witnesses themselves waived this order.

Mr. HULBERT. The gentleman has not answered my question.

The CHAIRMAN. The time of the gentleman from Indiana has expired. The gentleman from Minnesota [Mr. ANDERSON] is recognized.

Mr. ANDERSON. I yield five minutes to the gentleman from Pennsylvania [Mr. MOORE].

The CHAIRMAN. The gentleman from Pennsylvania [Mr. MOORE] is recognized for five minutes.

Mr. MOORE of Pennsylvania. Mr. Chairman, is it in order for me to offer an amendment at this time?

The CHAIRMAN. Yes.

Mr. MOORE of Pennsylvania. Then I offer as an amendment the motion to strike out section 6.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Pennsylvania.

The Clerk read as follows:

Mr. MOORE of Pennsylvania moves to amend the amendment No. 2 by striking out section 6, beginning on page 25.

Mr. MOORE of Pennsylvania. Mr. Chairman, I was very much interested in the statement of the gentleman from Indiana [Mr. Moss], who speaks with authority for the farmers of the country, being a practical farmer himself; and I observe that he said that most of the exchanges, boards of trade, and so forth, were interested in this bill and desired to see it pass.

I wish to say that the Commercial Exchange of Philadelphia does not desire to see this bill passed. On yesterday I undertook to put into the RECORD a memorial from that body setting forth their reasons. It was published in the RECORD of this morning as extensively as I could get the time to read it into the RECORD. But while the gentleman from Indiana [Mr. Moss] was talking, it occurred to me that he was fortifying the argument I desire to make with respect to this section 6, which I think should be eliminated from the bill. Under section 6 it is proposed that whenever there is a dispute after an inspection of the grain, any "interested party" may appeal the question to the Secretary of Agriculture. And looking the gentleman from Indiana, as a farmer, in the face, it occurred to me to ask, "Where does the small farmer with a single carload of grain get off on that proposition?" There is a Government inspector who looks over his grain, and a dispute arises, and "an interested party," one person, can throw the whole carload into demurrage, sidetrack it until the poor farmer for whom my friends on the other side so often plead, is obliged to obtain counsel, or otherwise to get through the red tape necessary to reach the Secretary of Agriculture at Washington to have a rehearing. He must do that for a single carload of grain, everything the man has got to send to market.

Mr. MADDEN. Will the gentleman yield for a question?

Mr. MOORE of Pennsylvania. I yield.

Mr. MADDEN. The gentleman must be mistaken about that, because the farmer gets his money for his grain the very moment he turns it over to the buyer.

Mr. MOORE of Pennsylvania. I am not sure about that. Even so, the farmer never wants to get money under false pretenses, and that would be the situation if he accepted money for a carload of grain which he did not deliver.

Mr. HELGESEN. A single carload of grain that the gentleman speaks of is inspected under this law the same as it was inspected before, and an appeal can be taken only if the seller or the buyer desires it.

Mr. MOORE of Pennsylvania. I do not care a cent about that. The gentleman represents just as large interests in the grain-growing section of the country as he sometimes accuses other gentlemen from the cities of representing in an industrial line, and the poor farmer is not in it under this bill.

Mr. HELGESEN. He is, absolutely.

Mr. MOORE of Pennsylvania. I say he is not, for any interested person, any schemer who does not agree with the farmer, any man with whom he has had a quarrel, any blackmailer, can hold up his carload of grain until he gets through the minutiae and the details and the red tape of reaching his august majesty, the Secretary of Agriculture at Washington. Will the gentleman deny that for a moment?

Mr. HELGESEN. I certainly do.

Mr. RUBEY. I yield five minutes to the gentleman from Missouri [Mr. BORLAND].

Mr. BORLAND. Mr. Chairman, this measure for the uniform grading of grain is of very far-reaching importance to this country. It does not prevent any sales of grain under the system at present in vogue, but it provides an additional safeguard which I believe will be of great advantage to the producers of grain and to the dealers in grain. It furnishes uniform standards fixed by the Federal Government, common throughout the country in all of the great grain markets of the United States, as well as the export cities of the countries, upon the basis of which uniform standard the owner of the grain, whether he be the original producer or a buyer of grain, may know the market value of the grain that he has in his hand.

At present we have a system of State inspection of grain. Each State is entitled to have its own State inspection, and

necessarily a lack of uniformity grows out of that system, no matter how carefully and conscientiously it is followed, because the grain-inspection system of Kansas is under one control and the grain-inspection system of Missouri is under another control. Their grades do not always conform.

Now, as a matter of fact, the State inspections, limited as they are, are a great safeguard to the man who raises the grain and the man who sells the grain. If it were not so, grain bought in the large markets would be largely in the condition of cotton bought in the large markets. It would be bought almost on a standard price that would represent the lowest grade; but as it is now the owner of grain has a means on which to fix the market value as reported from the market centers of the product that he is offering on the market. The State inspections have been of great benefit, and the fact that they have continued for 30 years in the great grain-growing States shows that they have been of benefit. This system is additional, and extends that uniformity and Government control to a wider field. I do not believe that it is going to affect adversely the exporters of grain.

Mr. FESS. Will the gentleman yield?

Mr. BORLAND. Yes, briefly.

Mr. FESS. I voted for this measure a year ago, but at that time I wondered whether national legislation was absolutely necessary, and if the States could not take care of it.

Mr. BORLAND. I think it is necessary, and I will tell the gentleman why. The very fact that there are conflicting State inspections and also private inspections by boards of trade and other organizations, so that there is a variation in the grading of the same grain, has weakened the force of the inspection system, and now in some of the great grain markets with which I am familiar more grain is sold on sample than is sold on certificate of inspection. That ought not to be true, and I think a great deal of that will be obviated by a national system to which all parties can appeal.

I was about to say, about the exporting of grain, it does seem to me that if our buyers abroad know that there is a standard grade of grain in this country, that No. 2 red wheat means a certain thing and that No. 1 hard northern means a certain thing, definite in its character and fixed by the Federal Government, by a bureau of inspection of the Federal Government, the price of grain as shown by the export quotations will reflect truly the value of that grain. On the other hand, if we are allowed to ship grain abroad and quote the prices on the basis of grain that has been gathered from all parts of this country, and possibly also from Canada, so that nobody can tell whether the export price represents his kind of grain that was sold on the Liverpool market for a certain price on a certain day, or some other man's grain, then the buyer is perfectly helpless on these market quotations; but the existence of a standard in this country will give our grain a stability of price abroad that every farmer will be able to count on in this country. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. ANDERSON. Mr. Chairman, I yield five minutes to the gentleman from Nebraska [Mr. SLOAN].

Mr. SLOAN. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

On page 27, line 4, after the word "agriculture," strike out the remainder of line 4 and all of lines 5, 6, 7, 8, and the first word in line 9, and insert in lieu thereof the following:

*Provided*, That in States which have State grain inspection established by law the Secretary of Agriculture may, in his discretion, issue licenses to persons duly authorized and employed to inspect grain under the laws of that State."

Mr. SLOAN. Mr. Chairman, having been a member of the subcommittee that originally drafted this legislation, and which passed the House a year ago or more, I am interested in its passage. I was greatly interested in the statement of the chairman of the Committee on Agriculture, who said that this bill in substance passed the House by a two to one majority more than a year ago.

I regret to see that one of the most important and fundamental features of the present bill, over which a contest was waged in that subcommittee and the full committee, is present and radically differs from the bill which passed the House. If this bill passes the House it will be because the House has been informed in this debate that it was fully considered a year ago and passed by a large majority.

The feature that I call attention to is this: If the Federal authorities are to take cognizance of grain inspection or the supervision of grain inspection they ought to have the power to do the things they are expected to do, and this provision in this bill absolutely prevents that. The trouble in this country that inspired this legislation is the fact that in the great primary markets like Chicago, Omaha, Kansas City, Duluth, and other markets there have been inspections where No. 2 corn

at one point would be No. 3 elsewhere. Corn classed as No. 2 would strike a primary market on falling prices and would be graded as No. 3, so that the farmer and the shipper could not be sure as to what grade he would obtain regardless of the grade he actually shipped. So, having confidence in supervision by the Government, this legislation was proposed.

The important part of the legislation is not in its passage, not as it will be read on the statute book, but in its administration at the primary market, and those who will administer it should be men selected by him having the power of appointment or license without being unduly hampered by State authorities, boards of trade, or any other organization which up to this time have furnished the cause of the mischief that we now desire to remedy.

I call the attention of the members of the committee to page 27, as this bill reads, and which my amendment seeks to change.

Mr. HAUGEN. Will the gentleman yield?

Mr. SLOAN. For a brief question.

Mr. HAUGEN. If the inspection is to be done as provided by States, why have this legislation? That is the very thing we are trying to get away from; that is where the complaint is. The inspections are made by inspectors appointed through politics and controlled by the manipulators of our markets. Why not strike out the whole amendment?

Mr. SLOAN. The provision in the bill which passed this House relating to licensing inspectors is now before the House in the form of my amendment. You will note that my amendment shows the right—this is the change that has been made, and it is fundamental:

*Provided*, That in any State which has State grain inspection established by law the Secretary of Agriculture shall, in issuing licenses, give preference to persons duly authorized and employed to inspect and grade grain under the laws of such State.

That gives preference to those authorized by the States, not those competent, those who hold their position under State authority shall be preferred over anybody the Secretary of Agriculture may see fit to select.

My amendment is in the language of the bill which passed the House. It preserves to the Secretary the right to license anyone who is competent. If appointees of the State are satisfactory, he may license them. But under the bill as it is they can claim their places as a matter of right and if the Secretary should for good cause remove one or cancel his license he would, in selecting his successor, be compelled to prefer another State employee.

If the States were doing this work of grading interstate shipments of grain satisfactorily to the outside States, then there was no legitimate demand for this legislation. If they were not satisfying the interstate-grain trade, then what abject folly to pass a law placing the supervision in the hands of the Federal authorities and then leaving the primary selection of list of possible licensees in the absolute control of the State authorities.

It will give us legislation reasonably high sounding and somewhat ornamental but of practically no force and effect. The chicken fancier who placed a fat, well-flavored capon in his yard, expecting to thus improve his breed of poultry, may have furnished the suggestions for the sponsors of this bill in its present form, so far as section 7 is concerned.

I do not believe the farmers and country shippers will long fail to see how the great central markets of which they have long complained have been given this important advantage over them.

It will also be an impressive lesson in the fine art of legislating by "rule and rider," recently coming into vogue in this House. Because the difference between the views of those favoring a provision like that set forth in my amendment and those in the present bill were discussed from the beginning of the grain-grading investigation, and no one had the nerve to propose a change of the bill when it was being considered at length in the House in the form of an amendment commanding the Secretary to give preference to the State appointees.

Mr. RUBEY. Mr. Chairman, I yield five minutes to the gentleman from Maryland [Mr. LINTHICUM].

Mr. LINTHICUM. Mr. Chairman, the grain merchants of Baltimore have by their industry and fair dealing built up a splendid export trade. They have done it by properly grading the export grain and sending it to European ports. They have established a tremendous trade, which redounds to the benefit of those exporting men of my city.

Throughout the entire European countries the Baltimore grading of grain is known. It has taken years to establish a reputation for the grading, fair dealing, and energy of the grain merchants of the port of Baltimore, which has made them known

throughout the countries of the world as having their own grades of grain and as conducting a fair, honest, and energetic business.

We feel that to adopt this amendment and incorporate it into the Agriculture bill under a special rule and as a rider upon that appropriation bill is not only unfair to the grain merchants of Baltimore and other export cities but it deprives them of the benefits which they have been earning and receiving after years of toil and work in establishing a special business for the port of Baltimore in the grain trade of the world.

Mr. HAUGEN. Will the gentleman yield?

Mr. LINTHICUM. I can not yield. I have only five minutes. If I have any time remaining, I will yield to the gentleman.

The gentleman from New York has said that New York was the largest export grain center of America. That may have been for last year by a small margin, but we shall certainly eclipse New York this year. I do not think there is any doubt about that, although New York has a tremendous and profitable trade. I am not saying anything in disparagement of its business, but merely to show the rapid strides which Baltimore has made in the last few years.

Baltimore's grain receipts for 10 months of the year 1915, including October, were: Wheat, 40,062,976 bushels; corn, 22,159,361 bushels; oats, 45,549,559 bushels; rye, 12,798,619 bushels; barley, 2,952,641 bushels; malt, 407,881 bushels; buckwheat, 45,838 bushels; making a grand total of 123,976,875 bushels, of which 110,230,396 bushels were exported, together with 1,280,803 barrels of flour, a record of achievement hard to eclipse.

Baltimore city ought not to be deprived of the splendid trade and commerce that has come to her and her merchants by reason of the reputation that the export grain merchants have established for the grading of grain and for the large business they have done. Their grading and fair dealing is their trade-mark in the European world.

We believe that everything is fully covered by the present method of exporting grain, that the people of Europe are satisfied with the grades which we are sending them, and we are therefore opposed to this amendment.

The trade which Baltimore is doing in the grain business is limited alone by the ability to ship and the capacity of the boats. There is constant and heavy demands from European markets for our grain, and our people are conducting a business as heretofore, using the same grades and satisfying their customers to the full extent.

The passage of this amendment creating a law for the grading of grain at this time will absolutely disrupt the grain export business, cause heavy loss to our merchants, and be of no benefit whatever to the grain merchants of our country.

Now I will yield to the gentleman from Iowa [Mr. HAUGEN].

Mr. HAUGEN. Mr. Chairman, I desire to ask this question: Is it not a fact that the practice of the operators to whom the gentleman has referred has so demoralized our markets that even at the present time the people from the coast who appeared before the committee have recently passed a resolution indorsing this bill? I refer now to the exchange at Boston.

Mr. LINTHICUM. I do not know to what people the gentleman refers, but I know that the people of Baltimore, who have established this reputation for the grading of grain and who are doing this immense business of 110,000,000 bushels in 10 months, have not passed any such resolution.

Mr. HAUGEN. If the gentleman is not familiar with the practice, I can point out to him the practice. The practice has been to buy grain in Chicago at one grade and to ship it to Baltimore and advance the grade, and forward it under a supposed Chicago grade, and thus demoralize the market, whereby the grain of the United States can not be sold in foreign markets.

Mr. LINTHICUM. Certainly the trade from Baltimore city has not been demoralized, because it has been on the steady increase, and this year we are going to do the largest business we have ever done, in spite of the fact that last year we did a business in foreign markets of 110,000,000 bushels in 10 months, secondly only, perhaps, to New York, and this year we are going to eclipse New York, even though she is going to do a great business. Certainly as to Baltimore city and its grading, there has been no demoralization of the grain trade.

Mr. REILLY. Is it not a fact that one reason for voting for this bill is the protest of the foreign buyers which has been against the grading of the special men like those to whom the gentleman refers in Baltimore?

Mr. LINTHICUM. I know there has been no protest against the grading of Baltimore. I do not know of any other people to whom the gentleman refers.

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

Mr. LINTHICUM. Yes.

Mr. HELGESEN. Does the gentleman know that the men who represented his city before the Agriculture Committee ob-

jected to this bill because they said that it would deprive them of the privilege of shipping Nos. 3 and 4 corn as No. 2 to Europe; that that was their objection and that that certainly is a fraud?

Mr. LINTHICUM. The gentleman is mistaken about that. He knows that the question of moisture, proposed grades to be established by the bill, grades already established by exporters, and other questions were under discussion. I say the gentleman is mistaken in his deduction, for certainly there was no intimation of a desire to defraud.

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

Mr. LINTHICUM. I have not time to answer the question more fully.

Mr. SLOAN. The gentleman is not mistaken. That is what they said before the committee.

Mr. RUBEY. Mr. Chairman, I yield five minutes to the gentleman from Kansas [Mr. DOOLITTLE].

Mr. DOOLITTLE. Mr. Chairman, I have listened to the statement of the gentleman from Baltimore [Mr. LINTHICUM] regarding large exports from that port and other ports along our seaboard for the last year, and his predictions that the exports for the present year will even eclipse those of the last, and I hope he is correct in his predictions. I suggest to the gentleman and all others who are interested in exportations—the outlet for our products—that the thing which has probably prevented Baltimore now from even eclipsing all former records is the fact that we have not got the ships in which to ship the grain.

We passed the administration ship purchase bill last Congress, but a filibuster in the Senate killed it. I want to address may remarks, Mr. Chairman, particularly to the plan of this bill which provides for the uniform grading of grain all over the country. The present practice is that every State or every board of trade or every concern that is interested in the grading of the product will use its own rules or its own laws. That causes consternation and confusion among the sellers and also among the buyers. A farmer who sells his grain will sell it under the system of grading used at the place where the sale is made, and nine times out of ten he has to rely entirely on the buyer's judgment as to grade, with the possible chances of inaccuracy, even deceit and fraud. When the grain gets to another market it may be graded higher. The commission man at the primary market or the big center will be sure to grade it high enough so that he will make a profit. The producer is entitled to know exactly what the grade and quality are, therefore the true value of his grain, at his home and at every other market. It is proposed by this amendment to this agricultural appropriation bill to make it possible for people in the United States to sell and to buy on uniform grades, and I especially call the attention of the gentlemen on the other side of this aisle who yesterday so vehemently opposed the adoption of the rule which made it possible for us to consider this bill, the Federal warehouse bill, and the cotton-futures act now, that if we had not adopted that rule they would not have been able to consider these important bills at this time and possibly not during this entire session. In my opinion, Mr. Chairman, the rule which was adopted yesterday by the House is the best rule that has ever been brought into the House. It gave me great pleasure to vote for a rule which expedited the consideration and the passage of such excellent measures as these. The country wants Congress to complete its business and quit; it does not want endless talk, filibuster, and obstruction. I am not now going to attempt to go into the details of this grain-grades bill. I had the pleasure and honor of sitting on the subcommittee two years ago that drafted the original grain-grading bill. It was carefully considered by that committee after extensive hearings, at which all interests were represented, and witnesses came from every section of the country. It was approved by the full Committee on Agriculture and it passed this House then by a stupendous majority, and it will pass to-day by the same splendid vote. The measure is in the interests of honest dealings between seller and buyer. It hits no one but the dishonest speculator and manipulator, but it smashes him hard.

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

Mr. ANDERSON. Mr. Chairman, I yield four minutes to the gentleman from Iowa [Mr. TOWNER].

Mr. TOWNER. Mr. Chairman, an inspection of this bill will show that there is practically only one section that is in controversy. I think there is no man, at least I have heard of no man, who could not see the benefit of establishing uniform standards of grain throughout the United States. If there is any person who would so claim, I venture to say that that position can not successfully be maintained. It is almost self-

evidently a benefit to this country. The controversy arises over the provision in regard to the manner of inspection, and I can very easily see how that may be legitimately the subject of a great deal of divergence of opinion. In my opinion it would have been better to omit section 7 of the original bill entirely. I think it would have been very much better to have left the entire question of the enforcement of the provision for the standardization with the Secretary of Agriculture under the provisions of section 8 alone without restriction, so that he might better avail himself of every possible method of securing an efficient inspection, than to have attempted to regulate inspection by limitations, as is attempted in section 7. In my judgment, upon a hasty consideration of the question I think the amendment of the gentleman from Minnesota [Mr. ANDERSON] is preferable under the circumstances to the provisions of section 7 of the bill, and I shall support his amendment. However, I think it would be better both to vote down that amendment and then to strike out the provisions of section 7 of the bill and allow the Secretary of Agriculture to establish such methods of enforcement of the law as may be by him deemed best.

Mr. CHAIRMAN. I presume that those who have but little knowledge of the grain business, at its home, on the farm, can not understand the enormities of the present system. I could not help but be amused by the statement of my friend from Pennsylvania [Mr. MOORE], that the farmer would not be benefited by this measure. The farmer, above all other men, will be benefited by the establishment of uniform standards, because now grain dealers in the little towns in Iowa make arrangements with those who purchase grain at the various cities by which they are promised that their grain will be given a certain grade if sent to that particular market. In other words, grain standards are manipulated to secure business. Grades are promised not on merit but as inducements to secure business. The favored ones are given good grades; the unfortunate ones suffer, no matter how good their grain. In the same territory where grain is sold one man receives one standard and another man receives another standard. All that is primarily to the detriment of the man who sends his grain from the farm to be shipped to market. It is he who is the victim. He is compelled to accept the grade made by the buyer, who may sell it at a different and higher grade.

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

Mr. ANDERSON. Mr. Chairman, how much time remains?

The CHAIRMAN. The gentleman from Minnesota [Mr. ANDERSON] has 12 minutes and the gentleman from Missouri [Mr. RUBEY] has 14 minutes.

Mr. RUBEY. Mr. Chairman, I yield two minutes to the gentleman from Maryland [Mr. COADY].

The CHAIRMAN. The gentleman from Maryland [Mr. COADY] is recognized for two minutes.

Mr. COADY. Mr. Chairman, I am in favor of the amendment proposed by the gentleman from New York [Mr. HULBERT] striking out the word "foreign" wherever it appears in the amendment.

These gentlemen here to-day seem to be unduly solicitous about the foreign purchasers of our grain. We have had very few complaints from the consignees on the other side of the ocean. Why, then, all this solicitude about the foreigner? I think back of this solicitude is a desire to create more offices; and that, in my judgment, is one of the controlling desires of some of the Members who are pushing this bill.

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

Mr. COADY. Yes.

Mr. RUBEY. The gentleman speaks of protests. If the gentleman will examine these papers he will find many protests from foreign consignees.

Mr. COADY. The gentleman may have protests, and I have numerous protests against the passage of this bill in its present shape; protests from grain merchants along the Atlantic seaboard; protests from men who have been in this business for the last 30 or 40 years, and who have had very few complaints from men on the other side of the ocean.

From 1906 to 1913 Baltimore city alone shipped across the ocean 86,000,000 bushels of corn, with but very few complaints. Is not that evidence of the justice and the fairness and the equity of the rules that govern the inspection and shipment of grain from the port of Baltimore? I would like to read to the committee and put into the RECORD a letter I have here from the Baltimore Chamber of Commerce.

BALTIMORE CHAMBER OF COMMERCE,  
Baltimore, December 27, 1915.

HON. CHARLES P. COADY,

House of Representatives, Washington, D. C.

DEAR SIR: House bill 4646 has been introduced in the House of Representatives. This chamber is strongly opposed to the provisions

of this bill, and we feel if it is enacted into law it would be injurious, not only to the grain interests throughout the country but to the producer as well.

Baltimore, as you know, is one of the leading ports on the Atlantic seaboard, and grain is one of the principal articles exported. Would it not be reasonable to suppose that our inspectors must perform their duties conscientiously and efficiently, and our rules for the grading of grain are satisfactory to the shipper to this market and to the foreign buyer, when you consider the large volume of grain received and exported at this port for many years past.

It is our opinion that those engaged in the grain trade are in a better position to solve this problem, and any interference from other sources or unwise legislation may be followed by serious results. We would therefore earnestly request your support in defeating such bill.

Very respectfully,

THOMAS C. CRAFT, President.

This letter, as you observed from its reading, refers to House bill 4646, which was introduced and fathered by the gentleman from Indiana [Mr. Moss], but it is similar in nearly all respects to the pending measure, H. R. 10405, known as the Rubey bill.

I am opposed to this bill because it is an unnecessary piece of legislation. The grain men have rules formulated by themselves which are fair, equitable, and just to everyone. The city of Baltimore, which I have the honor in part to represent, is one of the greatest grain-shipping ports in the United States. As my colleague Mr. LINTHICUM pointed out to you, we shipped in the last 10 months 123,000,000 bushels of grain.

Striking evidence of the fact that our present system of inspection in Baltimore is eminently satisfactory to everyone is found in the largely increasing shipments of grain from the port of Baltimore. This surely would not be the case if the complaints were many or well founded. Foreign purchasers would not continue to deal with us if they lacked confidence in our method of inspection. Let me explain to you as briefly as I can how grain is inspected at the port of Baltimore.

When grain arrives at Baltimore, either by cars or by small boats, the grain inspector gets into the car or boat and by means of a machine called a "tryer" he obtains a sample of the grain from all parts of the shipment. He then carefully goes over the sample which he has drawn and grades the grain according to the rules laid down by the Baltimore Chamber of Commerce. If either the buyer or seller does not think the grain has been graded according to the rules laid down by the chamber of commerce, he has the right to appeal to a committee of five merchants, known as the appeal committee, and their judgment in the matter is final. These five merchants are selected because of their knowledge of the kind of grain which may be before them on appeal. Not one inspection out of five hundred is appealed to these committees.

After the grain has been inspected it is unloaded from the car or boat into the bin of the railroad-owned elevators, and placed in these bins according to the grade, without regard to the ownership of the grain. This is done for the purpose of preventing favoritism, as some merchant might think that his lot was better than some other merchant's, although of the same grade. When the grain in these bins is ordered out for export or to some local miller or consumer it is reinspected, not for the purpose of changing the grade, but to see that no deterioration has occurred while the grain was on storage. And again at this point, if the receiver of the grain by personal inspection at the time of loading does not think the grain tendered to him is up to the average, he may again appeal, for the Baltimore Chamber of Commerce has a rule which reads:

No outward certificate of inspection shall be issued for grain which is not equal in every respect to the average of the stock in the elevators of the same grade as that for which the certificate is issued.

The rules laid down by the Baltimore Chamber of Commerce for the inspection of grain do not contain any stipulation as to the moisture contents, and the amount of moisture in the grade is considered by the inspector as one of the important characteristics of the grain, but not the only one. By his long experience he is aware that corn containing 19 per cent of moisture is perfectly safe to export to Europe during the months of December, January, and February; he knows that corn with 19 per cent moisture will not be safe to ship to Europe during the months of April and May, for during these months the change in climatic conditions makes the corn of as high moisture as 19 per cent go through a chemical change which of itself puts the corn out of condition.

Under a hard-and-fast rule for the grading of corn, it would be necessary, in order to comply with standards, to ship during December, January, and February corn of not less than 16 per cent moisture, instead of 19 per cent as at present, and thus the farmers would lose the 3 per cent of weight and obtain less money for their corn, in order simply to meet the requirements of a rule.

The climatic changes in grain, especially in corn, are occasioned by corn being placed in a car at one temperature and going through several other temperatures on its way to its

destination. Thus, corn loaded into a car in Nebraska at a time when the temperature was 10° above zero might arrive at Baltimore at a time when the temperature was as high as 70°. This climatic change would of itself have a tendency to put the corn out of condition. Corn that arrives at Baltimore during the active part of the year, say from the middle of November to the middle of February, contains from 18 per cent to 24 per cent moisture.

The farmers would be the first to feel the injurious effects of such inspection, because the rigid standards that would be set would apply alike to all markets and all sections of the country. I know this bill is detrimental to the interests of the big grain shippers along the Atlantic seaboard, and its effects on the farmer would be similarly injurious, and I hope, therefore, that it will be defeated.

Mr. RUBEY. Mr. Chairman, I yield one minute to the gentleman from Tennessee [Mr. BYRNS].

The CHAIRMAN. The gentleman from Tennessee is recognized for one minute.

Mr. BYRNS of Tennessee. Mr. Chairman, I desire to offer an amendment to section 6, on page 29, line 3, to strike out the word "and" and substitute the word "or."

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Tennessee [Mr. BYRNS].

The Clerk read as follows:

Amend, on page 26, line 3, by striking out the word "and" and inserting the word "or."

Mr. BYRNS of Tennessee. Mr. Chairman, I presume that this particular clause is inserted to protect and safeguard the shipper in the matter of the preservation of the identity of the grain. The committee will observe from this section that any appeal that may be taken from the inspector to the Secretary of Agriculture must be taken before the grain leaves the place where the inspection appealed from was made, and before the identity of the grain has been lost. The effect of that would be to require the milling interests all over this country to keep a private representative or agent in all the various markets where they purchase grain in order to check up any possible error and be sure that the inspection was proper and in their interest as well as in the interest of those from whom it was purchased. For instance, if a miller at Nashville, Tenn., should buy grain by grade in St. Louis or Chicago, as is frequently done, and the grain was inspected, under the proposed law there would be no practical method of checking the inspection so as to appeal from it, if necessary, without maintaining a private inspector or representative at whatever market the wheat was bought in.

Of course, that is impossible both as to a matter of cost and expense as well as expediency. If this amendment is adopted, it will simply provide that the appeal may be taken either before the grain leaves the place where the inspection was made or before the identity of the grain has been lost; in other words, before the grain has been unloaded from the cars in which it is shipped.

Who can object to that? Why should not a reasonable opportunity be given the consignee to appeal from the inspection after he has had an opportunity to examine the grain when it reaches its destination and before it has lost its identity or has been unloaded from the cars? How can he protect his rights otherwise? Under the proposed system the buyer would have the insurance incident to Federal inspection, but he would have no practical method of correcting an error which occurred at the point of shipment, since the right of appeal would be lost after the shipment had left the place where the inspection was made. It seems to me that there can be no possible good reason why the buyer's interest should not also be safeguarded, and I hope the amendment will be adopted.

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

Mr. ANDERSON. Mr. Chairman, I yield three minutes to the gentleman from Iowa [Mr. GREEN].

The CHAIRMAN. The gentleman from Iowa [Mr. GREEN] is recognized for three minutes.

Mr. GREEN of Iowa. Mr. Chairman, I voted against the rule providing for the submission of this bill not because I was opposed to the bill, but because I was opposed to the rule, for the reasons already stated in this House by many Members.

I am clearly of the opinion and abundantly satisfied that this bill is in the interest of the grain producers of the country, and I was considerably entertained by the remarks of my friend from Pennsylvania [Mr. MOORE] and the plea that he made on behalf of the farmer. But it is quite evident that he, like other residents of that benighted and proverbially sleepy city which he so ably represents, does not understand at all the manner in

which grain is marketed and sold; otherwise he would have known that the objection he is making is not valid.

Appeal can be taken now against the inspection. It can be taken under this bill, but only by the buyer or seller, the parties interested, and there is no opportunity for this to operate against the farmer. I can understand well, also, how the gentleman from Pennsylvania and the gentleman from Maryland [Mr. LINTHICUM], representing these exporters, object to the provisions of this bill. This bill does interfere with the manner in which the export trade has been carried on, and it ought to interfere with it. The exporters have been buying grain at one grade and exporting it at another grade. They have not fooled the foreign buyer by so doing, but they have lowered the price on that particular grade to the injury of the producer, the farmer who raised the grain, and they have so demoralized the export grain trade that before the European war broke out complaints were continual and universal about this practice.

The method has been simply this, Mr. Chairman: Grain was bought by these exporters, say, at No. 3 grade. When it got to Baltimore or New York it was cold weather, and they proceeded arbitrarily under their private system to put it at No. 2, and sold it for that grade.

Mr. LINTHICUM. I think a gentleman who will make a charge of that kind ought to yield for a question.

Mr. GREEN of Iowa. I am making that charge on the authority of the hearings which were had before the committee, and it has been made before by the ranking member of the committee on the Republican side [Mr. HAUGEN].

Mr. LINTHICUM. That can be easily answered, if you will allow it to be answered.

Mr. GREEN of Iowa. I have no control of the time. I am stating a well-known fact.

The price of corn is controlled by the export price on the No. 2 grade, and the price of this grade is controlled by the export price. When the exporter sells No. 3 corn as No. 2, he lowers the market on the last-named grade, and the farmer's price is lowered accordingly. Of course we have almost no No. 2 corn, but it remains the standard and anything that tends to lower its price hurts the farmer to the amount of the reduction.

Mr. COADY. Will the gentleman yield?

Mr. GREEN of Iowa. I am unable to yield out of my time.

Mr. COADY. I would like an opportunity to disprove that.

The CHAIRMAN. The time of the gentleman has expired.

Mr. RUBEY. I yield to the gentleman from Texas [Mr. SUMNERS] five minutes.

Mr. SUMNERS. Mr. Chairman, I have been taking a little time on this bill, but I do not speak often in the House, and I would not do so now were this not a matter in which I am especially interested, and one in regard to which I believe I have some knowledge.

I am glad to see the House of Representatives undertaking to deal with one of the most important and long-neglected problems of agriculture. You have dealt with the problems of production and preservation of soil fertility, and now you are undertaking an intelligent grapple with the great problem of sale and distribution. The man who produces grain is now far removed from the man who consumes it. It no longer goes to the little custom mill to be ground there. These gentlemen who control the great export markets and who object to this legislation—I say, with due respect to them—do not have the same standing here that the producer and consumer have. They are between these two classes as agents for both, performing an economic service for which they are entitled to receive fair pay, but they have no right to say that their conduct shall not be supervised in behalf of those in whose interest they are working.

It is true, and the gentlemen who represent the export market can not deny, nobody can deny, that there has been much abuse and injury here. The investigation of the transactions of one elevator showed that in one year nearly a million bushels of "no-grade" wheat went into it and not one bushel of "no-grade" wheat went out of that elevator as such. Of course, it went out, but out under grade, which they would not give it when it came in.

Mr. COADY. Will the gentleman yield?

Mr. SUMNERS. I can not yield now. I am making a statement that is sustained by the record. That sort of practice has had a depressing influence on the price of American grain, and it is in the record, gentlemen, that the European buyers will not buy American wheat when they can get wheat from Argentina or Russia, or anywhere else, because of the uncertainty, to say the least of it, of our grading, and the American farmer suffers in the price he gets. [Applause.] What we need in this country is a universal trade language, so that a

trade term will mean the same thing everywhere, and we need national inspection, so that men far separated may safely trade with each other. "No. 1" wheat ought to mean the same thing in every State and every market of this country, and that is what we undertake to accomplish here. I do not see how anybody can object to it. How can the man who is performing an economic service and doing it honestly object to such standards and to the measurement with them by a disinterested agency of the commodity sold? I do not mean to reflect upon my friends who are in the great export markets, but it is a suspicious fact when men engaged in exporting are not willing that the Federal Government, which represents all the people, shall establish standards and exercise the degree of supervision necessary to see that those standards are complied with.

Mr. COADY. Will the gentleman yield?

Mr. SUMNERS. I yield, yes; for a very brief question.

Mr. COADY. Does not the gentleman think it is much better to have private agencies do these things, when they do them satisfactorily, rather than have a governmental agency, which is frequently a burden on the people in the way of taxation, to perform that service?

Mr. SUMNERS. The private agency does it satisfactorily to the employer of the private agency. There is the difficulty.

Mr. DAVIS of Texas. Sure.

Mr. COADY. I think I can disprove that statement.

Mr. SUMNERS. If they do not do it satisfactorily even to the people who have them hired, certainly they can not do it satisfactorily for anybody else. [Applause.]

I do not think this bill goes far enough. I say to you, gentlemen of this Agricultural Committee, you ought to have nerve enough to establish a clearing house of information and a real produce exchange in this country, where men who buy and sell produce can trade, so that every farmer in this country who has a thing to sell that may be standardized or sold by sample may sell through that agency.

This is the greatest opportunity for constructive work which the Agricultural Committee has. Modern conditions demand it. I know that the pressure of these conditions will become compelling before long and we had as well get ready for it.

Mr. ANDERSON. I yield one minute to the gentleman from Kentucky [Mr. SHERLEY].

Mr. SHERLEY. Mr. Chairman, I desire within the minute allotted to me just to call attention to the amendment that has been offered by the gentleman from Tennessee [Mr. BYRNS], which is to strike out the word "and" and insert the word "or" in the appeal provision of section 6.

The purpose of that is to enable the shipper to have some chance for a real appeal, other than by having to keep at the terminal market a man to inspect on his behalf, in order to see whether an appeal is necessary. Under the provision as it is written the only place where an appeal can be taken is the place where the inspection appealed from was made, and before the identity of the grain has been lost. Now, the result of that is that a man must have his own agent at the terminal markets in order to avail himself of the right of appeal. The change that is suggested would give him the right to take the appeal at any place, under rules to be made by the department, where the identity of the grain has not been lost, and there does not seem to be any reason why that should not be done.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ANDERSON. I yield four minutes to the gentleman from North Dakota [Mr. YOUNG].

Mr. YOUNG of North Dakota. Mr. Chairman, does the time taken to read an amendment come out of the time for debate?

The CHAIRMAN. It does not.

Mr. YOUNG of North Dakota. I desire to offer an amendment.

The CHAIRMAN. The gentleman from North Dakota offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. YOUNG of North Dakota: Page 24, line 2, after the word "act," insert:

"And provided further, That such grain shall not be reinspected except as provided in section 6 of this act."

[Mr. YOUNG of North Dakota addressed the committee. See Appendix.]

Mr. ANDERSON. Mr. Chairman, I yield the balance of my time to the gentleman from Iowa [Mr. HAUGEN].

Mr. HAUGEN. Mr. Chairman, I regret that we can not have time to discuss this important proposition. I regret that I have to take issue with my colleague from Kansas [Mr. DOOLITTLE]. We are confronted with this situation: The committee has spent a large part of the time for the last two or three years in preparing this important bill, and members of this committee now, under this gag rule, can not have even five minutes in

which to discuss it. In the limited time that I have, it will be impossible to go into the details of the bill. I shall content myself by saying that if ever a bill came up for consideration in this House that was entitled to the loyal support of this House it certainly is this bill. Give it your hearty support; do not allow it to be defeated by these amendments. The committee has given it careful and faithful consideration for the past two years. I believe it is safe to trust to the judgment of the committee and that the bill is as perfect in purpose as it can be made. It may not be perfect in all of its details, but in adopting any amendment one is taking a chance.

In reply to the gentleman from Minnesota [Mr. STEENERSON] and the gentleman from New York [Mr. HULBERT] I call attention to the fact that this bill comes to you backed up by the unanimous report of the committee, by representatives of the Department of Agriculture, by representatives of legislative committees of the Grain Dealers' Mutual Association, the Farmers' Cooperative Association, and of elevator companies, who appeared before the committee and advocated the passage of the bill; by publishers, millers, and representatives of the boards of trade, chambers of commerce, and grain exchanges of Chicago, Louisville, Ky., Buffalo, Indianapolis, Peoria, Minneapolis, Duluth, Toledo, Omaha, Boston, St. Louis, Kansas City, Milwaukee, Baltimore, and others who appeared before the committee; representatives of the warehouse commission of Missouri and the Illinois State Public Utility Commission testified before the committee in favor of the bill. Mr. Stuher, specialist and barley expert, speaking, I believe, for the brewers, indorsed it; in fact, everybody expressed themselves in favor of the bill, except, as has been stated, a few exporters.

As I have stated before, even those people who appeared before the committee in opposition to the bill have realized that our foreign market had been demoralized, they have recognized the importance in passing the bill, and have recently passed resolutions indorsing the passage of the bill.

Mr. Chairman, in view of the universal indorsement and demand for this legislation, coming not only from the farmer, the cooperative associations, elevator men, but representatives of the brewers, of the millers, and the exchanges throughout the country, it seems to me there should be no opposition to this bill. Here is an opportunity to redeem party platform pledges and make good the many expressions of admiration for the farmer made upon this floor, and at the same time insure justice and assistance to all concerned.

Mr. Chairman, I regret that it was found necessary to resort to gag rule in passing this bill. It seems to me that it should have been taken up in the regular way, giving ample time for discussion and amendments, but after two years of striving to have the bill passed it is better to have it come up in this way than not at all, though I shall continue to insist and believe that gag rule and riders on appropriation bills are unwise. Having said this, I shall content myself in asking leave to extend my remarks in the RECORD by inserting in the RECORD my remarks of January 4, 1915, upon the bill.

[Mr. HAUGEN had leave to extend his remarks in the RECORD.] The remarks of January 4, 1915, are as follows:

The proposed bill provides for the standardization of grain for a uniform application of Government standards in determining the real grade of grain for which standards have been established and promulgated by the Secretary of Agriculture. It authorizes the Secretary of Agriculture to fix, establish, and promulgate standards of quality and condition of corn, wheat, rye, oats, and other grains. The Secretary of Agriculture may issue license to a person competent to inspect and grade grain; that such license may, in the discretion of the Secretary, be suspended or revoked whenever the Secretary is satisfied that the licensed inspector has failed to grade grain correctly in accordance with the official standard or has violated any provision of this act or if the license has been used for any improper purpose whatsoever; also, that no person shall certify that any grain which has been inspected or graded by him is one of the official grades unless he holds an unsuspended and unrevoked license issued by the Secretary of Agriculture authorizing him to inspect and grade grain for interstate and foreign commerce. Whenever standards shall have been fixed, established, and promulgated no person thereafter shall ship or deliver for shipment, sell or offer for sale, in interstate and foreign commerce any such grain by grade unless the grade by which it is sold or offered for sale be one of the grades fixed therefor and the grain shall have been inspected and graded by an inspector licensed under this act and the grade conformed to the standard fixed for the specific grade.

The practice of selling by sample, by type, or under name, description, or designation, may be continued, provided such name, description, or designation is not false or misleading.

It provides further that whenever standardized grain has been inspected and a dispute arises as to whether the grain determined by such inspector of any such grain in fact conforms to the standards any interested party may appeal the question to the Secretary of Agriculture; if so, the Secretary of Agriculture is authorized to cause investigation to be made and to determine the true grade thereof, to charge and collect a reasonable fee in amounts to be fixed by him. In the absence of private agreement the appeal from such inspector to the Secretary shall be taken at the initial point and before the identity of the grade has been lost. The findings of the Secretary shall be accepted in the courts as *prima facie* evidence of the true grade. It also authorizes the Secretary to cause examination to be made of any grain for which standards have been established, which has been certified, or which has been sold or offered for sale in interstate and foreign commerce under any name, description, or designation, he may publish his findings. Heavy penalties are to be imposed for violation of the provisions of the act. The bill carries an appropriation of \$375,000 to enable the Secretary to carry into effect the provisions of it.

As has been stated, the bill does not provide for Federal inspection and grading at first hand. It does provide for Federal supervision of the grading and final determination of the grade by the Secretary of Agriculture which, in fact, amounts to Federal inspection in the end. That is, if in case the inspection and grading by the licensed inspector is not satisfactory and an appeal is taken, the only difference then is that under the proposed bill the grain will in the first instance be inspected by inspectors authorized by the States, exchanges, or municipalities and licensed by the Federal Government, and if said inspection is not satisfactory either party interested may appeal and procure Federal inspection and determination, while with Federal inspection the grain would be inspected by a Federal inspector at first hand; but in case where an appeal is taken under either system the final inspection will be by one and the same, hence in the end, if an appeal is taken, we will have Federal inspection under either system.

The contention is that at present the inspectors are controlled and under the influence of the exchanges and interested parties employing them, and therefore Congress should provide for Federal inspection and thus remove the inspectors from the influences surrounding them, such as the operators of exchanges, State politics, and interested parties who control their appointment. Undoubtedly inspectors are influenced and great injustice has been done to the shipper and buyer in inspecting and grading grain below its real grade when coming in and grading it above its real grade when going out for the benefit of the operators, manipulators, and jugglers of grading on the various exchanges; but when the inspector and those interested are made to understand that unless they do the right thing, that unless they grade grain correctly, appeals will be taken, fraud will be disclosed, licenses will be suspended and revoked, and publicity given to every evil practice of the kind. That, I believe, will have a powerful influence over the inspectors, States, exchanges, and those interested in maintaining the grain business at their market, and if the law is enforced and taken advantage of, no market can continue the evil practice of incorrect grading. If it does, it is sure to lose its business. If so, it will be up to every State and market to maintain an honest inspection and grading of grain or lose its grain business. Certainly no board of trade or market can afford to have numerous appeals taken and reversed, licenses suspended, and such facts published to the world. Under the bill, as a business proposition it will be to their interest to give a square deal. Be that as it may, whatever course they may pursue, the farmer, the miller, the brewer, the shipper, and the buyer are protected in their right to an appeal and thus have the true grade determined. Why this legislation? The answer is, simply to do away with the present fraudulent practice in grading of grain, to protect the farmers, the elevator men, the millers, the brewers, the shippers, and the buyers against fraud, deception, to insure an honest grading, to do away with the manipulations of grades, and insure a square deal.

The farmer has long suffered from the fraudulent practice; his grain all these years has been undergraded. We find that his grain when it reaches the market is graded below its true grade, and, as the grade determines the price on grain, he receives a lower price as a result. Take, for instance, barley: If you would turn to the hearings, you will find Mr. Stuher's testimony. Mr. Stuher is a crop specialist and a barley expert, with many years' experience as a shipper and as an operator on the board of trade. His statement is that—

There is something absolutely wrong with the present system of inspection and grading of grain.

He cites one case where the farmer sold his barley at Wahpeton, N. Dak. His barley was graded No. 2 feed barley, subject to 2 pounds dockage, and sold at Wahpeton at 40 cents a bushel. The barley was shipped to Minneapolis—commission, freight, weighing and inspection charges, 7½ cents. The barley sold at Minneapolis at 58 cents, not by grade but by sample, with a No. 2 feed barley certificate stain on it, even grading and certifying it as feed barley, when in fact it should have been certified as malting barley. Mr. Stuher's statement is that—

Barley coming to Duluth and Minneapolis is generally inspected by the inspection department as feed barley in order to correspond with the inspection and grade given the farmer; that the terminal men, under the existing laws, have to send the certificate back to the country points, and the farmer is shown the certificate in order to pacify him who is under the impression that his barley was malting barley.

Thus the farmer is deceived and defrauded of the difference in value of No. 2 feed barley and malting barley, which generally runs from 5 to 15 cents a bushel. Mr. Stuher stated to the committee that he collected and sent 30 or 40 samples of barley, all graded at Minneapolis as feed barley, to Pabst Brewing Co., to have them analyzed, and that every one of them, according to the analytical report, showed them to be malting barley. In other words, 30 or 40 samples, representing that many carloads, graded feed barley at the initial point and graded malting barley at the analysis, such being the general practice. Has not the farmer a right to ask for relief?

How about the miller, the brewer, and the buyer? Under the present system of grading, grain coming in is graded low in order to defraud the farmer and the shipper; in going out it is graded high in order to defraud the miller and the buyer. The operator gets the farmer and the shipper coming and the miller, the brewer, and buyer going. A number of years ago a bankers' association of North Dakota investigated the inspection and grading of grain in the Northwest. In going over the records of the grain-inspection department of Minnesota it found that a single terminal elevator in a period of three months had advanced the grade on 435,618 bushels of wheat. Out of its total receipt of 890,245 bushels, evidently, most of the grain handled was either undergraded coming in or graded too high going out. The records showed that 59,742 bushels had been graded rejected, 16,021 no grade, 201,267 as No. 4, and not a bushel graded such going out. All were converted into higher grades, every bushel of it going out as 1, 2, and 3 northern. According to the report, only 513,213 bushels was graded Nos. 1, 2, and 3 coming in, and 890,245 bushels graded Nos. 1, 2, and 3 going out. It is clear that the manipulation of grading was for some purpose and that whatever the elevator operator gained must have been some one's loss, and of course came out of either the shipper or the buyer, and in the end largely, if not all, out of the producer. The shipper and buyer often lose, but most of the time they can protect themselves against losses by fixing prices accordingly. If malting barley, when graded as such, is worth 50 cents and its selling price is reduced to 40 cents by reason of false grading, necessarily he pays that much less. If the brewer and the miller buy grain graded higher than its true grade, they have something to say in fixing the price, and fix the price according to its real value. With the producer it is quite different. If the price of grain is lowered by reason of manipulation of grade, he is helpless. He simply has to take what he gets. So, while the manipulation of grades is greatly to the disadvantage of the shipper and buyer, the injustice and loss falls most heavily on the producer.

How about selling and buying for future delivery? We have the testimony of Mr. Stuher, who sold 100,000 bushels of oats by sample for January delivery. He bought 100,000 bushels of standard oats which, by a purifying process, was to be made into fancy oats. He was buying the standard oats against what he had sold, and of course needed the quality of oats contracted for, namely, the standard oats. On December 2, 100,000 bushels of oats were tendered under certificate as standard oats. He had 10 or 20 cars of the oats tendered as standard inspected by a board of trade private inspector, who graded them as No. 4 white oats. He complained and took the matter up with the appeals commission. It passed on the oats as if standard oats. He served notice that he would take the oats under protest; that he would bring it into court and expose the rotten system. He was then told that the oats would be passed as standard in the East; but that did not help matters out, as he had bought oats to be made into fancy, and No. 4 oats could not be improved upon in grade to that extent and did not answer his purpose. What next? The firm financing him came to the rescue of the exchange by serving notice upon Stuher to stop; if not, it would break up the Chicago Board of Trade. If he did not stop they would stop financing him. Of course he stopped, as there was nothing else for him to do. Others testified before the committee, and all to the fact that

grading and certification of grain has become so unreliable and false that millers and buyers of grain no longer do or care to accept grain on contracts certified by the terminal elevators; that they are compelled to sell their hedges for anything they can get and buy grain elsewhere for their use. Their experience has been the same as that of Mr. Stuher; that their hedges are worthless except as an insurance, and as an insurance they have become very expensive by reason of the manipulation of grades.

It would seem that the statement made by those experienced, practical, and well-informed men who appeared before the committee—recorded in 588 pages of printed hearings before the House committee and 260 pages before the Senate committee—would be sufficient to convince anybody that there is something radically wrong somewhere. I believe that anyone who will investigate will agree that there is absolutely something wrong with the present system of grading grain, and that there is a pressing demand and just cause for the proposed legislation; that the farmers and shippers have sustained heavy losses by reason of this unfair grading and manipulation of grades; that our foreign trade in grain has suffered; that our markets have been demoralized by the incorrect grading; that it is due the farmer and shipper that Congress should prevent further wrongdoing through this incorrect and unjust grading system; and that it should protect him against fraud and further demoralization of his markets.

It would seem that in this Congress, its Members professing so much interest in the farmer and so much concern about his welfare, a Congress so enthusiastic in its laudation for the farmer, coupling this with the unceasing flow of eloquence recorded in several hundred pages of the CONGRESSIONAL RECORD, all indicating a desire to help the farmer in every way possible, and with the promises in the platforms of all parties so loudly proclaimed from the stump, I take it that there will be no difficulty in passing this meritorious bill which means so much to the farmer and shipper.

Mr. MOORE. Will the gentleman from Iowa tell the House whether he holds the same opinion—he being the ranking Republican on the committee—that is held by the gentleman from Indiana [Mr. Moss], that this act will not apply to Canadian grain in bond intended for export?

Mr. HAUGEN. In my opinion it does not apply to grain shipped in bond from Canada for export.

Mr. MOORE. I thank the gentleman for that statement.

Mr. HAUGEN. But it applies to grain entering into interstate and foreign commerce.

Mr. SUMMERS. Are you in favor of the bill?

Mr. HAUGEN. I am in favor of the bill; yes.

In availing myself of the privilege granted me to extend my remarks in the RECORD, in order that the RECORD may show the existing conditions, I offer extracts from the report as printed in Senate Document No. 116, page 17:

REPORT OF INVESTIGATION BY NORTH DAKOTA BANKERS' ASSOCIATION MADE NOVEMBER 22, 1906.

To Members North Dakota Bankers' Association:

Your committee appointed to investigate the subject of grain inspection and grading, as affecting the interests of North Dakota shippers, met according to arrangement at Superior, Wis., on the morning of September 27, and, after a preliminary discussion as to the scope of the investigation, proceeded to visit some of the terminal elevators in order to familiarize themselves with the methods of handling grain as it comes from the shipper. We found that grain is inspected, graded, and the dockage fixed by the State inspector under the rules of the Minnesota grain inspection board. The grain is then ordered into one of the terminal elevators and after being unloaded is elevated to the top of the elevator where it is weighed. During the process of elevating all grain is subjected to a suction draft in order to keep the building free from dust (?). This is an injustice to the shipper, as, in our judgment, all grain should be weighed immediately upon being unloaded and nothing should be taken from it before it is weighed. The amount of light grain and dirt taken out under the present method simply depends upon the force of the suction draft.

We obtained a statement showing the grain of various grades shipped in and shipped out from one of the large elevators during a period of three months.

We find that eastern millers want the grain as it comes from the farmer, and it is an injustice to the shipper and to the miller to prevent this, as is now done. The shipper must accept the inspection, rules, and customs which have been forced upon him by the powerful combination of elevator and railway interests, and the miller must take the grain as offered him by the "grain trust," so called, and not in the condition as to mixing that he wants it.

In examining the report, above referred to, of grain received and grain shipped out of the terminal elevator we were able to get a report from, we found that during the three months covered the report showed the following grain received and shipped out:

	RECEIPTS.	Bushels.
No. 1 northern	99,711.40	
No. 2 northern	141,455.10	
No. 3 northern	272,047.20	
No. 4	201,267.20	
No. grade	116,021.10	
Rejected	59,742.30	

	SHIPPED OUT.	Bushels.
No. 1 northern	196,288.30	
No. 2 northern	467,764.00	
No. 3	213,459.30	
No. 4	None.	
No grade	None.	
Rejected	None.	
	877,512.00	
On hand, estimated	12,733.10	
	890,245.10	

\* \* \* \* \*

What an eloquent story is told by the above figures. The fact that nearly 100,000 bushels more of No. 1 northern, the highest grade taken in, was shipped out than was received speaks so loud against the present system and rules of inspection that it is simply unnecessary to go on down the line and call your attention to the fact that nothing lower than No. 3 wheat was shipped out.

The profit in mixing the receipts of this elevator for the three months, as shown by their report, was \$83,720.69. In order to arrive at the probable profits of the terminal elevators there should be added to the above the amount realized from the screenings, the charges for handling the grain, and the proceeds of the sale of wheat and other grain taken from the screenings, for we found that all screenings are carefully cleaned over and all good grain taken out, and that the good grain taken from the screenings is shipped out as screenings in order to avoid inspection and appearing in the amount of grain shipped out of the elevator. We are of the opinion that grain hospitals, either independent or in connection with terminal elevators, should be established, where shippers could have "off-grade" grain cleaned or scoured at a reasonable cost before it is offered for sale, the shipper to pay this expense and receive the benefit resulting from such treatment of his grain needing treatment in a hospital elevator. We also favor the amending of existing laws governing the handling of grain by terminal elevators so as to allow no more grain of a given grade to be shipped out than is taken in.

Your committee found much to criticize by visiting the freight yards, in the careless manner in which cars are handled by the railroad companies and the very poor class of grain doors used. The amount of grain lost by leakage from cars and by the careless shunting and switching of cars in the yards is very large.

All the foregoing are, of course, matters of minor importance as compared with the apparent combination of the railroad and elevator interests in forcing all grain received at terminal points to be inspected under Minnesota inspection rules. A competitive market was established under Wisconsin inspection at Superior. The Wisconsin law provides that the grain and warehouse commission shall consist of three members—one from Wisconsin, one from New York, and one from North Dakota. Under this law the shipper in this State has a representative on the board, and the influence of this representative can be of great benefit to our shippers if his duties are conscientiously performed.

This board appoints all inspectors and weighers and can see to it that inspection and weighing is honestly and properly done. Our shippers were undoubtedly greatly benefited during the time the Wisconsin inspection was in force, but by the apparent combined efforts of the interests above named this Wisconsin inspection is inoperative and all grain received at the head of the Lakes must be inspected by Minnesota inspectors under Minnesota rules.

The story of how the Wisconsin law was made absolutely inoperative is an interesting one. The Duluth Board of Trade made a rule that no member of the Duluth Board of Trade could hold membership in a similar organization within a hundred miles of Duluth. This was done to compel all grain men doing business at the head of the Lakes to confine their business to Duluth. Then all terminal elevators located in Superior suddenly were closed as public elevators and became private elevators, operated by individuals holding leases. As private elevators they were able to discriminate in the business offered them, and this discrimination took the form of refusing to receive grain inspected under Wisconsin rules and by Wisconsin inspectors. It does not require anything further to show you how Wisconsin inspection was put "down and out" and why all of our grain must now be graded, inspected, and weighed under Minnesota inspection rules.

Your committee attempted to have a hearing with the Duluth Board of Trade and met with some of the officers and members of that board for this purpose.

\* \* \* \* \*

Your committee is of the opinion that the reforms outlined will be of material benefit to the grain growers of the State and will be a stepping-stone to a better system of inspection, viz:

Federal inspection, which would do away entirely with the many conflicting inspections established in the various States.

Respectfully submitted.

JOHN L. CASHEL,  
GEORGE M. YOUNG,  
F. W. CATHRO,  
M. F. MURPHY,  
W. C. MACFAADDEN,

Committee.

Also, page 231, hearings before the Senate committee in 1908, a report from the chief inspector of the grain and warehouse commission of the State of Minnesota, which show the receipts and shipments for the year ending August 31, 1901, to be as follows:

	Receipts.	Shipments.
No. 1 hard	341,567	1,000,438
No. 1 northern	10,070,414	16,900,917
No. 2 northern	7,341,594	3,978,311
No. 3 spring	1,335,830	444,041
Rejected	256,063	134,471
No grade	1,335,531	344,823

It will be observed that for the year 1902 about 5,000,000 bushels of the No. 2 northern was converted into No. 1, and that

of the 19,693,454 bushels graded No. 2, 7,035,133 bushels No. 3 northern, 892,241 bushels were rejected, and 2,561,595 bushels, no grade; when coming in very little of it shipped out as such, the major portion of the lower grade going out at a high grade. The statement and reports tell the story. Comments seem unnecessary.

Another table, taken from the records of the weighing department of the State of Minnesota, shows the amount of each grade weighed in at, and the amount weighed out of, the elevator at Duluth during the years 1902, 1903, and 1904—found on page 207, Hearings before the Committee on Agriculture and Forestry, United States Senate, April 4, 1908.

The table is as follows:

*Wheat.*

[From annual reports Minnesota chief grain inspector for years named, Duluth weighing department.]

Grade.	Year ending August 31—					
	1902		1903		1904	
	Received.	Shipped.	Received.	Shipped.	Received.	Shipped.
No. 1 hard.....	599,606	648,607	1,628,681	1,746,712	90,543	109,528
No. 1 northern..	15,187,012	19,886,137	21,905,842	23,606,721	12,401,897	18,217,789
No. 2 northern..	19,693,454	15,175,999	11,625,037	7,638,201	10,205,172	6,723,732
No. 3 northern..	7,035,133	1,971,355	1,300,553	297,794	12,616,065	1,283,299
Rejected.....	892,241	94,628	1,890,093	77,624	2,350,302	314,139
No grade.....	2,561,595	468,922	966,170	112,810	2,586,843	256,913

<sup>1</sup> Spring.

The following is a letter written by Robert A. Patterson, chairman of the European international committee on American grain certificates. He is an English miller and also president of the Corn Exchange of Great Britain and continental Europe. It is dated the 15th of February, 1908, and written from London to the President. It reads:

LONDON CORN TRADE ASSOCIATION,  
EXCHANGE CHAMBERS, 28 ST. MARY AXE,  
London, E. C., February 15, 1908.

MR. PRESIDENT: I am instructed by the European international committee on American grain certificates to communicate to you the following facts:

There has been for some years past a general consensus of opinion among European buyers of grain that the operation of the present system of certifying grain for export is increasingly unsatisfactory and that whatever may be its merits for the purposes of domestic trading, it no longer gives to European buyers the confidence and protection which is necessary in a trade where the only guaranty for reliable quality and condition in exchange for buyer's money is a paper certificate. Formerly buyers in buying from the United States of America were able, as they still are in their dealings in grain with other exporting countries, to recover from shippers any damage they sustained owing to defects in quality or condition; but since the introduction of the certifying system this is no longer possible. Even after its introduction, indeed until comparatively recent times, it was seldom found that any serious abuses arose, and trusting to their belief in the reliability of the grading system, buyers were willing to continue trading with America on less favorable terms than they demanded elsewhere; but whether from the increase of individual competition, or, what is probably more important, the rivalry between the older ports and their smaller and more recently established competitors, there seems little doubt but that the standard of grading has been lowered, either temporarily or, in some cases, permanently, in order to attract business from interior points; and we in Europe feel that the burden of such departure from the more reliable and stricter method in force formerly has been borne chiefly by European importers, who, being far away, have no power of protecting themselves against errors, or worse, in the grading methods of recent years. The result is that American grain suffers as regards price when in competition with grain from other countries. The increasing dissatisfaction culminated some 12 months ago in a general request from the principal European grain centers that a conference should be summoned by the London Corn Trade Association to consider the best measures to adopt in order to remedy the defects of the present system of dealing in grain from the United States of America.

The conference was held in London on the 8th of November, 1907, and was attended by delegates from all European importing countries. It was unanimously resolved that a committee be appointed, consisting of seven members from the United Kingdom and an equal number from other European countries (the latter being represented as follows: Belgium, 1; France, 1; Germany, 3; Holland, 1; and Scandinavia, 1), to suggest necessary improvements and to negotiate with American grain trade for their adoption.

This committee met and drew up a scheme (a copy of which I have the honor to append), which was submitted to the principal grain associations of the United States of America, but which, I regret to say, did not only prove unacceptable to the American exchanges, but even failed to draw any counter proposals from them. Indeed, the way in which this subject has been treated by some of the leading grain associations, there would almost seem to indicate that there is no desire to recognize the undoubted fact that serious faults have arisen or that there is any need to amend a system which is responsible for abuses of which European importers universally complain.

Traders here generally recognize that a reliable system of inspection and certifying presents many advantages, but that to be thoroughly reliable it must depend not only upon the expert knowledge, integrity, and independence of the inspection officials, but that the rules for grading by which these officials are bound must be uniform, applying equally to every port, and should be generally known not only in the various American but also in the principal European grain centers, and that

wherever possible, from time to time, type samples should be sent to our leading grain associations.

This is the system adopted by the agricultural department of His Majesty's Government in the Dominion of Canada, and has hitherto proved generally satisfactory.

My committee observed with great satisfaction your reference to this important matter in your last presidential message, and that there is before your Senate and House of Representatives at the present time a bill embodying some of the above suggestions. While they would, of course, have preferred to get their own suggestions accepted by American traders, they wish to be permitted to offer you their sincere congratulations and thanks for the steps you are taking to remedy an undoubted evil, and to assure you of the warm support of the European grain trade in your efforts.

I have the honor to be, your most humble and obedient servant,

ROBERT A. PATTERSON,

Chairman European International Committee  
on American Grain Certificates.

The PRESIDENT,  
White House, United States of America,  
Washington, U. S. A.

In a letter to Senator McCUMBER, under date of February 15, 1908, he stated:

I believe that great efforts are being made to persuade your Senators and House of Representatives that the proposed change is not only unnecessary but not generally desired, but I can assure you that unless some such change is made, and that shortly, your export trade will suffer severely.

European buyers have lost confidence in the reliability of United States certificates, and American grain consequently suffers in price, buyers giving a preference whenever possible to other grain, and only buying yours when compelled to do so, or at a reduction in price sufficient, in their opinion, to compensate them for risks they run in buying certificate grain.

Another letter from Holland and one from our consul at Marseille, which is also a very strong letter. The Holland letter reads as follows:

P. J. McCUMBER, Esq.,

United States Senate, Washington, D. C.:

During the last Berlin grain conference, held January 29 and 30 of this year by delegates of the German, Holland, and Scandinavian grain trade, the McCumber bill and the other bills of similar character introduced into Congress were one of the chief subjects on the program.

The question of American grain inspection has been a very important one these latter years, and its having been a subject of the conference program induces us to assure you of the sympathy that the proposed change in the inspection system has among the members of this association.

During many years already the American grain-inspection certificates have been very unsatisfactory, and immense losses were caused to the buyers on this side by the careless inspection of American grain shipped for export. It has been said by American opponents of the bills mentioned above that the fixing of grades on better and higher standards would injure the export trade, and that the European buyers will not buy anything but the grades which have always been shipped and to which they are accustomed.

We want to energetically deny that anything like this is the case or may be expected when Government grain inspection will have been introduced. On the contrary, we think that a more reliable inspection will greatly benefit the American export trade.

Many important firms in the importing centers on this side have absolutely given up importing American corn, taught by the experience of several years, when a single parcel of this article, certified No. 2 mixed, sail mixed, etc., and still showing 30 to 90 per cent damage on arrival, caused a loss greater than the small gain made on many shipments together. They preferred to buy from Argentina, Russia, and the Danube. A better inspection, however, and certificates which give sufficient guaranty that the grade has really been given in accordance with the grain's quality and condition will induce these firms to take up the import of American corn again.

We don't object to the export of inferior grain, but to the fact that the grades are not given according to the condition of the grain, so that the certificates are entirely unreliable. Perhaps some buyers on this side want the inferior grain, but those who deal in the better qualities want to be sure that when they pay a better price for the higher grade the certificate gives them the guaranty to get this grade. Up till now this has not been the case, and it is quite evident that a more satisfactory inspection will be of great benefit to the trade.

As soon as grades all over the United States are uniform, and as soon as certificates of inspection will be reliable, the import of American grain will certainly increase again after the sharp decline which it has experienced.

Uniform Government inspection will bring a higher standard of export grain, induce the European importer to buy American grain more freely again, and consequently greatly benefit the honest American exporter at the cost of his dishonest competitor. It will greatly purify the trade and make an end to an unbearable situation.

HET COMITE VAN GRAANHANDELAREN TE ROTTERDAM  
(ROTTERDAM CORN TRADE ASSOCIATION),

A. COANEY, President.

H. VON RANDERYTH, Secretary.

ROTTERDAM, February 20, 1908.

The letter from the United States consul at Marseille is, in part, as follows:

GRAIN-INSPECTION METHODS.

It is highly desirable that certain facts in regard to American grain-selling methods be given immediate and wide circulation, and that something be done, either by action of Congress or by the concerted action of American commercial bodies, to reform or rather standardize the system under which the great cereal-exporting business has been created.

There is little popular knowledge in the United States in regard to the fact that wheat, corn, grease, and similar products of American origin are not now sold abroad by sample, but by nominal grade. The European buyer knows nothing of the merchandise whatever before it reaches his possession. He imports and resells various classes of merchandise the quality or grade of which is certified to him, not by the merchant who has sold him the article, but by the official inspector of a

board of trade or other equivalent body at the port of shipment. He pays for the goods before he receives them, and when the exporter in the United States delivers to him a certificate of inspection declaring the goods to be of a given grade he has no alternative but to honor the drafts. The bargain is absolutely final upon the production to him of this certificate of inspection.

Although no two ports in the United States may absolutely agree as to the descriptive terms to be applied to a given grade of wheat, although previous shipments may have been of obviously different quality, if the certificate delivered conforms to the grade ordered, the buyer must accept delivery. These are "American conditions." The fact that for many years we have exported nearly all our surplus agricultural products under these conditions speaks well for American business methods, and the fact that these methods are generally acceptable is of advantage to the people of the United States.

Of late years the murmurs against this system have been increasing in Europe, and whereas a short time ago they took the form of isolated private complaints that goods did not always conform to the certified grade they now take the form of organized protests. I have before me not merely private correspondence running through a number of years, but the recent proceedings of the London Corn Trade Association and the proceedings of a delegate conference held on December 12 at the Berlin Bourse, the general tenor of which is that foreign importers are vexed with prevailing conditions in the United States and are determined to force an improvement. At these two conferences a great many harsh things were said in regard to American certificates, and specific instances of irregularities were mentioned which I need not now repeat. The vital point which it will be well to separate from so much context is this:

"Mr. FRIEDBERG (Hamburg). It is perfectly clear that if an American inspector certifies we have no right to doubt, or if we do we are asked, 'Why do you go on buying?' I may assure this meeting that a good many of us are not going on buying. We have none of this trouble in South America. For the general trade I think that there are respectable people enough in America, and I am wondering why they do not stop the glaring abuses that are complained of."

It was the fact that not many years ago the vast bulk of our grain exportations went forward from New York, and that every year standard samples of cereals were sent out to European buyers bearing the seal of the New York commercial bodies which issued certificates of inspection. Under such circumstances, when European buyers received a certificate from New York stating that a certain cargo afloat was of X quality, they could refer to their sample of this X grain, and there was at least a moral guaranty that sample and cargo would be alike. The practice of sending out standard samples is no longer followed, while grain is being shipped under certificates of inspection from Duluth, New York, Baltimore, New Orleans, Galveston, and probably elsewhere. In each port or place a commercial organization assumes the right to issue certificates of grade, and yet no two ports or places have agreed upon the text of the terms which they use to describe the standard grades, let alone upon the grain itself. Nor is this all. I quote from the printed rules of a great board of trade:

"The committee on grain shall have full power and authority to establish grades of grains and to alter and amend the same as may be deemed necessary or expedient."

This instability is naturally one of the conditions of American business that is least acceptable to foreign importers, and what with rivalry between ports for export business it has created not only bitter feeling abroad but definite differences in the prices at which grain of the same nominal grade is offered for sale at the different ports of shipment. There are "easy ports" and "good ports," and sometimes the "easy ports" are penalized, as thus explained in a recent letter from an importer to an officer of an American commercial organization:

"As you know, at present exporters have great difficulty selling on certificates, but where quality is reasonably assured they are willing to pay a premium over lower inspections. Newport News and Norfolk were excluded on the London and Liverpool contracts because of last year's No. 2 corn shipments, while, as you know, your inspection maintained a premium all last season over the Atlantic."

No wheat importers desire to pay a premium here, or to exact a penalty there, based upon their appreciation of inspection methods. Wheat will fix its own price readily enough, and what the importer wishes to know, and has a right to know with as much certainty as attaches to any human transaction, is that No. 1 white winter wheat, for example, is the same kind of grain, whether it be inspected at Duluth or New Orleans. The importer insists that if the American Government, commercial bodies, and individual exporters have not agreed upon the qualifications of various grains necessary that they may receive specific gradings, it is the result of their own negligence, very possibly encouraged in certain quarters by those who profit by this unsatisfactory state of affairs.

The remedy sought is so easy of application and the demand for its application is so entirely reasonable that to the importer protracted resistance is incomprehensible. The proper remedy may be applied either by our Government or by the cooperation of our trade bodies. The starting point of the reform would be, naturally, the establishment of standard descriptions by law. This done, if the Government were charged with the issuance of inspection certificates, the service would be removed from local influences, and our so-called official certificates would be rehabilitated. If this very rational proposition be objected to, the surest means of effectively combating it would be the holding of a conference of American grain-inspecting bodies for the adoption of grain standards and for the adoption of ways and means of drawing standard samples, to be deposited in American consulates at great European ports or to be issued upon demand to importers, and to provide for a board of inspectors, the members thereof to be transferred at intervals and liberated from every form of local pressure.

ROBERT P. SKINNER,  
Consul General.

MARSEILLE, December 8, 1906.

Also, in order that the RECORD may show how the manipulation of grades affect our foreign markets, I will include correspondence printed in Senate Document No. 116 and hearings before the Senate committee.

Mr. Tedford, State grain inspector of Kansas, testified that the standard of grades going out of elevators was the minimum or lowest character of grade, while others testified that of the grain as it went into elevator the lowest grade in the car was the standard.

On pages 788, 789, Mr. Bevan testified as to the custom of "car plugging," and gave instances of where from 150 to 200 cars were so plugged, and described the plugging system as follows:

"Q. What is the practice of plugging cars?"

Mr. Bevan answered:

"It is putting a poor grade on the bottom and covering it with good stuff, so the inspector can not get at it. They have what is called 'trier' to push into the car. If it does not go deep enough, he does not know the poor stuff is there."

On page 790 Mr. Forsyth testified to his knowledge of the plugging of wheat going to public elevators, as follows:

"They would run up tallings, bin-burned wheat, stumpy wheat—all inferior grades of wheat they had in the house—in one spot and run contract wheat in the others. They would get a string of cars in and give me the capacities and tell me how much to drop, as they call it, of the 'dope.' I would drop it, and when I got that dropped I would drop contract on top of it."

#### "GRAIN-TRADE COMPLAINTS AS REPORTED BY AMERICAN CONSULS, AND CONSEQUENT LOSS TO AMERICAN PRODUCER."

"Consul Thomas R. Wallace, in a report from Crefeld, says that the grain dealers in northern and western Europe have been holding meetings, the principal purpose of which seems to be to take united action with regard to a change in the rules and methods of transacting business with the United States in their line and to correct abuses now existing in the same. The consul continues:

"The grain trade from the United States with this district has been declining for some time, and if such dissatisfaction becomes general throughout Europe the losses to the people of America in this important branch of their export trade will be enormous. To gain some idea of the causes of the complaints regarding the grain exported from the United States I have made personal inquiry among the millers and dealers in these products, and am told that the conditions complained of here are the same all over Europe."

"The dealers say they have suffered excessive losses through the purchase of grain from America by its not grading up to the standard given in the inspector's certificate in kind, quality, or condition when received. Wheat sold as good winter wheat and so certified to by the inspector, is very often found to be new wheat mixed with old and often wormy wheat. Grain often arrives in very bad condition. Wheat purchased as new is found weevilly—very good wheat with badly damaged grain mixed with it."

"They say, further, that the American shippers well know these facts, but of late years refuse to take these precautions, and because of the rule that the inspector's certificate is final the purchaser is compelled to suffer the loss arising from this negligence of the shipper. If the purchaser presents a claim for loss caused by grain received in bad condition, or of inferior quality from that certified to by the inspector, he receives no satisfaction from the shipper."

#### "UNITED STATES ALONE TO BLAME."

"I am informed that such conditions have become worse; that the purchaser here does not receive what he buys, and that no reliance can be placed on the inspector's certificate. The result is the miller has ceased to buy American grain for his mill and the farmer for his stock. It is further said that grain received from South America, Russia, or Roumania arrives in good condition, that received from the United States alone being bad."

"A general meeting of those engaged in the grain trade was held in 1905 by representatives from Holland and Germany. A meeting was held in London in November last, in which appeared representatives from Germany, France, Holland, Belgium, Denmark, Italy, and England, Ireland, and Scotland, and still another meeting was held on December 12 at Berlin. At all of these assemblies the principal topic for discussion was methods to correct the alleged abuses in the grain trade with the United States."

#### "COERCIVE MEASURES THREATENED."

"The dealers having radical or extreme views do not believe that an amicable settlement of the matter can be made with the shippers unless coercive measures are used, and this is one of the reasons of the international character of these assemblies. It is said by them that some of the same conditions prevailed in the grain trade with Russia some time ago. The Russian dealers were invited to Berlin to a conference, but treated the action with indifference, whereupon the German dealers refused to buy any Russian grain, and in a short time Russia asked for a meeting."

"The seriousness of this movement, threatening the loss of trade in this important branch of American exports, should not be underestimated. It is general in its character and covers the countries buying about all of the surplus crops of the United States."

"The unanimity of sentiment expressed at these meetings indicates there must be good cause for complaint, and as representatives of nearly all the nations of Europe are taking part in these assemblies and the meetings have become international in character, it is time the American people, who are interested in this great and important branch of the Nation's industries and commerce, should take some action to preserve it from further losses."

#### FRANCE.

##### FAULTY AMERICAN GRAIN-INSPECTION METHODS.

Counsul General Robert P. Skinner, of Marseille, thinks it is highly desirable that certain facts in regard to American grain-selling methods be given immediate and wide circulation, and that something be done either by action of Congress or by the concerted action of American commercial bodies to reform or, rather, standardize the system under which the great cereal-exporting business has been created. Mr. Skinner writes:

"There is little popular knowledge in the United States in regard to the fact that wheat, corn, grease, and similar products of American origin are not now sold abroad by sample, but by nominal grade. The European buyer knows nothing of the merchandise whatever before it reaches his possession. He imports and resells various classes of merchandise the quality or grade of which is certified to him, not by the merchant who has sold him the article, but by the official inspector of a board of trade or other equivalent body at the port of shipment. He pays for the goods before he receives them, and when the exporter in the United States delivers to him a certificate of inspection, declaring the goods to be of a given grade, he has no alternative but to honor the drafts. The bargain is absolutely final upon the production to him of this certificate of inspection."

## "STRENUOUS OBJECTIONS.

"Of late years the murmurs against this system have been increasing in Europe, and whereas a short time ago they took the form of isolated private complaints that goods did not always conform to the certified grade, they now take the form of organized protests. I have before me not merely private correspondence running through a number of years, but the recent proceedings of the London Corn Trade Association and the proceedings of a delegate conference held on December 12 at the Berlin Bourse, the general tenor of which is that foreign importers are vexed with prevailing conditions in the United States and are determined to force an improvement. At these two conferences a great many harsh things were said in regard to American certificates and specific instances of irregularities were mentioned. The vital point, which it will be well to separate from so much context, is this:

"Mr. Friedberg (Hamburg) stated: 'It is perfectly clear that if an American inspector certifies we have no right to doubt, or if we do we are asked, Why do you go on buying?' I may assure this meeting that a good many of us are not going on buying. We have none of this trouble in South America. For the general trade I think that there are respectable people enough in America, and I am wondering why they do not stop the glaring abuses that are complained of.'

"This instability is naturally one of the conditions of American business that is least acceptable to foreign importers, and, what with rivalry between ports for export business, it has created not only bitter feeling abroad, but definite differences in the prices at which grain of the same nominal grade is offered for sale at the different ports of shipment. There are 'easy ports' and 'good ports,' and sometimes the 'easy ports' are penalized, as thus explained in a recent letter from an importer to an officer of an American commercial organization:

"As you know, at present importers have great difficulty selling on certificates, but where quality is reasonably assured they are willing to pay a premium over lower inspections. Newport News and Norfolk were excluded on the London and Liverpool contracts because of last year's (1905) No. 2 corn shipments, while, as you know, your inspection maintained a premium all last season over the Atlantic."

## "SIMPLE REMEDY PROPOSED.

"The remedy sought is so easy of application and the demand for its application is so entirely reasonable that to the importer protracted resistance is incomprehensible. The proper remedy may be applied either by the American Government or by the cooperation of American trade bodies. The starting point of the reform would be, naturally, the establishment of standard descriptions by law. This done, if the Government were charged with the issuance of inspection certificates the service would be removed from local influences and the so-called official American certificates would be rehabilitated. If this very rational proposition be objected to, the surest means of effectively combating it would be the holding of a conference of American grain-inspecting bodies for the adoption of grain standards and for the adoption of ways and means of drawing standard samples, to be deposited in American consulates at great European ports or to be issued upon demand to importers, and to provide for a board of inspectors, the members thereof to be transferred at intervals and liberated from every form of local pressure."

Consul General Skinner, of Marseille, France, under date of January 10, 1907, writes as follows:

"In continuation of my report dated December 18, 1906, I wish to say that my attention had been called to a report presented to the Syndical Chamber of Grain and Flour, at Paris, by George Lefebvre, delegate to the International Reunion, organized by the London Corn Trade Association. This report has been sent to me by a prominent Marseille miller, and I take it that it is a résumé of the sentiments of the trade in this city, which has not acted upon the subject as yet in an official manner, although at this port the great bulk of American hard-wheat exportations are received. The report of M. Lefebvre is quite long, and I translate merely the salient passages, as follows:

"I have the honor to render an account of my mission as your representative at the conference of November 8, organized by the London Corn Trade Association for the purpose of considering final certificates covering grain exportations from America. The conference was attended by not less than 45 members, whose opinions were unanimous as to the necessity of reforming the actual system. Some wished to ameliorate it and others to abolish it. Complaints were made of a detailed nature, which I have no need here to repeat, except as to two cases, which deserve to be set forth.

"Complaint was made in regard to the delivery of hard winter wheat No. 2, in which not only the old and the new crops were mixed, but in which there was to be found also a considerable quantity of seriously damaged wheat. From the American inspectors who delivered the certificates, the only answer received was this: 'We consider our principal duty is to secure the consumption of our crop.'

"Corn certified as No. 2 or 'sail grade' (the quality capable of supporting a voyage in sailing ships) and which should have been able to endure a long voyage, arrived in a completely bad condition after a rather short journey. The complaint made was met by the reply that 'It is the fault of the buyers who purchase during the months when corn germinates.'

"Mr. Montgomery, of Liverpool, speaking first, declared that the inspection service was badly established in the United States; that the European buyer renouncing any right of appeal as to quality when an inspector has delivered a certificate, thus constitutes the inspector an arbiter between the seller in America and the receiver in Europe.

"The abuses concerning which complaints arise from all parts of Europe prove that the buyers must come to an understanding, in order to determine the methods by which this business should be handled between America and the Old World. This conference is probably the first effort along these lines between the interested countries.

"First of all, what is it that is called an 'official' certificate of inspection as to quality? This is a very broad definition. There is not in the trade any definition of the word 'official,' and in consequence every certificate of an inspector who holds an official position must be accepted by the buyer."

## CANADA.

The following Associated Press dispatch is corroborated by the Agricultural Department:

## "GRASS SEED IS BEING DOSED WITH ADULTERATIONS FROM CANADA.

"WASHINGTON, February 13, 1907.

"The Department of Agriculture has issued a circular relative to the investigation of the adulteration of orchard grass, bluegrass, clover, and alfalfa seed. The department gathered seed from all parts of the United States, buying in the open market, and of the seed examined about one-third was found adulterated. The degrees of adulteration

varied from 10 per cent to 75 per cent. The names of upward of a hundred firms which the department alleges are selling adulterated seeds are printed in the circular. It is estimated that 700,000 pounds of Canadian bluegrass seed are annually imported into the United States and mixed with Kentucky bluegrass seed and sold as the latter. A similar amount of trefoil is imported from England, mixed with alfalfa seeds, and sold at a corresponding advance, says the circular."

## SCOTLAND.

## "AMERICAN FLOUR HURT BY MISBRANDING.

Consul R. W. Austin, of Glasgow, writes that the friends of American flour in Scotland are elated over the passage by Congress of "the food and drugs act of June 30, 1906," and are predicting that with the enforcement of the law mentioned the American flour will regain its old-time reputation and be restored to the head of the list which it occupied in Great Britain prior to 1904. Mr. Austin continues:

"At that time no flour—home or foreign—equaled the American article, which had grown in popular favor to such an extent that it had no real competitor.

"The American wheat crop of 1904 being short, enabled the continental mills to introduce their flour into Scotland, many of them not hesitating to use popular American labels. This scheme was worked successfully for some time, to the injury of the American trade and the excellent reputation of its flour. Finally a vigorous protest under the British 'sale-of-goods act' was made, and this practice of the millers of the Continent discontinued. While this afforded relief, American flour is, and has been for several years, seriously injured in Great Britain by its being misbranded or labeled before leaving America, and this unfair method, it is hoped, will be discontinued by an observance of the 'food and drugs act.'

Mr. RUBEY. Mr. Chairman and gentlemen of the House, I want to say that I appreciate the splendid statement that has just been made by the gentleman from Iowa [Mr. HAUGEN], who is the ranking member of the Republican side of the Committee on Agriculture. I want to emphasize what he has said in his remarks, namely, that this bill has had the careful consideration of the Committee on Agriculture not only in this Congress but also in the last Congress. In the last Congress we held extensive hearings to which were invited the grain men, representatives of the State departments where they have State grain inspection, grain dealers, farmers' elevator people, millers, and all who were in any way connected with the grain industry either as producers or distributors. The bill was prepared, introduced, and passed through the House at the last session of Congress. It was taken up again during this session by the Committee on Agriculture, and we have gone over in detail every paragraph of this bill time after time. I have not the time to take up separately each amendment which has been offered here. I desire to state that almost every amendment that is pending here before this committee was discussed at length in the Committee on Agriculture, and each one of these amendments was rejected by the committee. I wish I had the time to take up each one of the amendments in detail. I desire especially to discuss the amendment offered by the gentleman from Tennessee [Mr. BYRNS], which proposes to strike out the word "and" in section 6 and substitute therefor the word "or." I want to explain to you just what that means. Under the bill as now written it carries a provision that the appeal from the inspection of a car of grain shall be made at the point of inspection, before the grain leaves the point where inspected and before it loses its identity. If you strike out that word "and" and insert the word "or," it will mean that you must follow every carload of grain from the place where it is inspected, it may be, clear across the continent to its destination, and, perchance, clear across the Atlantic Ocean to the foreign port where it is destined, and give opportunity for appeal from inspection after it reaches its destination.

If the grain has deteriorated in transit or if the price has fallen, the purchaser can take advantage of that fact to appeal in the hope that he may thus avoid loss by a change in condition or in price. We went over that situation in committee last year and also this year. We thrashed it out and looked at it from every viewpoint, and it is the consensus of opinion of everybody who has had to do with this legislation that the law as now written in this bill should stand. The millers of the country came before our committee and asked that they be given the privilege of inspecting the grain after it reached their mills and before it was unloaded; but after they failed to get that concession they have acquiesced in the bill as it is now written, and the milling concerns of the country are heartily in favor of this legislation. Section 7, which the gentleman from Minnesota [Mr. ANDERSON] desires to strike out of the bill, is a very important section; and if you take that section out of the bill, or if you adopt his substitute, you may just as well abandon this legislation. It is not intended by this legislation to interfere with State grain inspection. It is not the desire of the Department of Agriculture to in any way cripple the States in their inspection of grain, but, on the other hand, to most heartily cooperate with them. I hope, when it comes to voting upon the amendments offered to this bill, that you will take into consideration the fact that this bill has had the careful consideration of the subcommittee and of the full committee, and that you will

vote down all amendments. This bill comes to you indorsed by the farmers' organizations of the country, by the representatives of the farmers' elevators, 4,000 in number; by the grain trade, by the millers, and, in fact, by everybody who has to do with grain, from the farmer who produces it to the miller who grinds it into flour. It is opposed by exporters of grain, and by only a few of them. [Applause.]

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

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

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. All time has expired. The question is on the first amendment offered by the gentleman from Pennsylvania [Mr. MOORE].

Mr. MOORE of Pennsylvania. Mr. Chairman, I ask unanimous consent that the amendment be again reported.

The CHAIRMAN. Without objection, the amendment will be again reported.

There was no objection, and the amendment was again reported. —

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was rejected.

Mr. McLAUGHLIN. Mr. Chairman, I ask unanimous consent that each amendment as it is reached be read.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent that each amendment as it is reached shall be again reported. Is there objection?

Mr. FOSTER. Mr. Chairman, I shall have to object to that.

The CHAIRMAN. Objection is heard.

Mr. FOSTER. I would not object to the reading of the short amendments, but I think the gentleman understands that there is one very long amendment pending.

Mr. HEFLIN. Mr. Chairman, I demand the regular order.

Mr. McLAUGHLIN. Mr. Chairman, one of the amendments is very long, it is true, and is pretty well understood, and I will except that from my request and ask that the request be again put.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent that all amendments excepting the substitute offered by the gentleman from Minnesota, which is very long, be again reported before the vote is taken upon them. Is there objection?

Mr. DOOLITTLE. Mr. Chairman, reserving the right to object, can not the Members who want the particular amendments read ask that privilege when the particular amendment is reached for voting. Let the request be made at that time. I object.

The CHAIRMAN. The gentleman from Kansas objects. The question is on the amendment offered by the gentleman from North Dakota [Mr. HELGESEN].

The question was taken, and the amendment was rejected.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from New York [Mr. HULBERT].

Mr. HULBERT. Mr. Chairman, I ask unanimous consent that that amendment be again reported.

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

The CHAIRMAN. Without objection, it will be again reported.

There was no objection, and the Clerk again reported the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. HULBERT) there were—ayes 46, noes 80.

So the amendment was rejected.

The CHAIRMAN. The question is now on the amendment offered by the gentleman from Pennsylvania [Mr. MOORE].

The amendment was rejected.

The CHAIRMAN. The question is now on the amendment offered by the gentleman from Nebraska [Mr. SLOAN].

Mr. SLOAN. Mr. Chairman, I ask unanimous consent that the amendment be again reported. This is a part of the original bill that I am trying to put back into the bill.

The CHAIRMAN. The gentleman from Nebraska asks unanimous consent that the amendment be again reported. Is there objection?

There was no objection, and the Clerk again reported the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska.

The question was taken; and on a division (demanded by Mr. SLOAN) there were—ayes 53, noes 74.

So the amendment was rejected.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from Tennessee [Mr. BYRNS].

Mr. BYRNS of Tennessee. Mr. Chairman, I ask unanimous consent that the amendment be again reported.

The CHAIRMAN. Is there objection?

There was no objection, and the Clerk again reported the amendment.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was rejected.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from North Dakota [Mr. YOUNG].

The question was taken, and the amendment was rejected.

The CHAIRMAN. The question now is on the substitute offered by the gentleman from Minnesota [Mr. ANDERSON].

Mr. ANDERSON. Mr. Chairman, I ask that section 7 only be read of the amendment.

The CHAIRMAN. The gentleman from Minnesota [Mr. ANDERSON] asks that section 7 only be read of the amendment. Is there objection?

There was no objection; and the Clerk again reported section 7 of the amendment.

The CHAIRMAN. The question is on agreeing to the substitute offered by the gentleman from Minnesota.

The question was taken, and the substitute was rejected.

The CHAIRMAN. The question now is on agreeing to the amendment offered by the gentleman from Missouri [Mr. RUEY].

The question was taken, and the amendment was agreed to.

Mr. BYRNS of Tennessee. Mr. Chairman, I ask unanimous consent to extend and revise my remarks.

The CHAIRMAN. The gentleman from Tennessee—

Mr. HEFLIN. Mr. Chairman, I ask for a division.

The CHAIRMAN. The Chair thinks it a little late to call for a division after the Chair has recognized the gentleman from Tennessee for another purpose. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

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

The CHAIRMAN. The gentleman from New York asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. BENNET. Mr. Chairman, the reasons against the grain-grades act are given in the following, from the New York Produce Exchange:

NEW YORK PRODUCE EXCHANGE,  
New York, April 28, 1916.

Hon. WILLIAM S. BENNET,  
House of Representatives, Washington, D. C.

DEAR SIR: The New York Produce Exchange has been opposing vigorously H. R. 10405, the grain-grades act, and now learns that resort has been had to the highly objectionable practice of tacking the grain-grades act onto the Agricultural appropriation bill in the hope of passing in this way a measure that has been pending in the House through almost the entire session without favorable action, and is apparently doomed to defeat if the regular procedure is followed.

In view of the public disapproval of previous attempts at such practice, we doubt if the proposed amendment, even if adopted by the House, would be enacted into law.

However, the members of the New York Produce Exchange are unanimously opposed to the grain-grades act in whatever manner it may be presented for enactment, and we ask that you will not permit the approval by the Committee on Rules of House resolution 213 that would afford an opportunity to pass the grain-grades act in the House as an amendment to the Agricultural appropriation bill.

Yours, very truly,

JAS. WARD WARNER,  
President.

NEW YORK PRODUCE EXCHANGE,  
New York, April 15, 1916.

DEAR SIR: I am directed by the New York Produce Exchange to call your attention to House bill No. 10405, Union Calendar No. 38, which our members consider detrimental to the interests of the New York Produce Exchange as well as the interests of the port of New York.

This measure has been opposed by this organization, and the reasons for such action set forth in briefs that are embodied in previous records before Congress.

Your interest in opposition to the measure is solicited upon those same grounds, briefly:

First. While nominally termed "supervision of grades" the bill in reality, through the medium of authority for regulation given to the Department of Agriculture, creates practically a system of Federal inspection of grain.

Second. The New York Produce Exchange has established and maintained standards of grain, particularly for export, through the medium of an inspection department organized in 1875, and through its control maintained the integrity of those standards in its commercial transactions. The suggested licensing of a corps of inspectors by the Federal

Government under Federal supervision and regulations of the Agricultural Department would take away from the New York Produce Exchange the control, so long established and to such good purpose, of such inspectors.

Third. The measure seems to be designed for the benefit of an interior movement of grain locally and such regulations should be separate and apart from the standards of the larger shipping centers for export purposes. Our foreign trade requires entirely different regulations which will in no way hamper its continued development.

Fourth. Members of the New York Produce Exchange are not opposed to Federal supervision, but believe that standards that would be established by the Department of Agriculture along the lines of chemical analysis would not be practicable for the grain trade, as has been proven by the standards established for corn, to which the export trade has so far been unable to adapt its trading.

Yours, very truly.

JAS. WARD WARNER,  
President.

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

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

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

Mr. SLOAN. And I, Mr. Chairman, make the same request.

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

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

Mr. KINKAID. And I make the same request.

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

The CHAIRMAN. Is there objection to these several requests?

There was no objection.

Mr. LEVER. Mr. Chairman, I offer the following amendment, which I send to the Clerk's desk, amendment No. 3.

The CHAIRMAN. The Clerk will report it.

The Clerk read as follows:

That this act shall be known by the short title of "United States warehouse act."

Sec. 2. That the term "warehouse" as used in this act shall be deemed to mean every building, structure, or other protected inclosure in which any agricultural product is or may be stored. The term "agricultural product" wherever used in this act shall be deemed to mean any staple and nonperishable agricultural product. The Secretary of Agriculture is directed as soon as practicable to determine, and from time to time to designate, what articles are agricultural products within the meaning of this act. As used in this act, "person" includes a corporation or partnership or two or more persons having a joint or common interest; "warehouseman" means a person lawfully engaged in the business of storing agricultural products; and "receipt" means a warehouse receipt.

Sec. 3. That the Secretary of Agriculture is authorized to investigate the storage, warehousing, classifying according to grade and otherwise, weighing, and certification of agricultural products; upon application to him by any person applying for license to conduct a warehouse under this act, to inspect such warehouse or cause it to be inspected; at any time, with or without application to him, to inspect or cause to be inspected all warehouses licensed under this act; to determine whether warehouses for which licenses are applied for or have been issued under this act are suitable for the proper storage of any agricultural product or products; to classify warehouses in accordance with their ownership, location, surroundings, capacity, condition, and other qualities, and as to the kinds of licenses issued or that may be issued for them pursuant to this act; and to prescribe, within the limitations of this act, the duties of the warehousemen conducting warehouses licensed under this act with respect to their care of and responsibility for agricultural products stored therein.

Sec. 4. That the Secretary of Agriculture is authorized, upon application to him, to issue to any warehouseman a license for the conduct of a warehouse or warehouses in accordance with this act and such rules and regulations as may be made hereunder: *Provided*, That each such warehouse be found suitable for the proper storage of the particular agricultural product or products for which a license is applied for, and that such warehouseman agree, as a condition to the granting of the license, to comply with and abide by all the terms of this act and the rules and regulations prescribed hereunder.

Sec. 5. That each license issued under sections 4 and 9 of this act shall be issued for a period not exceeding one year and shall specify the date upon which it is to terminate, and upon showing satisfactory to the Secretary of Agriculture may from time to time be renewed or extended by a written instrument, which shall specify the date of its termination.

Sec. 6. That each warehouseman applying for a license to conduct a warehouse in accordance with this act shall, as a condition to the granting thereof, execute and file with the Secretary of Agriculture a good and sufficient bond other than personal security to the United States to secure the faithful performance of his obligations as a warehouseman under the laws of the State, District, or Territory in which he is conducting such warehouse, as well as under the terms of this act and the rules and regulations prescribed hereunder, and of such additional obligations as a warehouseman as may be assumed by him under contracts with the respective depositors of agricultural products in such warehouse. Said bond shall be in such form and amount, shall have such surety or sureties, subject to service of process in suits on the bond within the State, District, or Territory in which the warehouse is located, and shall contain such terms and conditions as the Secretary of Agriculture may prescribe to carry out the purposes of this act. Whenever the Secretary of Agriculture shall determine that a bond approved by him is, or for any cause has become, insufficient, he may require an additional bond or bonds to be given by the warehouseman concerned, conforming with the requirements of this section, and unless the same be given within the time fixed by a written demand therefor the license of such warehouseman may be suspended or revoked.

Sec. 7. That any person injured by the breach of any obligation to secure which a bond is given, under the provisions of sections 6 or 9, shall be entitled to sue on the bond in his own name in any court of

competent jurisdiction to recover the damages he may have sustained by such breach.

Sec. 8. That, upon the filing with and approval by the Secretary of Agriculture of a bond, in compliance with this act, for the conduct of a warehouse, such warehouse shall be designated as bonded hereunder; but no warehouse shall be designated as bonded under this act, and no name or description conveying the impression that it is so bonded, shall be used until a bond, such as provided for in section 6, has been filed with and approved by the Secretary of Agriculture, nor unless the license issued under this act for the conduct of such warehouse remains unsuspended and unrevoked.

Sec. 9. That the Secretary of Agriculture may, under such rules and regulations as he shall prescribe, issue a license to any person not a warehouseman to accept the custody of agricultural products and to store the same in a warehouse or warehouses owned, operated, or leased by any State, upon condition that such person agree to comply with and abide by the terms of this act and the rules and regulations prescribed hereunder. Each person so licensed shall issue receipts for the agricultural products placed in his custody, and shall give bond, in accordance with the provisions of this act and the rules and regulations hereunder affecting warehousemen licensed under this act, and shall otherwise be subject to this act and such rules and regulations to the same extent as is provided for warehousemen licensed hereunder.

Sec. 10. That the Secretary of Agriculture shall charge, assess, and cause to be collected a reasonable fee for every examination or inspection of a warehouse under this act when such examination or inspection is made upon application of a warehouseman, and a fee not exceeding \$2 per annum for each license or renewal thereof issued to a warehouseman under this act. All such fees shall be deposited and covered into the Treasury as miscellaneous receipts.

Sec. 11. That the Secretary of Agriculture may, upon presentation of satisfactory proof of competency, issue to any person a license to classify any agricultural product or products, stored or to be stored in a warehouse licensed under this act, according to grade or otherwise, and to certificate the grade or other class thereof, or to weigh the same and certificate the weight thereof, or both to classify and weigh the same and to certificate the grade or other class and the weight thereof, upon condition that such person agree to comply with and abide by the terms of this act and of the rules and regulations prescribed hereunder so far as the same relate to him.

Sec. 12. That any license issued to any person to classify or to weigh any agricultural product or products under this act may be suspended or revoked by the Secretary of Agriculture whenever he is satisfied, after opportunity afforded to the licensee concerned for a hearing, that such licensee has failed to classify or to weigh any agricultural product or products correctly, or has violated any of the provisions of this act or of the rules and regulations prescribed hereunder, so far as the same may relate to him, or that he has used his license or allowed it to be used for any improper purpose whatsoever. Pending investigation, the Secretary of Agriculture, whenever he deems necessary, may suspend a license temporarily without hearing.

Sec. 13. That every warehouseman conducting a warehouse licensed under this act shall receive for storage therein, so far as its capacity permits, any agricultural product of the kind customarily stored therein by him which may be tendered to him in a suitable condition for warehousing, in the usual manner in the ordinary and usual course of business, without making any discrimination between persons desiring to avail themselves of warehouse facilities.

Sec. 14. That any person who deposits agricultural products for storage in a warehouse licensed under this act shall be deemed to have deposited the same subject to the terms of this act and the rules and regulations prescribed hereunder.

Sec. 15. That grain, flaxseed, or any other fungible agricultural product received for storage in a warehouse licensed under this act shall be inspected and graded by a person duly licensed to grade the same under this act.

Sec. 16. That every warehouseman conducting a warehouse licensed under this act shall keep the agricultural products therein of one depositor so far separate from agricultural products of other depositors, and from other agricultural products of the same depositor for which a separate receipt has been issued, as to permit at all times the identification and redelivery of the agricultural products deposited; but if authorized by agreement or by custom, warehouseman may mingle fungible agricultural products with other agricultural products of the same kind and grade, and shall be severally liable to each depositor for the care and redelivery of his share of such mass, to the same extent and under the same circumstances as if the agricultural products had been kept separate, but he shall at no time while they are in his custody mix fungible agricultural products of different grades.

Sec. 17. That for all agricultural products stored in a warehouse licensed under this act original receipts shall be issued by the warehouseman conducting the same, but no receipts shall be issued except for agricultural products actually stored in the warehouse at the time of the issuance thereof.

Sec. 18. That every receipt issued for agricultural products stored in a warehouse licensed under this act shall embody within its written or printed terms (a) the location of the warehouse in which the agricultural products are stored; (b) the date of issue of the receipt; (c) the consecutive number of the receipt; (d) a statement whether the agricultural products received will be delivered to the bearer, to a specified person, or to a specified person or his order; (e) the rate of storage charges; (f) a description of the agricultural products received, showing the quantity thereof, or, in case of agricultural products customarily put up in bales or packages, a description of such bales or packages by marks, numbers, or other means of identification and the weight of such bales or packages; (g) the grade or other class of the agricultural products received and the standard or description in accordance with which such classification has been made: *Provided*, That such grade or other class shall be stated according to the official standard of the United States applicable to such agricultural products as the same may be fixed and promulgated under authority of law: *Provided further*, That until such official standards of the United States for any agricultural product or products have been fixed and promulgated, the grade or other class thereof may be stated in accordance with any recognized standard or in accordance with such rules and regulations not inconsistent herewith as may be prescribed by the Secretary of Agriculture; (h) a statement that the receipt is issued subject to the United States warehouse act and the rules and regulations prescribed thereunder; (i) if the receipt be issued for agricultural products of which the warehouseman is owner, either solely or jointly or in common with others, the fact of such ownership; (j) a statement of the amount of advances made and of liabilities incurred for which

the warehouseman claims a lien: *Provided*, That if the precise amount of such advances made or of such liabilities incurred be at the time of the issue of the receipt unknown to the warehouseman or his agent who issues it, a statement of the fact that advances have been made or liabilities incurred and the purpose thereof shall be sufficient; (k) such other terms and conditions within the limitations of this act as may be required by the Secretary of Agriculture; and (l) the signature of the warehouseman, which may be made by his authorized agent: *Provided*, That unless otherwise required by the law of the State in which the warehouse is located, when requested by the depositor of other than fungible agricultural products, a receipt omitting compliance with subdivision (g) of this section may be issued if it have plainly and conspicuously embodied in its written or printed terms a provision that such receipt is not negotiable.

SEC. 19. That the Secretary of Agriculture is authorized, from time to time, to establish and promulgate standards for agricultural products in this act defined by which their quality or value may be judged or determined: *Provided*, That the standards for any agricultural products which have been, or which in future may be, established by or under authority of any other act of Congress shall be, and are hereby, adopted for the purposes of this act as the official standards of the United States for the agricultural products to which they relate.

SEC. 20. That while an original receipt issued under this act is outstanding and uncancelled by the warehouseman issuing the same no other or further receipt shall be issued for the agricultural product covered thereby or for any part thereof, except that in the case of a lost or destroyed receipt a new receipt, upon the same terms and subject to the same conditions and bearing on its face the number and date of the receipt in lieu of which it is issued, may be issued upon compliance with the statutes of the United States applicable thereto in places under the exclusive jurisdiction of the United States or upon compliance with the laws of any State applicable thereto in any place not under the exclusive jurisdiction of the United States: *Provided*, That if there be in such case no statute of the United States or law of a State applicable thereto such new receipts may be issued upon the giving of satisfactory security in compliance with the rules and regulations made pursuant to this act.

SEC. 21. That a warehouseman conducting a warehouse licensed under this act, in the absence of some lawful excuse, shall, without unnecessary delay, deliver the agricultural products stored therein upon a demand made either by the holder of a receipt for such agricultural products or by the depositor thereof if such demand be accompanied with (a) an offer to satisfy the warehouseman's lien; (b) an offer to surrender the receipt, if negotiable, with such indorsements as would be necessary for the negotiation of the receipt; and (c) a readiness and willingness to sign, when the products are delivered, an acknowledgment that they have been delivered if such signature is requested by the warehouseman.

SEC. 22. That a warehouseman conducting a warehouse licensed under this act shall cancel each receipt returned to him upon the delivery by him of the agricultural products for which the receipt was issued.

SEC. 23. That every warehouseman conducting a warehouse licensed under this act shall keep in a place of safety complete and correct records of all agricultural products stored therein and withdrawn therefrom, of all warehouse receipts issued by him, and of the receipts returned to and canceled by him, shall make reports to the Secretary of Agriculture concerning such warehouse and the condition, contents, operation, and business thereof in such form and at such times as he may require, and shall conduct said warehouse in all other respects in compliance with this act and the rules and regulations made hereunder.

SEC. 24. That the Secretary of Agriculture is authorized to cause examinations to be made of any agricultural product stored in any warehouse licensed under this act. Whenever, after opportunity for hearing is given to the warehouseman conducting such warehouse, it is determined that he is not performing fully the duties imposed on him by this act and the rules and regulations made hereunder, the Secretary may publish his findings.

SEC. 25. That the Secretary of Agriculture may, after opportunity for hearing has been afforded to the licensee concerned, suspend or revoke any license issued to any warehouseman conducting a warehouse under this act, for any violation of or failure to comply with any provision of this act or of the rules and regulations made hereunder or upon the ground that unreasonable or exorbitant charges have been made for services rendered. Pending investigation, the Secretary of Agriculture, whenever he deems necessary, may suspend a license temporarily without hearing.

SEC. 26. That the Secretary of Agriculture from time to time may publish the results of any investigations made under section 3 of this act; and he shall publish the names and locations of warehouses licensed and bonded and the names and addresses of persons licensed under this act and lists of all licenses terminated under this act and the causes thereof.

SEC. 27. That the Secretary of Agriculture is authorized, through officials, employees, or agents of the Department of Agriculture designated by him, to examine all books, records, papers, and accounts of warehouses licensed under this act and of the warehousemen conducting such warehouses relating thereto.

SEC. 28. That the Secretary of Agriculture shall from time to time make such rules and regulations as he may deem necessary for the efficient execution of the provisions of this act.

SEC. 29. That nothing in this act shall be construed to conflict with, or to authorize any conflict with, or in any way to impair or limit the effect or operation of the laws of any State relating to warehouses, warehousemen, weighers, graders, or classifiers; but the Secretary of Agriculture is authorized to cooperate with such officials as are charged with the enforcement of such State laws in such States and through such cooperation to secure the enforcement of the provisions of this act; nor shall this act be construed so as to limit the operation of any statute of the United States relating to warehouses or warehousemen, weighers, graders, or classifiers now in force in the District of Columbia or in any Territory or other place under the exclusive jurisdiction of the United States.

SEC. 30. That every person who shall forge, alter, counterfeit, simulate, or falsely represent, or shall without proper authority use, any license issued by the Secretary of Agriculture under this act, or who shall violate or fail to comply with any provision of section 8 of this act, or who shall issue or offer a false or fraudulent receipt or certificate, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined not more than \$500 or imprisoned not more than six months, or both, in the discretion of the court.

SEC. 31. That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$50,000, available until expended, for the expenses of carrying into effect the provisions

of this act, including the payment of such rent and the employment of such persons and means as the Secretary of Agriculture may deem necessary in the city of Washington and elsewhere, and he is authorized, in his discretion, to employ qualified persons not regularly in the service of the United States for temporary assistance in carrying out the purposes of this act, and out of the moneys appropriated by this act to pay the salaries and expenses thereof.

SEC. 32. That if any clause, sentence, paragraph, or part of this act shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered.

SEC. 33. That the right to amend, alter, or repeal this act is hereby expressly reserved.

MR. LEVER. Mr. Chairman, if I may have the attention of the gentleman from Iowa [Mr. HAUGEN], I ask unanimous consent that the time—one hour and a half—be divided between and controlled equally by the gentleman from Iowa and myself.

THE CHAIRMAN. The gentleman from South Carolina asks unanimous consent that the time allotted, 1 hour and 30 minutes, be divided equally between the gentleman himself and the gentleman from Iowa and controlled by them as requested. Is there objection?

There was no objection.

MR. YOUNG of North Dakota. Reserving the right to object, Mr. Chairman, I want to say this—

MR. MANN. If the gentleman wants time, he will have no difficulty in obtaining it on this side.

MR. YOUNG of North Dakota. I want to say that while the former amendment was under discussion, the State producing the largest amount of wheat and the largest amount of flax in the United States was given only four minutes. I do not think that was fair. But I withdraw the objection.

THE CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

THE CHAIRMAN. The gentleman from South Carolina is recognized for 45 minutes.

MR. LEVER. Mr. Chairman, I yield five minutes to the gentleman from Texas [Mr. YOUNG].

THE CHAIRMAN. The gentleman from Texas [Mr. YOUNG] is recognized for five minutes.

[MR. YOUNG of Texas addressed the committee. See Appendix.]

MR. LEVER. I will ask the gentleman from Iowa [Mr. HAUGEN] to use a little of his time.

MR. HAUGEN. I yield five minutes to the gentleman from New York [Mr. BENNET].

THE CHAIRMAN (Mr. CRISP). The gentleman from New York is recognized for five minutes.

MR. BENNET. Mr. Chairman, I move to amend the bill by inserting, in line 22, page 30, after the word "warehouses," the words "licensed or applying for a license."

THE CHAIRMAN. The Clerk will report the amendment offered by the gentleman from New York [Mr. BENNET].

The Clerk read as follows:

Page 30, line 22, after the word "warehouses," insert the words "licensed or applying for a license."

MR. BENNET. Mr. Chairman, without these words the independent phrase which I seek to amend will read as follows:

That the Secretary of Agriculture is authorized \* \* \* to classify warehouses in accordance with their ownership, location, surroundings, capacity, conditions, and other qualities, and as to the kinds of licensees issued or that may be issued for them pursuant to this act.

That is, this language confers upon the Secretary of Agriculture, a Federal official, the right to come within the boundaries of any one of the 48 States, to go into any man's building, to inspect that building, and then, under another provision of the act, he is required to publish the results of that inspection.

MR. CHAIRMAN, I am aware that the Democratic Party, by action if not by words, have absolutely repudiated their old-time doctrine of State rights, which had certain merits; but if there ever was a sample of Federal aggression sanctioned by law this is it. Under the old common law every man's house is his castle, and, as Pitt said:

The poorest man may in his cottage bid defiance to all the force of the Crown. It may be frail, its roof may shake, the wind may blow through it, the storms may enter, the rain may enter, but the King of England can not enter! All his forces dare not cross the threshold of the ruined tenement.

Now, what do we purpose to do in this Democratic Congress? We purpose to put on the statute book a provision under which the Secretary of Agriculture can send into any structure or any inclosure sufficient to hold cotton, wool, flax, tobacco, or grain, anybody whom he desires to send, and publish a report as to the conditions and surroundings. That is bad enough—

MR. HELM. Will the gentleman yield?

Mr. BENNET. For a question.

Mr. HELM. What is the material difference between the right to inspect a public warehouse and the right to inspect a national bank by a bank examiner?

Mr. MADDEN. But the national bank was created by the Government.

Mr. BENNET. I will answer the gentleman's question directly. I have no objection whatever to the Secretary of Agriculture sending his inspectors either into a licensed warehouse or a warehouse which is applying for a license.

Mr. HELM. Is not that what is provided for in this bill—a licensed warehouse?

Mr. BENNET. No; and that is just where the gentleman is going to vote for my amendment, if he will listen. I propose to insert on page 30, in line 22, after the word "warehouses," the words "licensed or applying for a license," because this is optional. A man does not have to go into the Federal warehouse system unless he wishes to do so, and I propose that the Federal power shall only apply to a warehouse which is either licensed or is applying for a license. Why, in my State of New York there are 70 miles of warehouses standing side by side upon the piers and wharves of New York City.

Mr. McLAUGHLIN. Will the gentleman yield?

Mr. BENNET. Yes.

Mr. McLAUGHLIN. Does the gentleman notice that it is provided, beginning in line 22, on page 29—

That the term "warehouse" as used in this act shall be deemed to mean every building, structure—

And so on.

Mr. BENNET. Every building.

Mr. McLAUGHLIN. Licensed—

Mr. BENNET. It does not say that.

Mr. McLAUGHLIN. For interstate or foreign commerce.

Mr. BENNET. I will read it correctly:

Sec. 2. That the term "warehouse" as used in this act shall be deemed to mean every building, structure, or other protected inclosure in which any agricultural product is or may be stored for interstate or foreign commerce.

Mr. McLAUGHLIN. Under this act it would only be in case the license was issued that the Government would have any authority.

Mr. BENNET. The gentleman from Michigan ought to read this language. The gentleman is stating this act as it ought to be and as it will be if my amendment is adopted; but here is the language, in lines 11 and 12, on page 30:

That the Secretary of Agriculture is authorized—

And now, in line 22—

to classify warehouses—

Not licensed warehouses.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BENNET. I ask the gentleman from Iowa if he will yield me some more time?

Mr. HAUGEN. How much time?

Mr. BENNET. Five minutes.

Mr. HAUGEN. I am afraid I can not give the gentleman five. I will give him three.

The CHAIRMAN. The gentleman from New York is recognized for three minutes.

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

Mr. BENNET. Yes.

Mr. HELM. What is the meaning of section 4, page 31?

Mr. BENNET. That is in accordance with the scheme of the bill. That is all very proper. That is that the Secretary of Agriculture is authorized to issue licenses to any warehouseman when he finds the warehouse suitable and proper.

Mr. HELM. Is not that what you are advocating, a license?

Mr. BENNET. I am objecting to power being conferred upon the Secretary of Agriculture to go into a warehouse that does not desire to be licensed, that is not licensed, that has not applied for a license, and inspecting that warehouse under the power which is given by the language in this bill.

Mr. BYRNES of South Carolina. Will the gentleman yield?

Mr. BENNET. I yield to the gentleman from South Carolina.

Mr. BYRNES of South Carolina. Does the gentleman hold that the language he has read gives the Secretary of Agriculture the power to inspect a warehouse?

Mr. BENNET. Yes.

Mr. BYRNES of South Carolina. Where?

Mr. BENNET (reading lines 11 and 12, together with line 22)—

That the Secretary of Agriculture is authorized \* \* \* to classify warehouses in accordance with their ownership, location, surroundings, capacity, conditions, and other qualities.

Now, the gentleman from South Carolina is one of the best lawyers in the House.

Mr. BYRNES of South Carolina. The gentleman flatters me. Mr. BENNET. I do not. I tell the truth about the gentleman. Now, will the gentleman answer me a question? I have no purpose to serve except to make the law what I think it ought to be, and what the intention was to make it. Would not my language really clarify the section if you add, after the word "warehouses," the words "licensed or applying for a license"; because that is what it is intended to apply to, is it not?

Mr. BYRNES of South Carolina. I do not think anyone would construe the language of the section as having that meaning.

Mr. BENNET. Will the gentleman then say why is it that this is the only place in the bill where, under similar circumstances, the word "license" is omitted. Then I call the gentleman's attention to this—what do the words "may be issued," in line 25 mean if this language does not apply to warehouses other than licensed warehouses?

Mr. BYRNES of South Carolina. My construction of it was that by that very language it was limited to warehouses to which licenses were issued. They could not be issued unless they applied for a license.

Mr. BENNET. Why not say so in explicit words, that a man's property within the boundaries of a State—and the gentleman is a Democrat and ought to agree with me—ought to be protected from the Federal Government unless he puts himself in the way of the inspection. [Applause.]

Mr. LEVER. Mr. Chairman, I yield 5 minutes to the gentleman from Kentucky [Mr. HELM].

Mr. HELM. Mr. Chairman, on the 6th day of December, 1915, I introduced a bill (H. R. 432) authorizing the Secretary of Agriculture to license tobacco warehouses, and for other purposes. The bill before the House enlarges upon the scope of that bill introduced by me and includes not only tobacco but cotton, wool, grain, and flaxseed. I consider this a very wholesome piece of legislation and am most heartily in accord with it and in favor of it, and am especially gratified to see the principles of my bill, in its amplified and enlarged form, so soon enacted into law.

I was led to introduce the bill I introduced by the lesson I learned in my State from observing the operation of the bonded distiller's warehouse. I have in mind certain gentlemen who operate very extensive distilling businesses, and these men have a part of the time, but not all the time, been bankrupt; and yet during the time they were bankrupt they were able to conduct a business that amounts to perhaps half a million or three-quarters of a million dollars a year.

I was curious to understand how it was that men could conduct such an extensive business and be so weak financially. I reached the conclusion that it was a system of credits. The Government issues to distillers what is known as a bonded warehouse receipt. This piece of paper is a bankable piece of paper, like a bank note, and passes upon delivery. It is a prime, commercial, bankable piece of paper that you can take to any bank in the United States and it will be accepted as gilt-edged collateral. All the banker was interested in when the receipt was presented to him was to know that it represented a barrel of distilled spirits in a United States bonded warehouse.

Mr. MADDEN. Will the gentleman yield?

Mr. HELM. Yes.

Mr. MADDEN. Does not the gentleman think the same thing applies to the warehouses under State control?

Mr. HELM. Every State has different rules and regulations and practices. The object of this bill is to establish uniformity and regularity in order to insure commercial stability. More especially does the export trade, the export business, which in a large measure controls the domestic price, depend largely upon one established and accepted system of grading, classification, and standardization. If there is one standard of grading or classification in one State and a different standard in another State you get your wires crossed and get into complications. If there is uniformity throughout the United States the banks say "Yes; that is acceptable paper we are glad to accommodate you, glad to handle it."

Mr. MADDEN. Do not they handle it now?

Mr. HELM. They do; but not with the alacrity and willingness that they will under this standardization and uniform operation. As I was attempting to say, when the United States bonded warehouse certificate is presented to the banker he knows that security is under Uncle Sam's care and under his watchful eye, and when the time comes that it will be paid, because the collateral on which it was issued will be on hand.

The features of the bill and its different sections are admirably set forth and explained in the report of the committee

accompanying the bill. Under leave of the House I shall add this report as an appendix and extension of my remarks.

The report is as follows:

This bill provides for the inauguration of a uniform system of warehousing, under Federal supervision, for staple and nonperishable agricultural products.

The outbreak of the European war emphasized the fact that the farm marketing machinery of this country is seriously weak, insufficient, and inadequate—a condition which already had been more or less recognized by students of farm economics. From a very thorough study of our system of marketing there will appear: (1) A lack of adequate storage facilities; (2) a lack of proper control and regulation of such storage systems as exist; (3) an absence of uniformity in their methods of operation and the form of receipts issued; (4) a multiplicity of standards for grading and classification, or in some cases an entire absence of such standards for grading and classification; (5) a lack of disinterested graders, classifiers, and weighers; (6) lack of proper relationship between the storage and banking systems of the country.

The inauguration under this bill of a permissive system of warehouses licensed and bonded under authority of the Federal Government for the storage of staple and nonperishable agricultural products upon which uniform receipts may be issued, the weights and grades of the products specified therein having been previously determined by licensed weighers and graders in accordance with Government standards, would go far in the direction of standardizing warehouse construction, storage conditions, insurance, accounting, financing, and the handling and marketing of farm products.

The essential purpose of this bill is to provide machinery by which farm products may be brought into the most intimate contact with the commercial and investment banking world. Farm products of staple and nonperishable character, such as cotton, grain, wool, tobacco, and the like, undoubtedly furnish the very best security for procuring credit, for these products are the most accurate and unvarying barometers of the country's prosperity as well as indispensable factors in its physical existence and activity. Notwithstanding this fact, collateral based upon farm products affords only a most indifferent basis of credit, being rated, as it were, as of secondary strength. The result is that the farmer with perfectly sound security finds himself at the mercy of those who have come to look upon that security with a degree of suspicion as to its soundness as a basis for loans. That this situation should exist—and all agree that it does exist—is due, not to any inherent weakness in the security, but to the nonliquid and otherwise unattractive form of the collateral which it secures. We are seeking in this bill to put farm products in such position that they may assert their full value and strength, and this can be done only through a system which assures to the investor their quality, quantity, and safe-keeping, and at the same time affords him an investment which is readily negotiable.

A study of the provisions of the bill will show that great care has been taken for the protection of the integrity of the receipt issuing from the warehouses proposed to be licensed, for a warehouse receipt, to be of the fullest strength as collateral and as readily negotiable as possible in the financial markets of the country, must be a receipt of unquestioned character. We are trying to enable the farmer to mobilize the greatest possible part of the value of his annual farm yields by the use of a warehouse receipt of such undoubted integrity that it will flow into the general system of securities and become realizable upon at any time in the general market. We hope to make the warehouse receipt serve the same purpose with respect to the products of the land that the bond in a rural-credit system serves with respect to the land itself.

The Federal Reserve Board has ruled that farm notes secured by proper warehouse receipts are rediscountable. It will be observed, however, that such notes must be secured by proper warehouse receipts before they may be rediscounted, and, of course, the stronger the receipt the greater its negotiability and, within the limits of the law of supply and demand, the lower the rate of interest upon the note which it secures. It is absolutely essential to the prosperity of the farmer that every facility should be offered him to take advantage of the liberal provisions of the Federal reserve act, and your committee believes that the enactment of this bill into law would go further toward the accomplishment of this purpose than any proposal heretofore advanced for your consideration.

Your committee has already directed attention to the absence of uniformity in methods of storing and caring for agricultural products, in the standards for grading and classification, and in the form of receipts issued by warehouses. The advantages to be derived from such uniformity are too patent to admit of argument, and the bill proposes, by providing for such uniformity to bring all parts of the country into the closest commercial and financial relationship.

Your committee wishes to emphasize the fact that the provisions of this bill are permissive and in no sense compulsory. It can in no wise interfere with warehouse systems organized under State or local authority, but provision is made for cooperative action between the Federal Government and the States in which warehouses are organized under State legislation.

The following is a brief summary by sections of the various provisions of the bill:

Section 1 gives the title of the bill.

Section 2 defines the terms "warehouse," "agricultural product," "person," and "receipt."

Section 3 authorizes the Secretary of Agriculture to investigate the storage, warehousing, classifying, weighing, and certification of agricultural products; to license persons to conduct warehouses and to inspect such warehouses; to determine whether warehouses for which licenses have been applied for or have been issued under the act are suitable for the proper storage of agricultural products; to classify warehouses; and to prescribe, within the limitations of the act, the duties of warehousemen conducting warehouses licensed under the act.

SEC. 4. The Secretary of Agriculture is authorized upon application to him to issue to any warehouseman a license for the conduct of a warehouse, in accordance with the terms of the act and under such rules and regulations as may be made under the act. This section contains a proviso that each warehouse shall be suitable for the proper storage of the particular agricultural product for which a license is granted and also that such warehouseman agrees, as a condition to the granting of the license, that he will comply with and abide by all the terms of this act and the rules and regulations prescribed thereunder.

Section 5 limits the term of a license to one year and specifies that the date upon which the license terminates shall be stated in the

license, but permits renewal of licenses from time to time upon showing satisfactory to the Secretary of Agriculture.

Section 6 provides that each warehouseman applying for a license shall execute and file with the Secretary of Agriculture a bond to the United States in order to secure the performance of his obligations as a warehouseman under the laws of the State, District, or Territory in which he is conducting such warehouse, as well as under the terms of this act and the rules and regulations prescribed thereunder, and of such additional obligations as the warehouseman may assume under contract with the respective depositors of agricultural products in such warehouse.

Section 7 permits any person injured by the breach of any obligation under the bond given under the provisions of sections 6 or 9 to sue on the bond in his own name in any court of competent jurisdiction to recover any damages that may have been sustained by such breach.

Section 8 permits a warehouse which has filed a bond which has received the approval of the Secretary of Agriculture, to be designated as "bonded under the United States warehouse act," and denies this privilege to other warehouses not so bonded.

Section 9 empowers the Secretary of Agriculture to license any person not a warehouseman to accept the custody of agricultural products and to store them in a warehouse upon the condition that such person comply with and abide by the terms of this act and the rules and regulations prescribed thereunder. It directs such person so licensed to issue receipts for agricultural products placed in his custody and requires that he shall give bond in accordance with the provisions of the act and the rules and regulations made thereunder affecting warehousemen licensed under the act, and further specifies that he shall be subject to the act and the rules and regulations thereunder to the same extent as is provided for warehousemen licensed under the act.

Section 10 directs that the Secretary of Agriculture shall charge a reasonable fee for every examination or inspection of a warehouse licensed under the act when such examination or inspection is made upon the application of a warehouseman, and a fee not exceeding \$2 per annum for each license or renewal thereof issued to a warehouseman.

Section 11 gives the Secretary of Agriculture authority in his discretion to issue to any person a license to classify any agricultural product stored, or to be stored, in a warehouse licensed under this act and to certificate its grade or class, or to weigh the same and to certificate its weight upon condition that such person agree to comply with and abide by the terms of this act and the rules and regulations prescribed thereunder.

Section 12 authorizes the Secretary of Agriculture to suspend or revoke for cause licenses issued under authority of this act.

Section 13 prohibits discrimination on the part of licensed warehousemen against persons desiring to avail themselves of warehouse facilities.

Section 14 specifies that any person who deposits agricultural products for storage in a warehouse licensed under this act shall be deemed to have deposited the same subject to the terms of the act and the rules and regulations made thereunder.

Section 15 makes mandatory that grain, flaxseed, or other fungible agricultural products received for storage in a warehouse licensed under this act shall be inspected and graded by a person duly licensed to grade the same.

Section 16 requires that every warehouseman licensed under this act shall keep separate the agricultural products of one depositor from those of another so as to permit at all times the identification and redelivery of the agricultural products deposited; but permits a warehouseman to mingle or mix fungible agricultural products of the same grade.

Section 17 directs that receipts shall be issued by a warehouseman for all agricultural products stored in such warehouse and specifies that receipts shall not be issued except for agricultural products that are actually stored at the time of the issuance of the receipt.

Section 18 specifies the terms of the receipt that shall be issued for agricultural products stored in licensed warehouses. These specifications are as follows: (a) Location of the warehouse. (b) Date of issue of the receipt. (c) Consecutive number of the receipt. (d) A statement whether the agricultural products received will be delivered to the bearer, to a specified person, or to a specified person or his order. (e) The rate of storage charges. (f) A description of the agricultural products received showing the quantity thereof, or, in case of agricultural products customarily put up in bales or packages, a description of such bales or packages by marks, numbers, or other means of identification, and the weight of such bales or packages. (g) The grade or class of the agricultural products received and the standard in accordance with which such classification has been made. The proviso is made that the official standards of the United States shall be used in stating the grade or class of agricultural products stored. It is provided further that until official standards for any agricultural product have been fixed and promulgated, the grade or class of such agricultural product may be stated in accordance with any recognized standard, or in accordance with such rules and regulations not inconsistent with this act as may be prescribed by the Secretary of Agriculture. (h) A statement that the receipt is issued subject to the United States warehouse act and the rules and regulations prescribed thereunder. (i) If the receipt be issued for agricultural products of which the warehouseman is owner, either solely or jointly or in common with others, the fact of such ownership. (j) A statement of the amount of advances made and the liabilities incurred for which a warehouseman claims a lien. (k) Such other terms and conditions within the limitations of this act as may be required by the Secretary of Agriculture. (l) The signature of the warehouseman which may be made by his authorized agent.

These terms must be incorporated in every receipt. It is provided that upon request by the depositor of other than fungible agricultural products a receipt omitting compliance with subdivision (g) of this section may be issued if it be conspicuously stated in its terms that such receipt is nonnegotiable.

Section 19 authorizes the Secretary of Agriculture to establish and promulgate standards for agricultural products for the purposes of this act.

Section 20 specifies the conditions under which a duplicate receipt may be issued. These terms are (1) in places under the exclusive jurisdiction of the United States, compliance with the statutes of the United States applicable thereto; (2) in any place not under the exclusive jurisdiction of the United States, compliance with the laws of any State applicable thereto; (3) if there be no such statute of the United States or law of a State applicable thereto, a new receipt may be issued

after giving satisfactory security in compliance with the rules and regulations made by the Secretary of Agriculture pursuant to this act.

Section 21 requires a licensed warehouse or a warehouseman conducting a warehouse licensed under the act to deliver the agricultural products stored therein upon a demand made either by the holder of a receipt or by the depositor thereof, if such demand be accompanied with (a) an offer to satisfy the warehouseman's lien; (b) an offer to surrender the receipt, if negotiable, with such indorsements as would be necessary for the negotiation of the receipt; and (c) a readiness and willingness to sign when the products are delivered an acknowledgment that they have been delivered if such signature is requested by the warehouseman.

Section 22 makes it mandatory upon the warehouseman conducting a warehouse under this act to cancel each receipt returned to him upon the delivery by him of the agricultural products for which the receipt was issued.

Section 23 requires that every warehouseman under this act shall keep complete records of agricultural products stored within his warehouse and withdrawn therefrom, and of all warehouse receipts issued by him, and of the receipts returned and canceled. A warehouseman is required to make such reports as may be required by the Secretary of Agriculture and to conduct his warehouse in all respects in compliance with the terms of this act and the rules and regulations made thereunder.

Section 24 gives authority to the Secretary of Agriculture to cause examinations to be made of agricultural products stored in warehouses licensed under this act. The Secretary of Agriculture may publish his findings in case he discovers that a warehouseman is not performing fully the duties imposed upon him by this act.

Section 25 gives the Secretary of Agriculture power to suspend or revoke for cause and after hearing any license issued under the authority of this act.

Section 26 authorizes the Secretary of Agriculture to publish the results of any investigations made under section 3 of this act and makes it mandatory that he publish the names and locations of warehouses licensed and bonded, and the names of persons licensed under this act, and a list of all licenses terminated under this act, and the causes therefor.

Section 27 authorizes the Secretary of Agriculture to examine all books, records, papers, and accounts of warehouses licensed under this act.

Section 28 gives the Secretary of Agriculture authority to make such rules and regulations as he may deem necessary for the efficient execution of the provisions of this act.

Section 29 provides that this act shall not be construed to conflict with the laws of any State relating to warehouses, warehousemen, weighers, graders, or classifiers, but authorizes the Secretary of Agriculture to cooperate with the officials of such States and through such cooperation to secure the enforcement of this act. The section also provides that the act shall not be construed so as to limit the operation of any statute of the United States relating to warehouses or warehousemen, weighers, graders, or classifiers now in force in any place under the exclusive jurisdiction of the United States.

Section 30 makes the violation of the terms of the act a misdemeanor and fixes the punishment at a fine not exceeding \$500 or imprisonment for not more than six months, or both, in the discretion of the court.

Section 31 appropriates \$50,000 for carrying out the provisions of the act.

Section 32 states that in case any court shall declare any portion of this act to be invalid such judgment shall not impair or invalidate the remainder of the act.

Section 33 expressly reserves the right to amend, alter, or repeal this act.

Mr. HAUGEN. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. McLAUGHLIN].

Mr. McLAUGHLIN. I offer the following amendments.

The Clerk read as follows:

Page 30, line 2, after the word "product," insert the words "or interstate or foreign commerce"; page 30, line 5, after the word "they," at the end of the sentence, insert the words "intended for interstate or foreign commerce."

Mr. McLAUGHLIN. Mr. Chairman, it seems to me necessary to have this amendment adopted in order to make the bill what it was intended to be, so there will be no misunderstanding as to its meaning, and in order that if the bill becomes a law it will be less objectionable than it is now.

On line 25, page 29, we find the words "for interstate and foreign commerce" as used in defining the word "warehouse." The bill as originally prepared and for a time considered in the committee did not contain those words. It was proposed by the author of the bill and those who supported it to have Federal inspection, Federal licensing, and Federal control over all warehouses, whether they were used or intended for storing of products in interstate or foreign commerce and whether or not there were any interstate or foreign commerce feature about them. Upon the insistent demand of some who did not believe in that kind of legislation these words in line 25 were inserted. I believe they were inserted with the consent of the chairman of the committee, Mr. LEVER, with the idea that they would control the entire bill; that is, that they would relate to and define "products" wherever the word appears, the same as if the words "interstate and foreign commerce" were used wherever the word "products" appears in the law.

In my opinion the better way, the safer way, if the idea of the Committee on Agriculture is to be carried out, is to have the words "interstate and foreign commerce" inserted as I have suggested in my amendment in keeping with the idea the committee had in mind when it put the words in line 25.

I trust that the gentleman from South Carolina, in looking over this amendment and weighing what I have said, will agree to it and permit the amendment to be made to the bill.

Now, Mr. Chairman, I have approved of the other amendments offered by the chairman of the Committee on Agriculture, the cotton-future act and the grain-standardization act, but I think this act is faulty, that it goes too far, and am not able to give it my support. The purpose of this act, the House ought to know, is to provide for Government warehouses, inspection of warehouses, the issuing of receipts on products stored in these warehouses with the idea that receipts so issued can and will be made the basis for the issue of currency under the Federal reserve act. That is at the basis of this entire proposition. If it were not for that, this bill would not be here. Unless we approve that idea, we ought not to support this measure. Unless we believe that the Federal reserve act, with such construction as may be put upon it, as it now appears on the books or as it later may be amended at the demand of those who have been insistent in securing the passage of this bill, should permit the issuance of currency based on these warehouse receipts we ought not to support this measure. This bill, if it becomes law, is to be the foundation for what we call a "commodity currency" instead of an "asset currency," as provided by the Federal reserve act, which represents actual business activities and actual business transactions throughout the country, a safe basis, in the opinion of those who ought to know and as proved by business and banking and currency experience. If this bill becomes law, an effort will be made to amend the currency act, so as to permit the issuing of "commodity" currency, based on warehouse receipts. That practice or that system of currency will be unwise and will result in improper and dangerous inflation of the volume of currency, and, besides, the basis of currency so issued will be wrong.

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

Mr. McLAUGHLIN. Yes.

Mr. BOOHER. Let me call the attention of the gentleman to lines 24 and 25, on page 29, section 2. Does the gentleman not think the language in the last line there covers the point that he is making?

Mr. McLAUGHLIN. I know what the gentleman has in mind. I am familiar with the bill, and I will say to the gentleman, no, they have no relation whatever to it. They are simply describing what a warehouse is and what it must be. I am talking of the purpose behind this bill, why it was introduced, what use is to be made of it, and what these receipts are expected to do—play a part in the banking and currency system of the country.

Mr. BOOHER. Mr. Chairman, will the gentleman yield further?

Mr. McLAUGHLIN. Yes.

Mr. BOOHER. I do not call the attention of the gentleman to this in connection with the argument that he is making now, but with that part of his argument where the words "interstate or foreign commerce" ought to be inserted.

Mr. McLAUGHLIN. Mr. Chairman, I will say to the gentleman that the words in line 25—I have stated that before, evidently the gentleman not being in the room—"or interstate or foreign commerce" were inserted with the idea that they would influence and control the entire bill; but, in my judgment, in order to be sure of that, the words I have suggested by way of amendment should be inserted in line 2 and also in line 5. Congress can regulate and control interstate commerce and the products entering into interstate commerce, but Congress has no authority, nor should it seek authority, over products which are not in and which are not intended to be put into interstate commerce. Nor should Congress assume jurisdiction over places in which such products are stored.

Mr. Chairman, I have further objection to this bill. I do not like the idea of the Federal Government taking over so much, undertaking so much work. I do not like the idea of the people asking the Federal Government to do so much and take such part and so intimately in the business the people are carrying on. I do not believe that it is a proper function of the Federal Government, and I wish to say that I think the tendency of recent legislation is wrong and dangerous as the Federal Government extends its activities, reaching out in all directions for all kinds of purposes, taking upon itself one line and another, going into the States in all these different ways, interfering with and taking part in the business of the people of the States, influencing, controlling, and directing them in one way and another; overrunning the States with Federal employees, to say nothing of the political effect of the employment and the presence in the States of this vast number of men. Section 4 of the bill provides that the Secretary of Agriculture is authorized on application to him to issue a license to any warehouseman; that is, to anyone who may apply who has a building, a shed, an inclosure, anything in which he is carrying or can carry

on the business of storing products, no matter how insignificant it may be. This language in section 4 shows how far-reaching the activities of the Federal Government are to be.

Section 24 provides that the Secretary of Agriculture shall "cause examinations to be made" of agricultural products stored in warehouses, and section 27 provides that the Secretary of Agriculture is authorized, through officials, employees, or agents of his department designated by him, "to examine all books, records, papers, and accounts of warehouses licensed under this act and of the warehousemen conducting such warehouses relating thereto." The language of these sections give us an idea of the extent to which this law will carry us, of the vast number of men to be employed to make examinations of all the licensed warehouses in the country, and from time to time to examine and inspect all the products of these warehouses and to examine the books, records, papers, and accounts of everybody doing a warehouse business. We may well ask, When and where will the activities of the Federal Government end? How far is the Government to go in "investigating," "inspecting," and "controlling" private business? How far should the Government go in assisting the people in carrying on their business and in aiding them to do what they can and ought to do for themselves? This bill, in my judgment, carries the work of the Government too far. It provides for or will permit the employment of too many men to go out among the people for the purpose of taking part in, directing, and influencing the course of private business. And in my judgment there is no demand for it, except in the South, where the people ask and accept assistance in many matters which in other parts of the country the people do and insist on taking care of for themselves. There is no need of such a law as this anywhere, and there is no demand for it except, as I have said, for the purpose of making warehouse receipts the basis of issues of currency. If the bill under any circumstances or for any reason is to be passed, the amendments which I offer for the purpose of limiting its operation to products in "interstate or foreign commerce" ought to be adopted.

Mr. LEVER. Mr. Chairman, I yield five minutes to the gentleman from Texas [Mr. BLACK].

Mr. BLACK. Mr. Chairman, I do not think there is a more important provision relating to agricultural welfare than this warehouse amendment to the bill which we are now considering. I believe that it is one of the several real constructive measures that this Committee on Agriculture has brought before the House. During the argument and consideration of this bill we have heard a good deal said upon the question of production, and that it is quite an important problem there can be no doubt. The rapidly increasing population of the country and the decrease in the fertility of the soil brings this matter forcibly to our attention. For half a century we have been a Nation of unexampled resources, a country of "milk and honey," so to speak. Our country has been one of unrivaled resources in soil, climate, mine, and forest. But we have "skimmed the cream," and it is now our duty to turn our attention to the question of increasing the productivity of our soils and learning how to make two blades of grass grow where only one grew before.

But quite as important as the question of production is the question of marketing, because if we do not give attention to scientific and business methods of marketing our production will frequently become top-heavy and result in an actual loss instead of a benefit. Therefore the question of a proper marketing system is one that demands the serious attention of the Nation, and no such system can be complete and efficient without an effective warehouse system, especially as to our nonperishable agricultural products; and no system of warehousing can be comprehensive and efficient unless it is national in its scope and activities. This is the reason why I favor this warehouse amendment which Mr. LEVER has offered. The excellent results of a warehouse law are well illustrated in the case of the State of Texas, which I have the honor to represent in part. In 1914 the South raised over 16,000,000 bales of cotton, and as my colleague, Mr. YOUNG, has told you in his able speech this afternoon, during that year the State of Texas raised about four million and half bales of that crop. The European war came on just as we were about ready to start to gather and market the crop, and what was the result? The country was panic stricken, business was paralyzed, the bottom of the market fell out, and the price of the South's great staple dropped in a few days from 12 and 13 cents a pound to 6 and 7 cents a pound. The result was disastrous both to the farmers and the business interests throughout the South. It has been many a day since the South was struck such a terrific blow. We had no warehouse laws that were adequate to meet the situation and no means arranged to systematically finance this crop during the period of its greatest distress. Our State legislature immediately met

in extra session, and we enacted an emergency warehouse law which was a most excellent measure for the limited time that the legislature had in which to consider its provisions.

#### THE PRACTICAL WORKINGS OF THIS WAREHOUSE LAW.

Warehouses were quickly erected in many communities in Texas and placed themselves under the operation of the law, and while it is true that many farmers were unable because of financial reasons to warehouse and hold their cotton, it is also true that many farmers and business men did avail themselves of its provisions and profited well thereby. I do not speak alone from hearsay, but give testimony from actual experience as to the beneficial workings of this law. The business firm of which I am a member, a wholesale grocery company at Clarksville, in the spring and summer of 1914 had been liberal in its extension of credit to retail merchants, and when the disastrous drop in cotton prices came, and cotton was selling at 6 and 7 cents per pound, the conditions looked bad. We went to many of our merchant customers and told them to buy cotton from farmers who owed them, and wanted to sell, at 8 cents per pound, rather than to have them sell it on the open market at 6 and 7 cents per pound, and that we would permit them to turn it in to us at 8 cents per pound on their accounts, and we would warehouse it and hold it and take the risk of the price advancing to where we would come out on it without a loss.

Quite a number of our merchant customers took advantage of this offer, and bought the cotton from their farmer customers at this price, and we put it in a bonded warehouse, kept it there until the price of cotton advanced to where we could sell for a price that repaid us for the original price paid, plus insurance and carrying charges.

If we had continued to hold the cotton two months longer, we would have made a profit of \$5 per bale on all we had bought.

As it was, we did not suffer any loss. I merely mention this personal instance as a practical illustration of the advantages of a warehouse system. It is no hearsay testimony. Many other wholesale and retail merchants in Texas did the same thing.

In addition to this, I know of a number of farmers who used the warehouses at Clarksville, where I live, that year of 1914, and made anywhere from \$5 to \$10 per bale by doing so.

#### TEXAS PERMANENT WAREHOUSE LAW.

When the regular session of the Texas Legislature met in 1915 they enacted our permanent warehouse law, under which we are now operating in our State. I shall not take up the time of the House in enumerating the good points of this law, except to say that it is managed by a board of supervisors composed of the governor, the commissioner of agriculture, and the commissioner of insurance and banking, and they in turn select the active management of the system. These warehouses must under bond grade or classify each bale of cotton offered for storage, giving a receipt showing, among other things, the elevation above sea level of the warehouse, and that the warehouse company guarantees the weight, class, and grade "within approximate limits" at the time of the issuance of the receipt.

The receipt must also contain a description of the bale, the rate of storage, and a statement that the cotton will be delivered to the bearer, a specified person, or to a specified person or his order, as the party storing may desire.

In addition to these provisions on the face of the receipt, there is a blank on the back of it for showing whether the cotton is free from incumbrances or liens of any kind, and if there are any liens this fact must be clearly set out.

This, in brief, is a statement of the provisions of the Texas permanent warehouse law, except that portion which relates to ginners; and inasmuch as the Lever warehouse amendment, which we are now discussing, has no application to gins or ginners I shall not take time to discuss that feature of the Texas warehouse law. It would not be pertinent to any provision of the bill which we are now discussing.

#### LEVER AMENDMENT DOES NOT IMPAIR OR LIMIT TEXAS WAREHOUSE LAW.

Section 29 of the amendment which we are now discussing provides—

That nothing in this act shall be construed to conflict with or to authorize any conflict with, or in any way to impair or limit the effect or operation of the laws of any State relating to warehouses, warehousemen, weighers, graders, or classifiers; but the Secretary of Agriculture is authorized to cooperate with such officials as are charged with the enforcement of such laws in such States and through such cooperation to secure the enforcement of the provisions of this act.

The advantages of this act are that it is national in its scope and will secure a uniform system of licensing warehouses and issuing receipts for these nonperishable products, which will be readily receivable as commodity paper at the Federal reserve banks and will enable the wheat farmer and cotton farmer, if he desires to do so, to borrow money on his product at a low rate of interest and hold it for a better price than that which obtains

at the time he makes the loan. A practical illustration of what can be done along this line is seen in the marketing of the 1915 cotton crop. At the opening of the marketing season for that year there was every indication that prices would again be very unsatisfactory. The European war had enlarged its scope of activities, and all shipments of cotton to Germany and Austria had ceased, by reason of England's contraband order in August, 1915. These adverse conditions were being taken advantage of to the fullest extent by those whose interest it was to bear the market. In the midst of this condition Secretary of the Treasury McAdoo arranged for the deposit of \$30,000,000 in gold of public funds in the Federal reserve banks at Atlanta, Dallas, and Richmond for the purpose of being used to rediscount loans made by national banks, as member banks, on cotton secured by warehouse receipts.

Ten days after this announcement on the part of Secretary McAdoo that he would deposit these Government funds in the South the Federal Reserve Board contributed greatly to the relief of the cotton situation by the adaptation and promulgation, on September 3, 1915, of regulations concerning commodity paper. Under these regulations all national banks and State banks which are members of the Federal reserve system may loan money to farmers or others on notes secured by nonperishable staple agricultural products properly warehoused and insured, and if the member banks charge the farmer or borrower on such "commodity paper" a rate of interest, including commissions, not exceeding 6 per cent per annum, they may rediscount such notes with the Federal reserve bank of their district at an interest rate of 3 per cent per annum. This gives the member bank an opportunity to make loans on commodity paper at an interest rate not exceeding 6 per cent per annum, and to rediscount or sell the same loan, if desired, to the Federal reserve bank in their respective districts at 3 per cent interest per annum, thus giving the borrower credit accommodations at a low rate of interest, the member bank a fair margin of profit on such loans, and the Federal reserve bank a reasonable compensation for the use of the money.

These regulations do not apply to cotton alone, but cover as well all nonperishable staple commodities in all parts of the country and, like credit facilities, are available to producers in any part of the United States. Did the deposit of these public funds in the South by Secretary McAdoo and the promulgation by the Federal Reserve Board of its commodity paper-rate regulations help the cotton market? I think any fair-minded man who is at all familiar with conditions that obtained will not hesitate for a moment to say that it did.

The local banks for the most part evidenced a splendid spirit of cooperation in the movement, and I am pleased to state that many of the banks in the district which I have the honor to represent took hold of this matter and made these loans on warehoused cotton at 6 per cent, and quite a number of them went down as low as 5 per cent on their rate. The effect of this show of confidence in the value of cotton as security was to stabilize the cotton market and give it a firm foundation, and cotton advanced from 8 and 9 cents per pound to 11 and 12 cents per pound in a very short space of time. Of course, I would not be extravagant enough to say that all of this advance resulted from the causes which I have enumerated, because I realize that decreased production was an important factor; but the fact remains that this advance in the price of cotton was worth more than \$100,000,000 to the people of the South, and I think it is only justice to say that a substantial part of this amount was due to the definite and positive arrangements to finance cotton while it yet remained in the hands of the producer. There has never anything happened in the South which taught a better lesson than this to us all of the value of cooperation between the banker, the business man, and the farmer, and I hope that it is a good omen of the spirit of mutual cooperation which will obtain in the future. I have no patience with class hatred or prejudice. I detest the demagogue who continually preaches it. In every walk of life, whether on the farm or in the marts of trade, whether in the pulpit or the forum, the Nation needs men—

Men whom the spoils of office can not buy,  
Men whom the lust of power will not kill,  
Men who are honest, men who will not lie,  
Men who can stand before a demagogue  
And down his treacherous flattery without winking;  
Tall men, sun-crowned, who live above the fog  
In public duty and in private thinking.

#### CONCLUSION.

The Democratic administration, under the able leadership of President Wilson, has been one of record achievement. Its definite purpose has been the promotion of the welfare of all the people and not that of any special class. Its product has been a group of constructive laws that challenge the admiration

of the Nation. I call the roll of some of them. There is the Underwood tariff law, which fulfilled the Democratic pledges of a tariff for revenue instead of protection for the favored few. There is the income-tax law, which makes wealth bear its just share of the burden of taxation. There is the Federal reserve act, which freed the country from the dangerous domination of the financial supremacy of one small section of the Nation and mobilizes our banking resources for the benefit of all the people. There is the cotton futures act, the grain graders' act, and this warehouse law, all enacted for the benefit of our great agricultural interests; and, as the crowning achievement of it all, this Democratic administration will soon give the people of the United States a rural-credits law, which will do more for the farming interests of the Nation than any law which has ever been placed upon the statute books.

Adam Smith, when he came to write his *Wealth of Nations* in 1776, remarked upon it as a truism that the policy of all great nations since the downfall of the Roman Empire "has been more favorable to arts, manufacture, and commerce, the industry of towns, than to agriculture, the industry of the country."

No one who has read history carefully can doubt that the great philosopher was right. But the present Democratic administration can not be justly subjected to this criticism.

To use the expression of President Wilson, we have seen the dawn of a "new freedom"—the liberation of the spirit of Democracy, which teaches that those only are great things which tend to render life more happy, peace more secure, and pave the way for a state of future prosperity more permanent and enduring.

Mr. HAUGEN. Mr. Chairman, I yield five minutes to the gentleman from Minnesota [Mr. ANDERSON].

Mr. ANDERSON. Mr. Chairman, I offer the following amendment by way of substitute which I send to the desk and ask to have read.

The Clerk read as follows:

Page 29, strike out all after the word "that," in line 17, and insert in lieu thereof the following:

"This act shall be known by the short title of 'United States warehouse act.'

"SEC. 2. That the term 'warehouse' as used in this act shall be deemed to mean every building, structure, or other protected inclosure situated on the line or at the terminal of a common carrier engaged in the transportation of agricultural products in interstate or foreign commerce in which any agricultural product is or may be stored for hire, but shall include such warehouses operated by a State or by cooperative associations for the benefit of their own members. The term 'agricultural product' wherever used in this act shall be deemed to mean grain, flaxseed, cotton, wool, and tobacco. As used in this act 'person' includes a corporation or partnership or two or more persons having a joint or common interest; 'warehouseman' means a person lawfully engaged in the business of storing agricultural products, and 'receipt' means a warehouse receipt.

"SEC. 3. That the Secretary of Agriculture is authorized to investigate the storage, warehousing, classifying according to grade and otherwise, weighing, and certification of agricultural products; upon application to him by any person applying for license to conduct a warehouse under this act, to inspect such warehouse or cause it to be inspected; at any time, with or without application to him, to inspect or cause to be inspected all warehouses licensed under this act; to determine whether warehouses for which licenses are applied for or have been issued under this act are suitable for the proper storage of any agricultural product or products; to classify warehouses according to their ownership, location, surroundings, capacity, condition, and other qualities, and as to the kinds of licenses issued or that may be issued for them pursuant to this act.

"SEC. 4. That the Secretary of Agriculture is authorized, upon application to him, to issue to any warehouseman a license for the conduct of a warehouse or warehouses in accordance with this act and such rules and regulations as may be made hereunder: *Provided*, That each such warehouse be found suitable for the proper storage of the particular agricultural product or products for which a license is applied for, and that a bond shall have been filed and approved as required by this act.

"SEC. 5. That each license issued under sections 4 and 9 of this act shall be issued for a period not exceeding one year and shall specify the date upon which it is to terminate, and that it is issued under the terms of this act.

"SEC. 6. That each warehouseman applying for a license to conduct a warehouse in accordance with this act shall, prior to the granting thereof, execute and file with the Secretary of Agriculture a good and sufficient bond other than personal security to the United States to secure the faithful performance of his obligations as a warehouseman under the laws of the State, District, or Territory in which he is conducting such warehouse, as well as under the terms of this act and the rules and regulations prescribed hereunder, and of such additional obligations as a warehouseman as may be assumed by him under contracts with the respective depositors of agricultural products in such warehouse. Said bond shall be in such form and amount, shall have such surety or sureties, subject to service of process in suits on the bond within the State, District, or Territory in which the warehouse is located, and shall contain such terms and conditions as the Secretary of Agriculture may prescribe to carry out the purposes of this act. Whenever the Secretary of Agriculture shall determine that a bond approved by him is or for any cause has become insufficient, he may require an additional bond or bonds to be given by the warehouseman concerned, conforming with the requirements of this section, and unless the same be given within the time fixed by a written demand therefor the license of such warehouseman may be suspended or revoked.

"SEC. 7. That any person injured by the breach of any obligation to secure which a bond is given, under the provisions of this act, shall be entitled to sue on the bond in his own name in any court of com-

petent jurisdiction to recover the damages he may have sustained by such breach.

“SEC. 8. That it shall be unlawful for any person to designate any warehouse owned or operated by him as bonded or licensed under this act, or to use any name or description in any receipt issued by him, conveying the impression that it is so bonded or licensed, or otherwise convey such impression, unless said warehouse is licensed under this act.

“SEC. 9. That the Secretary of Agriculture shall charge, assess, and cause to be collected a reasonable fee for every examination or inspection of a warehouse under this act when such examination or inspection is made upon application of a warehouseman, and a fee not exceeding \$2 per annum for each license or renewal thereof issued to a warehouseman under this act. All such fees shall be deposited and covered into the Treasury as miscellaneous receipts.

“SEC. 10. That the Secretary of Agriculture may, upon presentation of satisfactory proof of competency, issue to any person authorized under the laws of any State to grade or weigh agricultural products a license to classify any agricultural product or products, stored or to be stored in a warehouse licensed under this act, according to grade or otherwise, and to certificate the grade or other class thereof, or to weigh the same and certificate the weight thereof, or both to weigh and classify the same and to certificate the weight and the grade or other class thereof, upon condition that such person agree to comply with and abide by the terms of this act and of the rules and regulations prescribed hereunder so far as the same relate to him.

“SEC. 11. That it shall be unlawful for any person to certify the class, grade, weight, or condition of any agricultural product stored or to be stored in any warehouse licensed under this act, or to use any name or description conveying the impression that he is authorized to issue such a certificate under this act, unless such person is licensed under this act.

“SEC. 12. That any license issued to any person to classify or to weigh any agricultural product or products under this act may be suspended or revoked by the Secretary of Agriculture whenever he is satisfied, after opportunity afforded to the licensee concerned for a hearing, that such licensee has failed to classify or to weigh any agricultural product or products correctly, or has violated any of the provisions of this act or of the rules and regulations prescribed hereunder, so far as the same may relate to him, or that he has used his license or allowed it to be used for any improper purpose whatsoever. Pending investigation, the Secretary of Agriculture, whenever he deems necessary, may suspend a license temporarily without hearing.

“SEC. 13. That every warehouseman conducting a warehouse licensed under this act shall receive for storage therein, so far as its capacity permits, any agricultural product of the kind customarily stored therein by him which may be tendered to him in a suitable condition for warehousing, in the usual manner in the ordinary and usual course of business, without making any discrimination between persons desiring to avail themselves of warehouse facilities.

“SEC. 14. That grain, flaxseed, or any other fungible agricultural product received for storage in a warehouse licensed under this act shall be inspected and graded by a person duly licensed to grade the same under this act.

“SEC. 15. That every warehouseman conducting a warehouse licensed under this act shall keep the agricultural products therein of one depositor so far separate from agricultural products of other depositors, and from other agricultural products of the same depositor for which a separate receipt has been issued, as to permit at all times the identification and redelivery of the agricultural products deposited; but if authorized by agreement or by custom, a warehouseman may mingle fungible agricultural products with other agricultural products of the same kind and grade, and shall be severally liable to each depositor for the care and redelivery of his share of such mass, to the same extent and under the same circumstances as if the agricultural products had been kept separate, but he shall at no time while they are in his custody mix fungible agricultural products of different grades.

“SEC. 16. That for all agricultural products stored in a warehouse licensed under this act original receipts shall be issued by the warehouseman conducting the same, but no receipts shall be issued except for agricultural products actually stored in the warehouse at the time of the issuance thereof.

“SEC. 17. That every receipt issued for agricultural products stored in a warehouse licensed under this act shall embody within its written or printed terms (a) the location of the warehouse in which the agricultural products are stored; (b) the date of issue of the receipt; (c) the consecutive number of the receipt; (d) a statement whether the agricultural products received will be delivered to the bearer, to a specified person, or to a specified person or his order; (e) the rate of storage charges; (f) a description of the agricultural products received, showing the quantity thereof, or, in case of agricultural products customarily put up in bales or packages, a description of such bales or packages by marks, numbers, or other means of identification, and the weight of such bales or packages; (g) the grade or other class of the agricultural products received and the standard or description in accordance with which such classification has been made: *Provided*, That such grade or other class shall be stated according to the official standard of the United States applicable to such agricultural products as the same may be fixed and promulgated under authority of law: *Provided further*, That until such official standards of the United States for any agricultural product or products have been fixed and promulgated, the grade or other class thereof may be stated in accordance with any recognized standard or in accordance with such rules and regulations not inconsistent herewith as may be prescribed by the Secretary of Agriculture; (h) statement that the receipt is issued subject to the United States warehouse act and the rules and regulations prescribed thereunder; (i) if the receipt be issued for agricultural products of which the warehouseman is owner, either solely or jointly or in common with others, the fact of such ownership; (j) a statement of the amount of advances made and of liabilities incurred for which the warehouseman claims a lien: *Provided*, That if the precise amount of such advances made or of such liabilities incurred be at the time of the issue of the receipt unknown to the warehouseman or his agent who issues it, a statement of the fact that advances have been made or liabilities incurred and the purpose thereof shall be sufficient; (k) such other terms and conditions within the limitations of this act as may be required by the Secretary of Agriculture; and (l) the signature of the warehouseman, which may be made by his authorized agent: *Provided*, That unless otherwise required by the law of the State in which the warehouse is located, when requested by the depositor of other than fungible agricultural products, a receipt omitting compliance with subdivision (g) of this section may be issued if it have plainly and conspicuously embodied in its written or printed terms a provision that such receipt is not negotiable.

“SEC. 18. That the Secretary of Agriculture is authorized, from time to time, to establish and promulgate standards for agricultural products in this act defined by which their quality or value may be judged or determined: *Provided*, That the standards for any agricultural products which have been, or which in future may be, established by or under authority of any other act of Congress shall be, and are hereby, adopted for the purposes of this act as the official standards of the United States for the agricultural products to which they relate.

“SEC. 19. That while an original receipt issued under this act is outstanding and uncanceled by the warehouseman issuing the same no other or further receipt shall be issued for the agricultural products covered thereby or for any part thereof, except that in the case of a lost or destroyed receipt a new receipt, upon the same terms and subject to the same conditions and bearing on its face the number and date of the receipt in lieu of which it is issued, may be issued upon compliance with the statutes of the United States applicable thereto in places under the exclusive jurisdiction of the United States or upon compliance with the laws of any State applicable thereto in any place not under the exclusive jurisdiction of the United States: *Provided*, That if there be in such case no statute of the United States or law of a State applicable thereto such new receipts may be issued upon the giving of satisfactory security in compliance with the rules and regulations made pursuant to this act.

“SEC. 20. That a warehouseman conducting a warehouse licensed under this act, in the absence of some lawful excuse, shall, without unnecessary delay, deliver the agricultural products stored therein upon a demand made either by the holder of a receipt for such agricultural products or by the depositor thereof if such demand be accompanied with (a) an offer to satisfy the warehouseman's lien; (b) an offer to surrender the receipt, if negotiable, with such indorsements as would be necessary for the negotiation of the receipt; and (c) a readiness and willingness to sign, when the products are delivered, an acknowledgment that they have been delivered if such signature is requested by the warehouseman.

“SEC. 21. That a warehouseman conducting a warehouse licensed under this act shall cancel each receipt returned to him upon the delivery by him of the agricultural products for which the receipt was issued.

“SEC. 22. That every warehouseman conducting a warehouse licensed under this act shall keep in a place of safety complete and correct records of all agricultural products stored therein and withdrawn therefrom, of all warehouse receipts issued by him, and of the receipts returned to and canceled by him, shall make reports to the Secretary of Agriculture concerning such warehouse and the condition, contents, operation, and business thereof in such form and at such times as he may require, and shall conduct said warehouse in all respects in compliance with this act and the rules and regulations made hereunder.

“SEC. 23. That the Secretary of Agriculture is authorized to cause examinations to be made of any agricultural product stored in any warehouse licensed under this act. Whenever, after opportunity for hearing is given to the warehouseman conducting such warehouse, it is determined that he is not performing fully the duties imposed on him by this act and the rules and regulations made hereunder, the Secretary may publish his findings.

“SEC. 24. That the Secretary of Agriculture may, after opportunity for hearing has been afforded to the licensee concerned, suspend or revoke any license issued to any warehouseman conducting a warehouse under this act, for any violation of or failure to comply with any provision of this act or of the rules and regulations made hereunder or upon the ground that unreasonable or exorbitant charges have been made for services rendered. Pending investigation, the Secretary of Agriculture, whenever he deems necessary, may suspend a license temporarily without hearing.

“SEC. 25. That the Secretary of Agriculture from time to time publish the results of any investigations made under section 3 of this act; and he shall publish the names and locations of warehouses licensed and bonded and the names and addresses of persons licensed under this act and lists of all licenses terminated under this act and the causes therefor.

“SEC. 26. That the Secretary of Agriculture shall from time to time make such rules and regulations as he may deem necessary for the efficient execution of the provisions of this act.

“SEC. 27. That nothing in this act shall be construed to conflict with, or to authorize any conflict with, or in any way to impair or limit the effect or operation of the laws of any State relating to warehouses, warehousemen, weighers, graders, or classifiers; but the Secretary of Agriculture is authorized to cooperate with such officials as are charged with the enforcement of such State laws in such States and through such cooperation to secure the enforcement of the provisions of this act; nor shall this act be construed so as to limit the operation of any statute of the United States relating to warehouses or warehousemen, weighers, graders, or classifiers now in force in the District of Columbia or in any Territory or other place under the exclusive jurisdiction of the United States.

“SEC. 28. That every person who shall forge, alter, counterfeit, simulate, or falsely represent, or shall without proper authority use, any license issued by the Secretary of Agriculture under this act, or who shall violate or fail to comply with any provision of section 8 of this act, or who shall issue or utter a false or fraudulent receipt or certificate, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined not more than \$500 or imprisoned not more than six months, or both, in the discretion of the court.

“SEC. 29. That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$50,000, available until expended, for the expenses of carrying into effect the provisions of this act including the payment of such rent and the employment of such persons and means as the Secretary of Agriculture may deem necessary in the city of Washington and elsewhere; and he is authorized, in his discretion, to employ qualified persons not regularly in the service of the United States for temporary assistance in carrying out the purposes of this act, and out of the moneys appropriated by this act to pay the salaries and expenses thereof.

“SEC. 30. That if any clause, sentence, paragraph, or part of this act shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered.

“SEC. 31. That the right to amend, alter, or repeal this act is hereby expressly reserved.”

Mr. ANDERSON. Mr. Chairman, I have not offered this amendment with any hope that it will be adopted. I offer it in order that the House and the country may be informed of my notion of what this bill ought to provide.

The CHAIRMAN. May the Chair interrupt the gentleman to inquire how much time he wishes to take?

Mr. ANDERSON. Yes; five minutes. I realize the utter futility of offering an amendment which attempts to deal with this proposition on any basis different from that proposed in the amendment now under consideration.

In the circumstances under which we are legislating we are able to get only five minutes in which to discuss the fundamental propositions involved in this amendment. We can not get a vote at the end of the argument, but as a result of the rule adopted the vote on such amendments as are proposed will be determined by men who are not on the floor now, who do not hear the arguments, and who consequently can know nothing of the merits or demerits of the respective propositions advanced.

The amendment under consideration as it was originally reported to the House dealt with warehouses, whether those warehouses were engaged in the storage of grain, cotton, wool, or other agricultural products, in interstate and foreign commerce or in intrastate commerce. I attempted in the committee to have adopted amendments which would bring this proposition clearly within the constitutional power of the Congress. The committee having failed to take my view of the question, I prepared a speech, outlining my position and the constitutional objections to the bill as it was originally reported; but the committee had a change of heart on that subject, and after the bill was reported inserted in it amendments limiting its scope to warehouses engaged in the storage of grain in interstate and foreign commerce only, thereby accepting the position which I had taken on the bill.

I suppose I should be satisfied that the committee has accepted my view of the situation, but I can not but regret that the committee has deprived me of an opportunity to deliver a very good speech on the floor of this House. [Applause.]

Mr. MANN. That is for the speech. [Laughter.]

Mr. ANDERSON. I do not think the House ought to be deprived of the opportunity of reading the speech, and I therefore ask unanimous consent that I may insert it in the RECORD at the end of my remarks to-day. [Applause.]

The CHAIRMAN. The gentleman from Minnesota [Mr. ANDERSON] asks unanimous consent to insert in the RECORD the speech indicated. Is there objection?

There was no objection.

Mr. ANDERSON. The amendment as it is now presented deals with warehouses on the theory that Congress has the right to regulate warehouses receiving grain shipped or intended for shipment in interstate and foreign commerce. Its jurisdiction rests upon the proposition that the grain stored in these elevators has moved or will move in interstate and foreign commerce.

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

Mr. ANDERSON. Mr. Chairman, may I have three or four minutes more?

Mr. HAUGEN. Mr. Chairman, I will yield to the gentleman two minutes more.

The CHAIRMAN. The gentleman from Minnesota is recognized for two minutes more.

Mr. ANDERSON. Mr. Chairman, the amendment that I have offered deals with the elevator as an instrumentality of interstate and foreign commerce and is consequently much broader than the amendment offered by the committee. In addition, the amendment which I have offered eliminates from the bill the provisions for an inspection service which I believe will seriously interfere with the State systems as they now exist. The bill of the committee, as originally reported, was wholly permissive, and the obligations of the warehouseman rested entirely upon his agreement to be bound by the regulations issued by the Department of Agriculture. The amendment which I have offered imposes those obligations not by virtue of any agreement which the warehouseman may make with the Secretary of Agriculture, but upon the power of Congress to regulate warehouses or warehousemen engaged in operating warehouses as instrumentalities of interstate and foreign commerce; and in that respect I think it improves the pending amendment.

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

The speech referred to is as follows:

"The pending bill is the result of a great emergency.

"During the season of 1914 the South raised the largest crop of cotton in its history. The European war destroyed the market for a large part of this crop, and the South found itself with some 2,000,000 bales of cotton which it must carry over to the succeeding year.

"A survey of the situation showed that the warehouse facilities of the South were absolutely inadequate for the storage of this vast quantity of cotton until the next season and that the Southern States were for the most part entirely without adequate laws for the regulation of such warehouses as actually existed or might be established.

"Warehouse receipts issued under these circumstances were not liquid and loans could be made upon them only in a comparatively limited market. The bill under consideration was originally introduced to meet this situation, to provide facilities for the storage of the cotton and at the same time such regulation as would stabilize the receipts issued by the institutions licensed under the act and make them available as a basis for the issue of currency by the Federal reserve banks.

"For several years there has been in the grain-growing sections of the country a feeling that the State inspection and warehousing systems operated in the interest of the large users and speculators in grain. A great many people in these grain-growing sections believed that Federal control of warehousing and grain-inspection systems was necessary in the interest of the producer. They saw in the cotton-warehouse bill a vehicle for the passage of Federal legislation for the regulation of grain warehousing and grain inspection. They sought to take advantage of the emergency confronting the South to bring about certain legislative results which they thought desirable. The consequence of this situation was the coupling of the supposed interests of the cotton sections of the South with the grain-growing sections of the North in the warehouse bill which is now under consideration.

"The bill proposes, if it accomplishes what I understand to be its ideal, to do in a different way for the warehouses of the country what the national-bank law did for national banks—to make a warehouse as safe a depository for agricultural products as the national bank is for money; to make a certificate of storage issued by a warehouse as stable, as negotiable, as liquid as a certificate issued by a bank. These purposes are desirable. My objection to the bill is not that it will accomplish these results, but that it will not accomplish them.

"The bill, as a whole, is of such doubtful constitutionality, so uncertain in its terms, and so unenforceable in its regulations as to defeat the purposes for which it is proposed to be enacted.

"When I say the bill is unconstitutional, I do not wish to be understood as questioning the power of Congress to regulate the warehousing of agricultural products so far as the warehousing may be incidental or appropriate to the transportation of these products in interstate or foreign commerce. I merely assert that we have not the power to regulate the warehousing of agricultural products in the way and to the extent which it is proposed by this bill to regulate it.

"It is significant that the report of the committee makes no attempt to establish a constitutional basis for the bill. The chairman of the Committee on Agriculture is one of the ablest and most adroit men in this House. He is at the same time the kindest and most amiable. But I have too high a regard for his wisdom to suppose that the failure to establish a constitutional basis for the bill was the result of inadvertence. I suspect that this omission was the result of a desire on the part of the Chairman to make it present as small a target as possible.

"It is obvious from the definition of the term "warehouse" in the second section of the bill, which controls the operation of the bill and which reads as follows:

"That the term 'warehouse' as used in this act shall be deemed to mean every building, structure, or other protected inclosure in which any agricultural product is or may be stored.

"That its provisions apply to warehouses doing a strictly intrastate business. There are no provisions in the bill which can possibly be construed in such a way as to limit the operation of the bill to warehouses whose operation is incidental or appropriate to the transportation of agricultural products in interstate or foreign commerce. In the absence of language limiting the operation of the act to such warehouses as are operated incidentally or appropriately to the transportation of agricultural products in interstate or foreign commerce, it is apparent that the constitutionality of the bill can not be sustained under the decisions of the United States Supreme Court in the Trade-Mark cases—One hundredth United States Reports, page 82—and the Employers' Liability cases—Two hundred and seventh United States Reports, page 463.

"In both of these cases it was decided that where no language was contained in the act restricting its operation to subjects legitimately within the scope of the interstate-commerce clause, the court could not, and would not, write in such words for the purpose of sustaining the constitutionality of the act.

"In the Trade-Mark cases the court said, page 99 (207 U. S., p. 502):

"If we should, in the case before us, undertake to make by judicial construction a law which Congress did not make, it is quite probable we should do what, if the matter were now before that body, it would be unwilling to do, namely, make a trade-mark law which is only partial in its operation, and which would complicate the rights which parties would hold, in some instances under the act of Congress and in others under State law.

"This language is quoted with approval and the principle stated sustained in the Employers' Liability cases referred to.

"In the Employers' Liability cases the constitutionality of the employers' liability act approved June 11, 1906, was in question. The act, by its terms and by the construction of the court, applied to the employees of all common carriers engaged in interstate and foreign commerce, whether these employees were at the time of the injury or death actually engaged in interstate commerce or not. The court said, page 504:

"Concluding, as we do, that the statute, whilst it embraces subjects within the authority of Congress to regulate commerce, also includes subjects not within its constitutional power, and that the two are so interblended in the statute that they are incapable of separation, we are of the opinion that the courts below rightly held the statute to be repugnant to the Constitution and nonenforceable.

"The decisions in these cases are unquestionably applicable to the bill under consideration, and undoubtedly prohibit the possibility that the court would sustain the constitutionality of this bill under the interstate-commerce clause.

"If the bill can not be sustained by the interstate-commerce clause of the Constitution, I assert that it can not be sustained at all. The proponents of the bill assert that it may be sustained under the so-called 'general-welfare clause' of the Constitution, which provides:

"That Congress shall have power to levy taxes, duties, imposts, and excises; to pay the debts; and provide for the common defense and general welfare of the United States.

"The bare statement of this proposition is its own refutation. So far as I know, this is the first time it has ever been asserted that under this clause Congress might pass legislation affecting the substantive rights of individuals or invade the domain of the powers reserved to the States.

"It has uniformly been held by law writers and by the courts that the power conveyed to the Congress by the language 'to provide for the general welfare' was the power to appropriate money for the general welfare. It is not contended that this power is confined to the appropriation of money for the purposes specified in the remaining paragraphs of section 8 of the Constitution. Congress may appropriate for whatever in its judgment conduces to the general welfare, but this does not mean that Congress may, under the guise of appropriation, legislate upon upon every field of human activity, or that it can, under this clause of the Constitution, define the rights or liabilities of individuals or exercise a police power with respect to the domestic concerns of a State.

"I quote from Mr. Jefferson in his opinion on the power of Congress to establish a Bank of the United States, as it is found on page 390, Volume I, of Watson on the Constitution, as follows:

"To lay taxes to provide for the general welfare of the United States; that is to say, 'to lay taxes for the purpose of providing for the general welfare.' For the laying of taxes is the power and the general welfare the purpose for which the power is to be exercised. Congress are not to pay taxes *ad libitum* for any purpose they please, but only to pay the debts or provide for the welfare of the Union. In like manner they are not to do anything they please to provide for the general welfare, but only to lay taxes for that purpose. To consider the latter phrase not as describing the purpose of the first but as giving a distinct and independent power to do any act they please which might be for the good of the Union would render all the preceding and subsequent enumerations of power completely useless. It would reduce the whole instrument to a single phrase—that of instituting a Congress with power to do whatever would be for the good of the United States; and as they would be the sole judges of the good or evil, it would also be a power to do whatever evil they pleased. It is an established rule of construction, where a phrase will bear either of two meanings, to give it that which will allow some meaning to the other parts of the instrument and not that which will render all the others useless. Certainly no such universal power was meant to be given them. It was intended to face them up strictly within the enumerated powers, and those without which, as means, these powers could not be carried into effect. It is known that the very power now proposed as a means was rejected as an end by the Convention which formed the Constitution."

"And from President Monroe's message to Congress of May 4, 1822, on the bill for the preservation and repair of the Cumberland Road, as found on pages 393 and following of the same volume of Watson on the Constitution, he says:

"That the second part of this grant—i. e., to provide for the general welfare—gives the right to appropriate the public money and

nothing more is evident from the following considerations: First, if the right of appropriation is not given by this clause, it is not given at all. \* \* \*

"In the second, because if the clause in question is not construed merely as an authority to appropriate the public money, it must be obvious that it conveys a power of indefinite and unlimited extent: that there would have been no use for the special powers to raise and support Armies and a Navy, to regulate commerce, to call forth the militia, or even to lay and collect taxes, duties, imposts, and excises. An unqualified power to pay the debts and provide for the general welfare and the common defense, as the second part of this clause would be if considered as a distinct and separate grant, would extend to every object in which the public could be interested. A power to provide for the common defense would give to Congress the command of the whole force and of all the resources of the Union, but a right to provide for the general welfare would go much further. It would, in effect, break down all the barriers between the States and the General Government and consolidate the whole under the latter."

"Again, on page 396, same volume:

"I have dwelt thus long on this part of the subject from an earnest desire to fix in a clear and satisfactory manner the import of the second part of this grant, well knowing from the generality of the terms used their tendency to lead into error. I indulge a strong hope that the view herein presented will not be without effect, but will tend to satisfy the unprejudiced and impartial that nothing more was granted by that part than a power to appropriate the public money raised under the other part."

"I quote from Watson on the Constitution, page 398, the second paragraph, as follows:

"We have seen that such eminent constitutional critics and commentators as Jefferson, Hamilton, Monroe, St. George Tucker, and Judge Story have given strong reasons in support of the view that the words 'to lay and collect taxes, duties, imposts, and excises' did not confer upon Congress an unlimited power to lay taxes, but that the proper construction of these words connected them with those which immediately follow, namely, to 'pay the debts and provide for the general welfare of the United States,' and that they were limited by such words to levying taxes for the purpose of paying the debts and providing for the common defense and general welfare of the country. This view has been generally accepted as correct, and the controversy upon the subject may be regarded as settled.

"It thus appears that the powers granted by the first paragraph of section 8, namely, 'The power to levy taxes and provide for the common defense and the general welfare,' are in no way different from the powers granted in the other paragraphs of the same section. In other words, the power to levy taxes, provide for the common defense and the general welfare, is not a general power, but a specific power.

"The power to provide for the general welfare is not the general power to legislate upon everything which concerns the general welfare, but is the power to provide the funds; in other words, to appropriate money for the general welfare. It is the power to appropriate, not the power to regulate. That power exists only under the interstate-commerce clause of the Constitution.

"If it be established, as I think it is, that the power granted by the language 'To provide for the general welfare' is that of appropriating money, the question arises as to how far it extends and what its limits are.

"It has already been established that this power does not differ in kind from the other powers granted in the Constitution. It is an enumerated and specific power. Therefore the rules which apply to the construction or interpretation of the other enumerated and specific powers granted by section 8 ought to be and are the rules to be applied to the paragraph in question. One of these rules is found in the final paragraph of section 8, which reads as follows:

"To make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the Government of the United States, or in any department or officer thereof.

"The leading case interpreting the section just quoted is the opinion of Chief Justice Marshall in the case of *McCulloch v. Maryland* (4 Wheat., p. 421), which defines the incidental power of Congress in this language:

"If the end be legitimate and within the scope of the Constitution, all the means which are appropriate, which are plainly adapted to that end, and which are not prohibited, may be constitutionally employed to carry it into effect.

"Applying this statement to the clause which empowers Congress to provide for the general welfare—in other words, to appropriate money for the general welfare—we find that Congress may employ 'all the means which are appropriate and which are plainly adapted' to carry into effect the power to appropriate money for the general welfare.

"The second rule which limits this power is found in Article X of the Constitution, which reads as follows:

"The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States, respectively, or to the people.

"These paragraphs are just as much limitations upon the power to appropriate money as they are upon any other power granted by the Constitution, and limit the power to appropriate money to such laws as are 'necessary and proper' to carry

that power into effect. They prohibit the invasion of the field of legislation reserved to the States under the power to appropriate money as much and to the same extent as they prohibit such invasion under any other power.

"The rule, then, is that such means may be used or laws passed under the power to appropriate money as are appropriate or applicable to the appropriation of money, and such as do not by their terms invade the domestic jurisdiction or police power of the States.

"The immediate question is whether the provisions of this bill are such as are appropriate or applicable to the appropriation of money. In order to determine this question recourse must be had to the terms of the bill itself. I confine myself to such sections as are clearly regulatory and which invade the police power of the State.

"Section 3 authorizes the Secretary of Agriculture, among other things, to prescribe the duties of the warehousemen conducting warehouses licensed under the act with respect to the care of and responsibility for agricultural products stored therein.

"Section 4 authorizes the Secretary of Agriculture to issue a license for the conduct of the warehouse, providing the warehouseman shall agree to comply with the rules and regulations prescribed by the Secretary and by the terms of the act.

"Section 6 requires the warehouseman to file a bond to secure the faithful performance of his obligations and his compliance with the act and the rules prescribed.

"Section 7 authorizes any person injured by breach of the obligations of the bond to sue thereon.

"Section 11 authorizes the Secretary of Agriculture to appoint persons to inspect, grade, and classify products which may be stored in warehouses licensed under this act, whether such products are stored in the course of interstate or intrastate commerce.

"Section 13 requires the warehouseman to receive agricultural products without discrimination.

"Section 14 provides that every person who stores grain in a licensed warehouse shall be deemed to have deposited the same subject to the provisions of the act and the rules made thereunder.

"Sections 16, 17, and 18 make applicable to warehouses licensed under the act the so-called uniform warehouse-receipts law.

"Section 23 requires the warehouseman to keep books and records.

"Section 24 authorizes the Secretary of Agriculture to cause examination to be made of agricultural products stored in warehouses licensed under the act, and to publish his findings if it is determined that the warehouseman is not performing the duties imposed upon him by the act.

"Section 25 authorizes the Secretary to suspend or revoke the license of a warehouseman for failure to comply with the act or rules, or for making unreasonable charges.

"Section 27 authorizes the Secretary to inspect and examine all books, records, papers, and accounts of warehouses and warehousemen licensed under the act.

"Section 28 is a blanket provision authorizing the Secretary of Agriculture to make rules and regulations.

"Section 30 is a penal section designed to protect the genuineness of certificates of grade or of storage issued under the act.

"These provisions are clearly regulatory. Any and all of them might be imposed by a State under its police power. No power is anywhere given to Congress to regulate the internal affairs of the States, and such regulatory power as it possesses exists only as to interstate and foreign commerce.

"Can it be said that the power to appropriate money is the power to fix the duties and responsibilities of warehousemen in transactions wholly within a State; to require a warehouseman to give a bond for the performance of his duties; to fix his liabilities under that bond as they relate to a citizen of a State; to require every person who stores agricultural products in such a licensed warehouse to comply with the rules and regulations of the Secretary of Agriculture, and to fix the rights of such person as against the warehouseman, whether the transaction is one in interstate or intrastate commerce; to require the receipts to be in certain form; to make it a penal offense subject to fine and imprisonment for a person to falsely simulate, counterfeit, forge, or alter a fraudulent receipt or certificate of weight or grade, or to violate the provisions of the act?

"These provisions do not relate to the appropriation of money. They have nothing to do with the appropriation of money. They in no proper sense control or limit the appropriation of money or its use when appropriated. They are purely regulatory. They regulate and determine the rights and obligations of individuals in both intrastate and interstate transactions. In every line they invade the domestic field of State legislation.

"It is claimed that if this bill can not be sustained under the general-welfare clause of the Constitution, then it is not possible to sustain the act creating the Department of Agriculture, the Federal Reserve System, the reclamation acts, and the agricultural-extension acts.

"Each of these acts is distinguishable from the bill under consideration and rests upon wholly different provisions of the Constitution. The Federal Government is itself one of the enumerated powers. The Agricultural Department and the Federal reserve banks are agencies of the Federal Government, and as such it is within the power of Congress to create them and to appropriate money for their maintenance and support.

"The reclamation act applies to public land over which the Federal Government may exercise the same control as a private individual might exercise; if it is desirable to improve these lands in order to enhance the price at which they may be sold, the Federal Government, as a private owner, may appropriate money to improve them.

"No attempt was made in the Lever Act, or has been made in any other act resting upon the power of Congress to appropriate money, to fix or determine the rights of individuals or invade the exclusive domain of the States. The conditions imposed were conditions upon the departments of the Government in expending the money, and not regulations upon the individuals who received the benefits of the appropriation.

"The regulation of warehouses, the fixing of the responsibilities of warehousemen, the enactment of police ordinances for the protection of the public in dealing with such warehouses are powers exclusively within the domain of the States, except in so far as the warehouses may be instrumentalities in the transportation of goods in interstate or foreign commerce or the operations of the warehouses incidental to commerce between the States or with foreign countries. In so far as the operation of such a warehouse is intrastate, it can not be regulated by Congress under the general-welfare clause or any other, except as such regulation might be incidental to its regulation as an instrument of interstate or foreign commerce under the commerce clause, where its intrastate business could not be separated from its interstate business.

"The bill is obviously unconstitutional in that it attempts to regulate purely intrastate transactions and to fix the rights and liabilities of persons within the States with respect to such transactions. The proponents of the bill, however, claim that the regulatory provisions are valid because they are permissive only; that is, they apply only to such persons as apply for licenses and agree to be bound by them. I do not think this position is tenable.

"Whatever power Congress possesses it gets from the Constitution. The power is plenary and absolute, but it is not unlimited. If we have the power to regulate the business of warehouses at all, and to the extent that we have the power to regulate it, we may regulate it without the consent or agreement of the persons to be regulated. Their consent or agreement neither validates nor invalidates the law or any regulations made under it. In other words, the power to make a permissive law is the power to make a compulsory law, for the power to make the law at all is the sovereignty of the Government and not the will of the class to be regulated. If the regulations are invalid or unenforceable without the consent or agreement of those regulated, they are invalid and unenforceable with such consent or agreement.

"I have pointed out that this bill seeks to regulate intrastate transactions. Is it possible, if the Constitution gives us no authority to regulate those transactions, that we may acquire that power by the consent of the persons to be regulated? The powers of the States can not be enlarged or diminished by the Federal Government, nor can the powers of the Federal Government be enlarged or diminished by the States. How much less can they be enlarged or diminished by the consent or agreement of individuals?

"In the case of *Pollard's Lessee v. Hagan et al.* (3 Howard's Reports, p. 212), the court said (p. 224):

"And all constitutional laws are binding on the people, in the new States and the old ones, whether they consent to be bound by them or not. Every constitutional act of Congress is passed by the will of the people of the United States, expressed through their Representatives, on the subject matter of the enactment; and when so passed it becomes the supreme law of the land, and operates by its own force on the subject matter, in whatever State or Territory it may happen to be.

"This case involved the rights of the State of Alabama to the land between the high and low water marks in navigable streams, and the respective power of the Federal Government and the States to grant these lands or regulate their sale. On the particular question in controversy, the court said (p. 229):

"Then to Alabama belong the navigable waters, and soils under them, in controversy in this case, subject to the rights surrendered by

the Constitution of the United States; and no compact that might be made between her and the United States could diminish or enlarge these rights.

"In the Passenger cases (7 Howard's Reports, p. 399), the court used this language:

"But the argument is, that a State acting in a subordinate capacity wholly inconsistent with its sovereignty, may regulate foreign commerce until Congress shall act on the same subject; and that the State must then yield to the paramount authority. A jealousy of the Federal powers has often been expressed, and an apprehension entertained that they would impair the sovereignty of the States. But this argument degrades the States by making their legislation, to the extent stated, subject to the will of Congress. State powers do not rest upon this basis. Congress can in no respect restrict or enlarge State powers, though they may adopt a State law. State powers are at all times and under all circumstances exercised independently of the General Government, and are never declared void or inoperative except when they transcend State jurisdiction. And on the same principle, the Federal authority is void when exercised beyond its constitutional limits.

"In the Chinese-exclusion case (130 U. S. Repts., p. 581), the court held:

"That the power of the legislative department of the Government to exclude aliens from the United States is an incident of sovereignty, which can not be surrendered by the treaty-making power.

"And that—

"The act \* \* \* excluding Chinese laborers \* \* \* so far as it conflicted with existing treaties between the United States and China, operated to abrogate the treaties as a part of the municipal law of the United States.

"In that case the court said (p. 609):

"The power of exclusion of foreigners being an incident of sovereignty belonging to the Government of the United States, as a part of those sovereign powers delegated by the Constitution, the right to its exercise at any time when, in the judgment of the Government, the interests of the country require it, can not be granted away or restrained on behalf of any one. The powers of government are delegated in trust to the United States, and are incapable of transfer to any other parties. They can not be abandoned or surrendered. Nor can their exercise be hampered, when needed for the public good, by any considerations of private interest. The exercise of these public trusts is not the subject of barter or contract.

"In the case of *In re Rahner* (140 U. S. Repts., p. 545), which involved the constitutionality of an act making shipments of liquors subject to the police power of the State upon its arrival within the State, whether introduced in original packages or otherwise, it was held a valid exercise of the police power of the States, and not a regulation of interstate commerce. In that case the court said (p. 554):

"The power of the State to impose restraints and burdens upon persons and property in conservation and promotion of the public health, good order, and prosperity is a power originally and always belonging to the States, not surrendered by them to the General Government nor directly restrained by the Constitution of the United States, and essentially exclusive.

"On page 560 the court said:

"Nor can Congress transfer legislative powers to a State nor sanction a State law in violation of the Constitution; and if it can adopt a State law as its own, it must be one that it would be competent for it to enact itself, and not a law passed in the exercise of the police power.

"On page 564 the court said:

"Congress did not use terms of permission to the State to act, but simply removed an impediment to the enforcement of the State laws in respect to imported packages in their original condition, created by the absence of a specific utterance on its part: It imparted no power to the State not then possessed, but allowed imported property to fall at once upon arrival within the local jurisdiction.

"I now wish to direct attention specifically to one of the so-called 'permissive' sections of the bill—section 4:

"That the Secretary of Agriculture is authorized, upon application to him, to issue to any warehouseman a license for the conduct of a warehouse or warehouses in accordance with this act and such rules and regulations as may be made hereunder: *Provided*, That each such warehouse be found suitable for the proper storage of the particular agricultural product or products for which a license is applied for, and that such warehouseman agree, as a condition to the granting of the license, to comply with and abide by all the terms of this act and the rules and regulations prescribed hereunder.

"The meaning of the term 'license' as it is used in this section is well defined in law. Briefly, it is the permission to do something which would otherwise be unlawful.

"The bill does not make it unlawful to operate a warehouse without a license. It is just as lawful to operate a warehouse without a license as with a license, and therefore the question of applying for a license will be determined on the part of the warehouseman by the character of the regulations to which he must agree. He will not apply for a license unless the regulations proposed are less onerous than those imposed by the States.

"The rules and regulations, therefore, will not be made in the interest of the general welfare, with an eye single to the public interest, but will be the subject of a bargain between the Secretary of Agriculture and the warehouseman.

"Do the proponents of this bill think that we shall stabilize warehouse receipts and improve the warehouse business by imposing less stringent regulations than are now imposed by

the States, or regulations which can only be imposed so long as the warehouseman wishes to be bound by them? He may at any time refuse to be bound by the regulations of the department or the provisions of the act; and if he does so, no penalty is provided except the revocation of his license, which he did not require in the first place and which he himself has doubtless determined is of no value to him.

"It does not seem to me that such regulations can be valid or binding upon the warehouseman, but assuming that they are, how can they be binding upon those who do business with the warehouseman? How can we by contract fix the rights of persons who are not parties to the contract?

"Section 14 of the bill declares—

"That any person who deposits agricultural products for storage in a warehouse licensed under this act shall be deemed to have deposited the same subject to the terms of this act and the rules and regulations prescribed hereunder.

"This provision certainly does not rest upon any contractual relation which may be established between the Government and the warehouseman. If it has any force at all, it has force because Congress has the power to say what the rights of a person who stores agricultural products in a warehouse may be.

"As I shall show later, a public warehouse is affected with a public use, and there arises from that public use a right on the part of any person to employ the services of the warehouse in the storage of his grain. The privileges, benefits, and responsibilities arising from this right can neither be increased or diminished by a contract entered into between the Government and the warehouseman, nor can they be affected by any action of Congress, so far as they may be exercised in or may be incidental to a purely intrastate transaction.

"It is possible, I think probable, that we have the power to fix those rights with respect to grain stored in the course of interstate or foreign commerce, but we certainly have no power to fix the rights of such persons with respect to purely intrastate transactions.

"There are four decisions of the United States Supreme Court which bear directly upon the power of the States and of the Federal Government to regulate warehouses and warehousemen. These decisions are: *Munn v. Illinois* (94 U. S., 113); *Budd v. New York* (143 U. S., 517); *Brass v. North Dakota, ex rel. Stoeser* (153 U. S., 391); *W. W. Cargill Co. v. Minnesota* (180 U. S., 452).

"The case of *Munn v. Illinois* is the leading case, establishing the basic doctrine of the power of the States to regulate warehouses, and is approved and followed in the other three.

"In the case of *Munn v. Illinois* several fundamental propositions are decided. They are:

"First. When the owner of property devotes it to a use in which the public has an interest he in effect grants to the public an interest in such use, and must to the extent of that interest submit to be controlled by the public for the common good so long as he maintains that use.

"Second. That a warehouse engaged in storing, shipping, or handling grain for the public is affected with the public use and is subject to the police power of the State.

"Third. That regulations requiring such warehouses to be licensed and fixing the maximum charges for storage are properly within the police power of the State, and do not amount to a regulation of interstate commerce.

"In that case the court said (p. 135):

"The warehouses of these plaintiffs in error are situated and their business carried on exclusively within the limits of the State of Illinois. They are used as instruments by those engaged in State as well as those engaged in interstate commerce, but they are no more necessarily a part of commerce itself than the dray or the cart by which, but for them, grain would be transferred from one railroad station to another. Incidentally they may become connected with interstate commerce, but not necessarily so. Their regulation is a thing of domestic concern, and certainly, until Congress acts in reference to their interstate relations, the State may exercise all the powers of government over them, even though in so doing it may indirectly operate outside its immediate jurisdiction.

"It may be pointed out in this connection that there is no suggestion on the part of the court that the Federal Government might regulate other than the interstate relations of warehouses.

"In the case of *Brass v. Stoeser* the State of North Dakota undertook to regulate every warehouse erected and operated 'for the purpose of buying, selling, storing, shipping, or handling grain for profit,' and required such warehouses to give bond for the faithful performance of their duty, fixing the rates of storage, and required them to keep insured for the benefit of the owners of grain stored therein.

"The Supreme Court held all of these regulations to be a valid exercise of the police power of the State.

"In the case of *W. W. Cargill v. Minnesota*, in which case I may say the facts arose in the town in which I have the pleas-

ure of making my home, the State of Minnesota declared all warehouses 'in which grain is received, stored, shipped, or handled' to be public warehouses. The law required such warehouses to procure a license from the State as a condition precedent to doing business; made such warehouses subject to the regulations of the railroad and warehouse commission; required the making of reports, the keeping of proper books of account; regulated the form and issuance of receipts; and prohibited discrimination.

"In this case the court held that the regulations were a proper and valid exercise of the police power and did not infringe upon interstate commerce, notwithstanding that all of the grain purchased by the warehouse company was immediately shipped to points outside of the State. If these regulations constitute a valid exercise of the police power of the State, it is apparent that the imposition of such regulations by the Federal Government in regard to transactions which do not relate to interstate commerce, and which constitute domestic or intrastate transactions, are not within the power of the Federal Government. To hold otherwise would be to break down absolutely the line of demarcation now established between the powers of the Federal and State governments.

"The act contained the following provision, almost identical in terms with section 4 of the bill under consideration:

"Such license shall confer upon the licensee full authority to operate such warehouse or elevator in accordance with the laws of this State and the rules and regulations prescribed by said commission, and every person, company, or corporation receiving such license shall be held to have accepted the provisions of this act and thereby to have agreed to comply with the same.

"Touching this provision, the court said (p. 468):

"The defendant, however, insists that some of the provisions of the statute are in violation of the Constitution of the United States, and if it obtained the required license it would be held to have accepted all of its provisions, and (in the same words of the statute) 'thereby to have agreed to comply with the same' (p. 1). The answer to this suggestion is that the acceptance of a license, in whatever form, will not impose upon the licensee an obligation to respect or to comply with any provisions of the statute or with any regulations prescribed by the State railroad and warehouse commission that are repugnant to the Constitution of the United States.

"This language effectually disposes of the contention that the regulations imposed by this bill, if otherwise invalid, are validated or made enforceable by the consent or agreement of those applying for a license under it.

"If the language which has just been quoted means anything, it means that the acceptance of a license or the agreement to be bound by rules or regulations, can apply only to such regulations as are in themselves valid and which the legislature or the commission to whom the power is delegated has the constitutional power to make.

"In other words, if the regulations are not such as Congress, either acting itself or through a department of the Government, has the constitutional power to impose, they will not be validated by the agreement of the person regulated to be bound by them or his acceptance of a license under the terms of the act.

"Again, it is claimed that the relation created between the Government and the warehouseman is one of contract, and that it is possible to do by such contract that which might not have been done by law.

"To state the proposition again in other words, that these regulations may be enforced as a part of a contract between the Government and the warehouseman, though they would not be enforceable if imposed as a matter of law, by regulation. This position is wholly unsound.

"If the State can do that by contract which it has not the power to do by law, or that which it is prohibited from doing by the fundamental law of the State, there would be no further need of constitutions, and the Federal Government might invade by contract, any right or power reserved to the State; the State might invade by contract any right granted to the Federal Government; and the State and Federal Governments might each invade the rights guaranteed to the people by the Federal Constitution.

"I revert now again to the substantive purposes of the bill as distinguished from its constitutionality.

"That purpose is fundamentally to make warehouse receipts a more stable, liquid, and negotiable security. A warehouse receipt can be no better than the law which authorizes it to be issued and which regulates its issuance and the responsibility of the warehouseman issuing it.

"What confidence will be placed in a receipt issued upon articles stored in a warehouse which may consist of a piece of ground surrounded by a barb-wire fence, 50 miles from a railroad, by a warehouseman who may, whenever he elects, refuse to be bound by the regulations and rules and the law under which the receipt was supposedly issued.

"The purpose is to make a warehouse receipt as negotiable, as representative of value in New York or San Francisco, as it may be in the place where it is issued, and where all the circumstances surrounding its issue and the character and responsibility of the warehouseman issuing it are known. This can only be accomplished where the law which governs its issuance is certain in its terms, obviously within the power of the Government to enact, and the regulations issued under it so certainly enforceable as to leave no doubt whatever as to its validity and enforceability.

"The bill under consideration utterly fails in all of these respects. It can only serve to throw a blanket of uncertainty over the entire field of warehousing and warehousemen's receipts. Instead of making definite and certain the validity, stability, and negotiability of warehouse receipts, it will render them the legitimate object of suspicion, doubt, and distrust.

"I repeat again, that I believe that all that we can legitimately hope to be accomplished by the Federal Government in the regulation of warehouses and warehouse receipts, in the grading, classifying, and weighing of grain, is within the power of Congress to accomplish under the commerce clause, but this only emphasizes the utter futility of an attempt to accomplish it under a paragraph of the Constitution which confers no authority whatever except to appropriate money for the general welfare.

"I have drawn amendments to this bill, bringing it within the interstate-commerce clause of the Constitution, and which I believe will make its provisions valid and enforceable. These amendments I shall offer when the bill is read under the five-minute rule.

"I have also incorporated these amendments into a new bill, which I will offer as a substitute for the bill now pending."

Mr. LEE. Mr. Chairman, I yield five minutes to the gentleman from South Carolina [Mr. BYRNES].

The CHAIRMAN. The gentleman from South Carolina [Mr. BYRNES] is recognized for five minutes.

Mr. BYRNES of South Carolina. Mr. Chairman, as I understand it, the substitute offered by the gentleman from Minnesota [Mr. ANDERSON] would limit the provisions of this act to the terminal stations and to the warehouses located along the lines of interstate carriers. To do that would, in my opinion, defeat the very purposes of the bill.

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

The CHAIRMAN. Does the gentleman from South Carolina yield to the gentleman from Minnesota?

Mr. BYRNES of South Carolina. Yes.

Mr. ANDERSON. I will say that the amendment under consideration restricts it very much more than that.

Mr. BYRNES of South Carolina. I differ with the gentleman. I think the amendment pending, offered by the gentleman from South Carolina [Mr. LEVER], restricting the provisions of the bill to warehouses in which are stored products intended for interstate shipment, would make it possible for nearly all warehouses to come under the provisions of the act.

The gentleman from Minnesota [Mr. ANDERSON] and the gentleman from Michigan [Mr. McLAUGHLIN] have both referred to the bills as they were framed and acted upon in the last Congress. At that time the only opposition to this warehouse bill was based upon its alleged unconstitutionality. By the amendment agreed to all doubt of the constitutionality of the bill is removed, according to the gentleman from Wisconsin [Mr. LENNOOR], who made the strongest argument against the bill in the last Congress, and others who have spoken on the subject.

Now, the gentleman from Michigan opposes it on the ground that it is no function of the Federal Government, but should be left entirely with the States. That might well be said of rural-credit legislation. Each State has the right to enact rural-credit legislation. They could provide land-mortgage banks for the marketing of farm mortgages, and certainly it would be an improvement over the existing conditions, and yet the great majority of this House is in favor of some form of rural-credit legislation by Congress and not by the States. The Members differ only as to the scope of such legislation and as to the extent of governmental aid.

The same argument that applies as to the necessity for rural-credit legislation by this Congress applies to this warehouse proposition. The bill seeks not only to provide a protection against the elements, but it also seeks to revolutionize the marketing of agricultural products by enabling the farmer to distribute that marketing over 12 months, instead of limiting the marketing of a product like cotton, for instance, to 60 or 90 days.

The gentleman from Michigan [Mr. McLAUGHLIN] says that the purpose of the bill is to enable the farmer to take ad-

vantage of the rediscount section of the Federal reserve act. He is right. That is one purpose of it, or should be, and it is a most laudable purpose. No rural-credit legislation brought in at this session of Congress will provide for personal credit; but the Federal reserve act under the section giving to these Federal reserve banks the power to rediscount notes secured by agricultural products furnishes ample and sufficient personal credit if the farmers will only take advantage of it. In order to take advantage of it, the passage of this bill is essential. It does not conflict with State warehouses, for the reason that it is permissive. My own opinion is that it will supplant them, for any sane man must realize the advantage of a warehouse receipt showing upon its face the grade and the weight of cotton certified to by a man licensed by the Department of Agriculture, and he will realize that that receipt will have a wider and a better market than the warehouse receipt of a warehouse system organized by and under the control of any State or of a private corporation.

The cotton crop of the South is marketed during two or three months by reason of the credit system under which the making of the crop is financed and his inability to hold his cotton. All debts of the cotton farmer fall due within a period of 60 days in the fall of the year. The banks and the lien merchants call upon him to pay his debts, and the farmer is forced to sell in order to meet his obligation, even though the price at that time may be depressed to the point where he will receive no profit for his year's work. He may be satisfied that he will receive less than the average price paid during the entire year, and he may be satisfied that if he could hold his cotton for even 60 days he would receive a higher price. But he must sell in order to meet the obligation and because he has no opportunity to warehouse his cotton and borrow money on it at a rate of interest which, together with the storage charges, will leave him any profit. Even where cotton has been stored in private warehouses, the investing public has been slow to lend money upon warehouse receipts for cotton, because there was no guaranty of the reliability of the warehouseman; no certainty that should the farmer not pay the loan and the lender endeavor to secure the cotton that he would find it there; no certainty that if he did find it there that it would be in good condition or that the weight of the bale would be as represented in the warehouse receipt; and no certainty that it would be of the grade represented in the receipt. Of all of these things the farmer might be certain because of his knowledge of the warehouseman and of the cotton, but the banker in New York would have no such knowledge and would therefore refuse to lend money to the local bank upon the receipt, and this refusal would cause the local bank to refuse to lend to the farmer.

To remedy this condition, a number of States, including South Carolina, have established a State warehouse system. They have been and will continue to be of great assistance in making negotiable warehouse receipts for cotton, but the State warehouse system naturally has its limitations. A receipt issued by the warehouse system in South Carolina may differ from a receipt issued by the warehouse system of the State of Texas, and this lack of uniformity will detract from the negotiability of this receipt. Again, the value of the receipt will depend in great measure upon the honesty of the weigher of the cotton and of the ability of the man who grades it. In the absence of some civil-service provision, by which the most competent men would be secured for the duty of grading and weighing the cotton, the investing public would fear the effect of political influence upon the local system.

The warehouse system provided for in this bill will eliminate all these objections. The warehouse would have to be constructed in accordance with plans approved by the Department of Agriculture, which would insure cheap insurance for the cotton stored in it. The warehouseman would have to give bond to the Department of Agriculture for the faithful discharge of his duties. The cotton weigher and the cotton grader would have to be licensed by the Department of Agriculture, assuring both competency and honesty, and their license would be revoked whenever they failed to properly discharge their duties. It would not be compulsory for any warehouse to come under the terms of this act. It is entirely optional with a warehouse in the State of South Carolina to come under the terms of this act or not, as it may please, but it is certain that the advantages offered to the farmer who stored his cotton in a warehouse bonded by the Government would result in warehouses all over the South complying with the terms of this act. Now, what are the advantages? Under the Federal reserve act passed by Congress a year or two ago, the Federal reserve banks were authorized to rediscount agricultural paper having a maturity of not

more than six months. This meant that the Federal reserve bank at Richmond could lend money to any local national bank in any county in South Carolina that would offer as security the note of a farmer secured by agricultural products, wherever the security was ample to protect the loan. In the exercise of the power thus given to them the Federal Reserve Board on September 3 of last year authorized the lending of money to local banks at a low rate of interest on notes secured by warehouse receipts for marketable nonperishable staples, properly insured, but this privilege was granted only where the local bank could show that the rate of interest charged the farmer did not exceed 6 per cent. Under this privilege nearly every national bank in South Carolina loaned large sums of money to the farmers, secured by warehouse receipts for cotton, charging only 6 per cent interest. It was the first time the farmer had ever been able to borrow money at 6 per cent. Unfortunately there are in the rural communities but few national banks, and therefore the great majority of farmers were unable to secure the benefit of this legislation. But as it becomes generally known that national banks can borrow money upon such terms as will enable them to lend it to the farmer at 6 per cent, and yet make a profit, more national banks will be established in the rural districts, so that this relief will be furnished to a greater number of those who wish it. It is stated that some national banks refrained from availing themselves of this privilege on the ground that they did not care to lend money at 6 per cent on cotton when they were charging 8 per cent and more on other securities. But this short-sighted policy will not continue very long. The customers of a bank will demand that they be given an opportunity to borrow money at 6 per cent when other banks are lending at that figure, or else they will transfer their business.

The Federal reserve bank is able to lend money to local banks upon notes secured by warehouse cotton receipts, because they in turn can borrow from the Federal reserve bank in New York or elsewhere upon the receipt in case it is necessary for them to do so. The more valuable the warehouse receipt is the more easily can it be negotiated in the financial markets of the country, and, consequently, the more money they will be able to lend to the farmers at the rate of 6 per cent. It does not require much consideration on the part of any man to come to the conclusion that the receipt of a warehouse, bonded by the United States and containing the grade and weight placed in the receipt by a man licensed by the Department of Agriculture, will be more acceptable in the financial world than a receipt issued by a private warehouseman or even a State warehouseman.

In this connection it is interesting to note the statement of Hon. W. P. G. Harding, a member of the Federal Reserve Board, that—

The proposed warehouse act, in my opinion, will tend to make cotton stored at interior points available as collateral for loans without the intercession of local banks and will broaden very materially the market for loans secured by warehouse receipts for cotton.

This must be the goal for those who hope to secure money for the farmers at a lower rate of interest. If the banks fail to join the Federal Reserve Association, and thus place themselves in position to secure money, which they can loan at 6 per cent interest on cotton warehouse receipts, then some plan must be devised whereby this receipt can be marketed without the intercession of local banks. I believe this warehouse bill must be adopted if we are to give to the farmer the relief provided for in the Federal reserve act. As I have on several occasions been asked for information as to the manner in which the section of the act providing for the rediscount of agricultural paper was adopted, I ask permission to insert in the Record as a part of my remarks a letter from the Hon. Robert J. Buckley, of Ohio, at that time a member of the Banking and Currency Committee, who with Representative GLASS was in charge of the bill on the floor of the House, and whose activities in behalf of rural credits is so well remembered in this House.

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON BANKING AND CURRENCY,  
Washington, D. C., June 29, 1915.

Hon. JAMES F. BYRNES,

*House of Representatives, Washington, D. C.*

My DEAR COLLEAGUE: Responding to your favor of June 27, my recollection about the rediscount section of the currency bill in the Democratic caucus last August is as follows:

There was an agitation in favor of allowing certain privileges by way of rediscount to notes secured by agricultural products. Certain Members representing agricultural communities did not believe that agricultural papers should be allowed any special privileges, yet were of the opinion that the bill as presented to the caucus by the committee would in practice result in a discrimination against agricultural interests. There seemed to be an irreconcilable difference of opinion between the committee and those advocating extreme and ill-considered amendments.

This difference was very embarrassing to those who held more moderate opinions, and threatened a serious breach in the Democratic Party.

At this juncture you and certain other Members representing agricultural communities, among them I recall especially Mr. HARRISON, of Mississippi, and Mr. KIRKIN, of North Carolina, expressed to me and the other members of our committee the suggestion that some compromise ought to be made, and proposed the form of a compromise.

I told you that I would endeavor to secure the acceptance of a reasonable compromise by the committee, and for two or three days the language was discussed without any definite conclusion. Finally, while the caucus was in session, and just before the vote was to be taken on the rediscount section, Mr. GLASS and the other ranking members of the Banking and Currency Committee being on the floor in charge of the debate, I met you and others in the corridor and presented to you a slight modification of your own language and told you that with that modification your amendment would be acceptable to the committee. You stated that you could accept and support the amendment as modified provided that the time for which agricultural notes could be rediscounted should be increased from 60 days, as provided in the bill, to 6 months. I stated that the committee would not agree to that, but that I would undertake to go on the floor of the House and secure their consent to some increase in the rediscount period. I then secured their agreement to increase the period to 90 days and induced Mr. GLASS to offer your amendment as a committee amendment. You agreed to this arrangement and did valuable work in rallying the agricultural Representatives to the support of the committee. Your efforts restored harmony in the caucus and secured the adoption by the committee of an amendment favorable to the farmers.

It is my judgment that even if the Senate had so amended the bill as to allow six months rediscount period for agricultural paper it would have been impossible for the Senate conferees to secure the agreement of the House conferees to this proposition if you had not induced the House leaders to increase the time to 90 days before the bill was passed by the House.

Sincerely yours,

(Signed) ROBERT J. BULKLEY.

The rural-credits bill, which is being considered by the Banking and Currency Committee and which I hope will pass at this session of Congress, seeks to provide a method by which loans can be made to farmers for long periods when such loans are secured by farm mortgages, but it does not provide any means whereby the farmer can secure money for short periods at a reasonable rate of interest. It will be difficult to devise a plan more comprehensive than that provided for in the section of the Federal reserve act, referred to by Mr. Bulkley. This is demonstrated by the hundreds of thousands of dollars loaned to the farmers of my State by the national banks at 6 per cent interest last winter. But what is now necessary is to provide means whereby national banks will be formed in rural communities in order to avail themselves of this privilege, or, failing in this, some plan whereby the warehouse receipt can be marketed without the intermediation of the national banks. In either event this legislation is essential in order that the farmer of the South can place the only security he has, his cotton, in such shape that a warehouse receipt for it will be regarded as gilt-edge collateral in the financial markets of the world.

Mr. HAUGEN. I yield five minutes to the gentleman from North Dakota [Mr. HELGESEN].

Mr. LEE. I also yield five minutes to the gentleman.

The CHAIRMAN (Mr. HAMLIN). The gentleman from Iowa [Mr. HAUGEN] yields 5 minutes and the gentleman from Georgia [Mr. LEE] yields 5 minutes to the gentleman from North Dakota [Mr. HELGESEN], who is recognized for 10 minutes.

Mr. HELGESEN. Mr. Chairman, when this amendment, which was originally drawn as a separate bill, was drafted, it was intended to cover cotton alone; but it seemed to me that if we were to have a Federal warehouse bill, we ought to have one broad enough in its scope to cover more than one or two agricultural products, and that it ought to take in the principal nonperishable farm products of the country. After discussing it with my colleagues on the committee they were intelligent enough and fair enough to admit that that was the only proper thing to do. So, instead of having two warehouse bills—one covering the products of the South and the other the products of the North—we have only one bill, covering the entire country.

Now, Mr. Chairman, the people in that section of country from which I come have been very much dissatisfied with the markets that they have been compelled to patronize, because there have been so many evils creeping into the market situation as to completely demoralize it. Particularly are they dissatisfied with the export situation.

A number of gentlemen on the floor of the House to-day have attempted to defend the exporters of the Atlantic coast, and they say that this bill will deprive them of what the exporters call a climatic advantage, the benefits of which in their export business they claim they are entitled to. Why, Mr. Chairman, according to their own testimony they do not conduct a legitimate business.

In the hearings before the Agricultural Committee in 1914, when they came before that committee to protest against the bill known as the United States grain-grades act, after stating that that bill would take away from them their climatic advantage, and they were asked to explain what that was, they said

that corn particularly, and most other grains, came to the Atlantic coast for export so late in the season that the weather was very cold and that at that time of the year it was possible for them because of their "climatic advantage" to ship No. 3, and even No. 4, corn to Europe as No. 2. They also ship other grains with more moisture in them at that season of the year than the rules for grading grain in this country permit, and as a result American grain has been discredited in Europe to such an extent that European buyers before the war got together and agreed not to buy any grain from this country until they have first secured all that the rest of the world had to offer. And, as I said yesterday, there is now a claim for some 30,000,000 bushels, involving millions of dollars, before the State Department for grain that has been shipped to Europe under a grade far above its actual value. What is the result of that? If you ship No. 3 or No. 4 corn to Europe as No. 2, you are not dealing with fools over there and the European buyer pays for that corn just what it is worth as No. 3 or No. 4, but it is quoted in the market over there as American No. 2. It is called by the exporters either export No. 2 or seaboard No. 2.

These exporters admitted before our committee that the grain that was shipped abroad, whether the quantity was great or small, usually established the price of the grain that is consumed in this country. Now, that being so, if you will go and ask any grain dealer in this country what corn is worth, you will find that as the contract grade is No. 2 they will quote you No. 2.

Now, if they ship No. 3 or No. 4 grain to Europe as No. 2 as they are doing and have been doing for years, they are thereby depreciating the value of the No. 2 in Europe from one to two grades, and as the price of the real No. 2 here is based on the Liverpool false No. 2, our grain here is undergraded, not only No. 2 but all the other grades in the same proportion, as the price of all other grades are based on No. 2. If you will stop to consider the fact that we are raising 5,000,000,000 bushels of grain in this country, and if they only undervalue that grain one single grade, and the price reduced thereby is 3 cents a bushel, it takes \$150,000,000 out of the farmers of this country every year.

So, Mr. Chairman, it seems to me that something should be done to stop this very illegitimate business. How are we going to do it? In my State they have been talking about building State elevators, but they have had no local inspection system, and if they tried to establish one it would be difficult to establish one that would be accepted in the markets of the world. Under this warehouse bill, if the State of North Dakota builds warehouses or elevators at the outlets of the State sufficiently large to handle cargoes of grain, the Federal Government will inspect it for them and issue certificates of inspection, giving the proper grades, and then if they ship even a small amount, say 5,000,000 or 10,000,000 bushels out of a 100,000,000-bushel crop, what they ship to Europe will establish the price in Europe for real northwestern No. 2 wheat. And then, when Liverpool prices are quoted by our home markets they will give the Liverpool price on the real No. 2 instead of giving it as they do now upon the exporters' fictitious No. 2, and the result will be, even though the amount exported may not be great, to raise the value of all the grades of grain in this country at least one grade.

If it does that, it will result in a greater saving to the farmers of this country than has ever been brought about by any law ever passed by this or any other Congress; it will result in saving hundreds of millions of dollars. I believe this bill will make such a saving possible. Under these two bills I think we are going to bring about a change that is going to benefit both the producer and consumer.

It is quite a common thing to find that Congressmen representing cities will look upon every bill that is called an agricultural bill as being wholly in the interest of the producers, whereas they are just as much in the interest of the consumer as they are in the interest of the producer, for anything that tends to increase production or prevent economic waste should benefit both producers and consumers. Two years ago when I made a speech on the tariff question I went into the markets of Washington and Baltimore to try and find out what the consumers were paying for farm products. I found that the spread between what the farmers received and what the consumers were paying was 140 per cent on flour, the lowest, up to 800 and 900 and 1,000 per cent when it got to such things as breakfast food. [Applause.] It is therefore evident that there is an ample opportunity to increase the price to the producer and decrease the cost to the consumer and still have a sufficient margin to cover all the legitimate costs of distribution.

Mr. LEE. Mr. Chairman, I yield two minutes to the gentleman from Pennsylvania [Mr. MILLER].

Mr. MILLER of Pennsylvania. Mr. Chairman, I asked for a few minutes in order to commend the Committee on Rules and the majority of this House for bringing this resolution before the House as they have. If they had not done so, the House would have spent a week on the passage of these three amendments. I have heard some complaint here by Members because very few Members were present to hear the debate, and therefore when the amendments offered to the bill were brought to a vote many of those who vote on them would not have heard the debate and would not know how to vote. Well, Mr. Chairman, that is not the fault of the committee that brought in the rule. I think the Members who are not here do not want to hear debate, that they have heard so much talk, talk, talk, that they have got tired of it, and they prefer some place where they can rest without listening to it.

The majority in the House should, after reasonable discussion, be permitted to transact business and bring measures to a vote. The country will hold them responsible if the legislation is bad. If the legislation is good, we should all help to pass it.

For the reasons above stated I voted for the resolution submitted by the Committee on Rules. I voted for the resolution also because of the provisions limiting debate on the three amendments provided for in the resolution to four hours. Certainly four hours' debate is ample, particularly when the debate will not change the vote of any Member. Allowing five minutes to each person taking part in the debate, it will permit 48 Members—as many as are now in the House—to be heard. That is the average number present when the House is in committee.

I would like to see the majority bring in every bill that is likely to be unreasonably discussed under a rule to limit debate. If this is done in the future, I shall vote for such a rule when the time allowed for debate is as liberal as here.

I am willing to remain here until December if it is necessary to do so to enact all necessary legislation; I am not anxious to remain that long to have the opportunity to be a listener to a "talkfest."

In saying what I have said I criticize no Member. If I made any criticism it would be that the majority does not take the bull by the horns, limit debate on all bills, do business, get through, and adjourn.

We are here not alone to talk and hear talk, but to do business, and if the majority had the sand they ought to have they would do business, and the only way to do it is to gag the Members who are determined to talk all the time. I am in favor of stopping the talk. [Laughter and applause.]

Mr. LEE. Mr. Chairman, I yield three minutes to the gentleman from Illinois [Mr. WM. ELZA WILLIAMS].

Mr. WM. ELZA WILLIAMS. Mr. Chairman, I do not want to talk upon this amendment, but I do want to correct myself in the RECORD. In the RECORD of April 24 there was a little controversy over the migratory-bird law, and I undertook to interrupt the gentleman from South Carolina [Mr. LEYER], who declined to be interrupted. By some chance the language spoken by the gentleman from South Carolina was attributed to me. It does me an injustice in this: I was in favor of the motion to strike out that section providing for the appropriation for the bird law. He was for the appropriation and against the motion to strike out, and he made an argument in favor of enforcing the law, directly against the position that I took.

It does me an injustice in another respect. The gentleman from South Carolina [Mr. LEYER] said in the course of those remarks that he was not a lawyer and that he did not know very much about law. I want to assure the gentlemen of the House that I never made any such admission. [Laughter.] A number of my associates and colleagues expressed surprise, especially my associates on the Judiciary Committee, of which I have the honor to be a member, that I had come to the House here and admitted that I was not a lawyer and did not know very much about law. [Laughter.] It may be true, but I am not admitting it. [Laughter.]

Therefore at this time I wanted to square myself in the RECORD for the benefit of my numerous sportsmen constituents in Illinois who desire to defeat the operation of the migratory-bird law. I am opposed not to the law, but to the rules promulgated by the bureau of the Agricultural Department which discriminates against my section of the country and prohibits the killing of migratory birds in my State while the privilege is extended both north and south, to our neighbors below Memphis and to those above Minneapolis. [Applause.]

Mr. HAUGEN. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

On page 36, line 5, after the word "stored" strike out the words "for interstate or foreign commerce or in any supplies under the exclusive jurisdiction of the United States."

Mr. HAUGEN. Mr. Chairman, section 13 provides—

That every warehouseman conducting a warehouse licensed under this act shall receive for storage therein, so far as its capacity permits, any agricultural product of the kind customarily stored therein by him which may be tendered to him in a suitable condition for warehousing, in the usual manner in the ordinary and usual course of business, without making any discrimination between persons desiring to avail themselves of warehouse facilities.

It makes no distinction between interstate and foreign commerce and intrastate commerce.

Section 15 provides—

That grain, flaxseed, or any other fungible agricultural product received for storage in a warehouse licensed under this act shall be inspected and graded by a person duly licensed to grade the same under this act.

Here only inspection is provided for grain stored for interstate commerce. I submit that if we provide for the inspection in part we should provide for the inspection of all of it; or, if the amendment offered by the gentleman from Michigan [Mr. McLAUGHLIN] is adopted, that will restrict the storing of grain to that offered for interstate and foreign commerce. If so, then there would be no need for this amendment, as the storing of grain in licensed warehouses will then be restricted to grain offered for interstate and foreign commerce; but in the event that his amendment is defeated, I offer this amendment, so that all stored grain, including that in intrastate commerce, may be inspected by a licensed inspector. It seems to me that if it is necessary to provide for the storing and inspection of grain offered for interstate and foreign commerce we should also provide for the storing and inspection of grain in intrastate commerce. I see no reason for making the distinction, or why we should legislate in favor of one engaged in storing and shipping across the State line against one confining his operations within the State. As we know, little, if any, grain will be stored for interstate commerce. Warehouses do not receive grain in one State and move the grain into another. The farmer stores his grain in the warehouse. Later he either sells it or withdraws it for seed, for feed, or for shipment. The shipment may be to some point within the State or without. The same applies to grain stored by the miller and speculator. Certainly what is withdrawn for seed for consumption or shipment within the State is not an article in interstate commerce, but the question of constitutionality has been raised. It is contended that authority is not given by the Constitution to legislate giving the Secretary authority to enter into an agreement with the warehousemen to inspect, or for a licensed inspector to inspect grain not in interstate commerce; if so, where is the authority to legislate authorizing the Secretary to peddle free of charge hog-cholera serum and veterinary service? Hogs treated are not articles in interstate commerce, and many never become articles of interstate commerce. The same applies to numerous other activities of the department. Be that as it may, one word in explanation of the bill.

The object of the proposed bill is obvious. It hardly seems necessary to discuss it. It is simply to license responsible warehousemen to store cotton, tobacco, grains, and flaxseed in suitable warehouses, as before stated. It provides for the standardization and inspection of such farm products. The Secretary is authorized to cause examination as to the responsibility of the warehousemen, and whether the warehouse is suitable for the proper storage. Upon examination, if in his opinion, the warehouse and the warehouseman come within the provisions of this act, he shall issue a license and accept a bond for the faithful performance of the obligation. If the bond approved by him is found insufficient he may require additional bond. If not given, he may suspend or revoke the license. It will readily be seen that the object of the proposed bill is to protect the farmer or anybody who may have any of the products to offer for storage, not only against loss incurred through storage with irresponsible warehousemen, but it also provides for the establishment and promulgation of standards, and that grain offered for interstate and foreign commerce shall be graded in accordance and to conform to the standards established by the Secretary.

It would be observed that the bill is not obligatory but permissive, that it is optional with the warehouseman whether he will come in under the provisions of the bill, therefore no hardship is imposed upon anyone. If he comes in, it must be voluntarily upon his part. If he does come in, he must give bond for the faithful performance of his contract and must conduct his business in accordance with the provisions of the act which gives to the farmer or anybody who may store products, in a

large degree, protection against loss or improper grading. I might add that the bill as originally drawn provided for the storage of staple and unperishable agricultural products. It is believed by many that it would give greater power to the Secretary than should be given him. That the term might be interpreted to include practically all farm products. Therefore it was deemed best to specify, and to limit the authority to cotton, tobacco, grains, and flaxseed. The department has already fixed the standards for cotton and corn. It is well along in establishing a standard for wheat. It will take years to fix a standard for the other items enumerated, which are believed to be the most important. When the standards are fixed for the products included, if then deemed advisable, Congress can authorize the standardization of additional products.

The chairman was authorized to offer amendment limiting the authority to the products referred to, and with that amendment, the bill has the approval of the Committee of Agriculture, I believe, with the exception of one of the members of the committee.

I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. LEE. Mr. Chairman, I yield five minutes to the gentleman from Alabama [Mr. HELFIN].

Mr. HEFLIN. Mr. Chairman, I am heartily in favor of this bill. I think it will be beneficial to the farmers of the South and of the West to have a uniform warehouse system. The producer of cotton needs a place to store his cotton so that he can take his warehouse receipt and borrow money upon it, and this bill is the greatest step, in my judgment, that has been taken toward helping the producer, the grain growers of the West and the cotton producers of the South. Cotton is our principal product. The gentleman from Wisconsin [Mr. LENNOOR] seems to oppose anything that will help the cotton farmer, and I want to say to him that when he does so he strikes a blow at the farmers of his own section. Whenever you western Republicans injure the cotton producer you cut down his purchasing power, and when you do that you injure the farmer of the West, because the producer of cotton in the South buys grain from the grain grower of the West and he buys stock from the stock producer of the West; and if gentlemen want to help the farmers of the West, let them help the cotton producer in getting a good price for his cotton. [Applause.] When he has plenty of money he buys freely from you and he pays you a good price. Let me illustrate. When cotton prices are good he pays you \$200 and \$250 for your mules, and when cotton sells at 6 cents a pound he can not pay as much as \$125. So when gentlemen on that side injure the producer of cotton they are injuring the farmers of their own section. [Applause.]

Mr. Chairman, cotton is in greater demand to-day and is being put to more uses than ever before in the history of the world. The automobile factories of the United States last month sold 28,600 carloads of automobiles, a gain of 11,400 carloads over March of last year. If the present record continues, the Washington Post says, there will be at the end of the year 3,500,000 automobiles in the United States. The average gain of the automobile industry has been about 40 per cent a year, and vast quantities of cotton are being consumed in making automobile cushions, tops, and tires.

The cement industry is one of the greatest in our country, and hundreds of thousands of cotton sacks are used in handling cement.

The paper-making industry in the United States is a tremendous one, and it is now confronted with an exhausted supply of the usual paper-making material; and now this industry is buying inferior cotton, cotton waste, and linters to be used in making paper. So acute is this situation, Mr. Chairman, that the paper-making industry is buying all of the old cotton rags that can be obtained, and it is paying 2½ cents a pound for them. Old cotton awning is being used for this purpose and selling at 4 cents per pound, and the paper-making industry is paying from 5 to 8 cents per pound for old cotton towels and napkins. More cotton is being consumed in surgical lint, gauze, and medicated cotton than ever before. Great quantities of cotton are being consumed in the manufacture of gunpowder and explosive shells. The cotton mills and powder factories of the United States are consuming at the present rate 10,000,000 bales of cotton a year; and bear in mind that we produced only 11,000,000 bales last year. Now, then, with the rapid increase in the consumptive demand for cotton and with the small and fast-diminishing supply, what is there to prevent cotton from going to 15 cents and maybe more in June and July? [Applause.]

Let us now take into account the prospects for the cotton crop of 1916. Muriate of potash is a very necessary ingredient to the production of cotton in three-fourths of the cotton-growing States. A serious situation confronts us in the South. Potash can not be had at any price. It sold in 1913 for \$39 a ton, and it is now selling for \$500 a ton. The lack of acid phosphates and potash formerly used in abundance in the production of cotton means nothing else but a small cotton crop this year. In many States it will take 4 acres to produce as much cotton as was produced on 1 acre when these fertilizers were freely used. The cotton acreage of the South will be no larger than it was last year; and India, the largest cotton-producing country in the Old World, has again reduced her acreage. Last year she planted 23,000,000 acres in cotton, and this year she has reduced her cotton acreage to 17,000,000 acres. Russia has reduced her acreage again, and in both countries this was done for the purpose of producing food supplies for the allied armies.

Mr. Chairman, our failure to obtain fertilizers, which foretells a very small cotton crop, the very small cotton supply, and the increasing demand and consumption show a condition in the cotton world which at an early date will approach close unto a cotton famine. Supply, demand, consumption, and every statistical fact warrant higher prices for our cotton. Our cotton-goods trade was never better, and cotton goods of every character are bringing good prices, and the price is constantly increasing. The price of cotton goods and linters justifies 20 cents a pound for cotton. Those who now have cotton are determined to get a fair price for it, and they will hold some of the crop of 1915 and reduce their acreage this year. If a cold spell should come, as has been the case, just when the tender plant is coming up and kills it, or if we should have a long wet spell and the seed should rot in the ground, as has been the case, the South is going to be confronted with a serious problem. There will not be seed enough to replant. Cotton-seed oil, meal, and linters were in such great demand and bringing such a good price last fall that the farmers sold every seed that they could possibly spare, and complaint is now being made that seed for planting purposes are not plentiful. The Farmers' Union of Texas, and, in fact, all over the South, the Union is urging reduction of cotton acreage.

Mr. Chairman, by a long and bitter experience the cotton farmer has learned that he can get more money for a 10,000,000-bale crop than he can for a 15,000,000-bale crop, and his common sense has told him that if he will produce more food supplies and less cotton that he will be better off in every way. [Applause.] The cotton mills of Italy, Russia, France, and England must have a great deal of cotton in the next three months, and there are not 2,000,000 bales of spinnable cotton in all Europe. The war is raging in all its fury, and the powder factories must be kept supplied with cotton; and if our people will hold fast to what cotton they have, refuse to sell until the price suits them, they will reap the reward of good prices that are bound to come. As I said before, supply and demand, the high price of linters and cotton goods, all justify far better prices than we are receiving to-day. But for the conspiracy among bear operators on the New York Cotton Exchange we would have received 15 cents for cotton some time ago. The daily conduct of that exchange shows clearly that there is market manipulation carried on there. I am convinced, and have been for some time, that there is concerted action among the bears to depress the price of cotton. Let me show you why I say that. Time and again we have seen the spot market in the South 12 cents and the future market in New York about 13 cents, and our farmers would often ask, "Why is it that you are paying only 12 cents for cotton here and it is bringing 13 cents in New York?" Then he was told that the difference in favor of the New York price was accounted for in freight charges from the southern market to New York. And that was true. Now, then, I ask why is it that the spot market in the South is higher than the future market in New York? And the reason for that is the law of supply and demand is not so easily suspended in the spot market as it is in the New York Cotton Exchange.

Mr. Chairman, I contend that when the contract price in New York is lower than the spot price in the South it is proof positive that a conspiracy exists on that exchange and that these prices are manipulated by bear speculators. [Applause.]

I have introduced a resolution calling for a full and complete investigation of the conduct of the New York Cotton Exchange, and I am anxious to have that investigation made as soon as possible. Let us see just what is going on and how the exchange is being conducted. If there is no conspiracy, the investigation will do no harm; and if there is a conspiracy, we are entitled to know it. [Applause.]

Mr. HAUGEN. Mr. Chairman, I yield five minutes to the gentleman from Pennsylvania [Mr. MOORE].

Mr. MOORE of Pennsylvania. Mr. Chairman, I offer the following amendment, which I send to the Clerk's desk and ask to have read.

The Clerk read as follows:

Page 44, line 12, after the word "thereof," insert the following: "The Secretary of Agriculture shall report to Congress before July 1, 1916, the names of all persons appointed by him to carry out the purposes of this act, the duties of such appointees, and the salaries paid to them."

Mr. MOORE of Pennsylvania. Mr. Chairman, I do not know that I shall have time to discuss this amendment adequately. The gentleman from North Dakota [Mr. HELGESEN] made some reference to the activity of exporters in opposing this bill. I have not been very close to the exporters of this country, because I believe in American conditions and American trade, but if it helps the farmers of the country to have their grain exported to foreign countries when a great war prevails and they have a splendid market for it, I do not object, except to a certain extent, in that it keeps up the prices that the American consumer has to pay. I wish gentlemen would bear this in mind when they assume that those of us who are discussing this bill are doing it for a selfish purpose. The American farmer must depend very largely upon the eastern trade, and he must depend upon the exporter. So far as there being any impropriety in the shipment of goods abroad, I think it fair to observe that if grain goes abroad in improper condition, if it gets overheated, if it is rejected in a foreign market, the responsibility is not altogether with the exporter. We have found in numerous other instances in the great cities that the farmers sometimes send us some stuff that is not wholly pure. Eggs sometimes come to us in a rotten condition, and grain has sometimes been on the track too long and is not any good. Let me read just a line or two from the memorial of the Philadelphia Exchange which I read yesterday:

Another important factor that should be considered in connection with the proposed grain-grades act is that grain graded at western primary points frequently deteriorates in quality while in transit between the western shipping point and the eastern terminus. If the western exporter has sold such grain to the foreign buyer on western certificates of inspection, the question arises as to the attitude of the Government in case the grain arrives at the seaboard out of condition. Will it stop the shipment and compel the exporter to put the grain in good condition, or will the shipment be permitted to continue on its way across the ocean regardless of its condition?

I can not dwell at any great length upon this, but I would like the American farmer to know that sometimes the grain he sends out of the West comes into the East in bad condition, and if the individual farmer is to have his car tied up on the track while he has to go to the Secretary of Agriculture, in Washington, to find out about the inspection, there may be more of it coming into the East in bad condition than has been the case heretofore.

I have offered an amendment, however, which I shall try to discuss in the time that remains to me. Some gentlemen rail at those of us who oppose rider legislation. They rail at the thought that we should object to legislation being driven through this House by a rule. Some gentlemen complain who sit about reading the newspapers and getting their remarks into print occasionally by lecturing other Members of the House who are attending to their business here. Some gentlemen would like to pass by rule these three amendments to this bill, one proposing to start out a new bureau, expending \$150,000 on experts and inspectors; another proposing to expend \$125,000 to employ other experts and inspectors; and still another proposing to spend \$50,000 to employ still other experts and inspectors, a total of nearly \$325,000. Gentlemen from the rural districts want to pass this bill by a rule and fasten upon the Government three new systems of inquisition and inspection, which the farmer, in the long run, will have to pay for.

Let the gentlemen who like legislation by rule put that in their pipes and smoke it, and go back, when the time comes, and explain it to the poor, "downtrodden farmer," in whose behalf they vociferate so extensively in this House. Some of the loudest talkers that I have ever heard here or elsewhere are those who do not want much debate here. Their sonorous tones are not so attractive here as they are when they get back to the stump and tell the people at home what they did not do in the House of Representatives when they had a chance.

Pass this legislation by a gag rule, if you please. Carry it even over the mountains of Pennsylvania, and far beyond, and then let the people determine for this House whether they want this procedure or not. [Applause on the Republican side.]

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

Mr. HAUGEN. Mr. Chairman, I promised to yield to the gentleman from North Dakota [Mr. YOUNG], but I do not see him here now. I will yield five minutes to the gentleman from Illinois [Mr. MADDEN].

The CHAIRMAN. The gentleman from Illinois [Mr. MADDEN] is recognized for five minutes.

Mr. MADDEN. Mr. Chairman, I am opposed to this amendment, because I believe the warehouse system as controlled by the States is adequate to meet the situation. I do not believe the Government of the United States ought to enter into that realm of activity.

Under this bill every farmer that has a barn can become a warehouseman and issue certificates. He can make application to the Secretary of Agriculture to get a license to run a warehouse in which he has the oats of a 5-acre lot stored, and there will be an inspector appointed to look after his warehouse; and who is going to tell whether the receipt issued by that warehouse is worth anything or not?

That is true. But they say this bill is being passed for the purpose of making the certificate issued by the warehouseman the foundation for the issue of currency. Well, last year, you know the House tried to pass a law to compel the Secretary of the Treasury to advance several hundred million dollars, without reference to whether they had any warehousemen or not, and then it was proposed to compel the Government to accumulate a lot of money in a lot of banks in a certain number of States to be loaned by the bankers, under compulsion, at a certain rate of interest. Now it is proposed to license farmers to establish warehouses and give them authority to issue certificates, and all for nothing.

It is ridiculous, outrageous, unjustifiable, and it has not any business in the House. It is ruinous to the country. [Applause on the Republican side.]

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

The CHAIRMAN. Does the gentleman yield?

Mr. COX. It seems the gentleman is opposed to this bill. [Laughter.]

Mr. MADDEN. Yes; I think I am opposed to the bill.

Mr. BYRNES of South Carolina. In other respects the bill is all right? [Laughter.]

Mr. MADDEN. After you have enumerated all the iniquities I have described and a hundred other, the bill is all right. [Laughter.]

Mr. GALLAGHER. The gentleman thinks the whole thing ought to be eliminated?

Mr. MADDEN. There is no doubt about it. In all the great business centers and in all the smaller business centers of the country and on all the lines of communication, by rail or by water, we have warehouses to burn, and they are under State control, and they are properly managed and properly supervised, and the certificates that are issued by those warehousemen have the backing of the States behind them. There is no reason why we should now add the Secretary of Agriculture.

You are taking away every function of every State in the Union every time you get a chance, if there is a possibility, when you do that, of getting a job for somebody attached to it.

Mr. COX. These inspectors are all to be under civil service.

Mr. MADDEN. Oh, no. They are all to be worked into the service first, then covered by civil service afterwards.

Mr. COX. I am glad to hear the gentleman say that. [Laughter.]

Mr. MADDEN. I hope the gentleman may get some of them.

Mr. GALLAGHER. Does the gentleman not think this amendment jeopardizes the passage of the Agricultural bill?

Mr. MADDEN. Yes. The Agricultural bill in itself is one of the best bills in the House. Everybody in the House is in favor of encouraging agriculture and in favor of allowing liberal appropriations to maintain and develop agriculture. But you come here with a rule and you force down the throats of Members of the House all kinds of iniquitous legislation and attach it as a rider on the Agricultural appropriation bill, and the result is that a great many men of the House who are very friendly to agriculture will be forced to oppose these riders. When this bill goes over to the other side, it may be that arrangements have been made to add some clause to this warehouse bill to amend the Federal bank act, so that every bale of cotton and every bushel of corn and every bale of hay will be stored away in a warehouse, now in the barn of some farmer, and certificates issued against that and currency issued against that; and we shall have an expansion of currency that will create havoc all over the country. [Applause on the Republican side.]

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

Mr. LEVER. Mr. Chairman, I yield to the gentleman from Missouri [Mr. RUBEY].

The CHAIRMAN. The gentleman from Missouri [Mr. RUBEY] is recognized.

Mr. RUBEY. Mr. Chairman, the United States grain-grades act, which I have offered to-day as an amendment to the Agricultural appropriation bill, is, in my humble opinion, one of the most important and far-reaching measures that will come before this Congress for its consideration. A measure of such vast importance, affecting as it does the great agricultural interests of the whole country, should be approached with great care and much deliberation. No steps should be taken without first being sure of our ground and certain that good will come as a result. I beg to assure the Members of the House that great care has been taken in the preparation of this bill, and that it represents the very best thought of those who have devoted years of study and investigation to the subject. For a number of years the Department of Agriculture, by direction of Congress, has been making extensive investigations of the handling, grading, and transportation of grain, and the fixing of definite grades therefor. In January, 1914, the grades for corn were fixed and promulgated to take effect July 1, 1914; and while they were permissive and not compulsory, yet they have been adopted by the principal grain markets of the country and are now being very generally used. The work of determining the grades of wheat is nearing completion, and the grades for other grain will be fixed and promulgated from time to time. This act authorizes the Secretary of Agriculture not only to fix, establish, and promulgate grades for grain, but compels their use wherever grain is shipped in interstate or foreign commerce and sold by grade.

During the last Congress the Committee on Agriculture held extensive hearings upon the subject of uniform grades for grain and upon the question of Federal supervision of the grading of grain. As a result of those hearings, the committee prepared and unanimously reported a bill upon that subject. That bill was passed by the House, but, owing to the lateness of the session, failed of consideration in the Senate. The bill which I present here to-day is, for all practical purposes, identical with the bill which passed this body two years ago. It has been given the most careful consideration not only by the subcommittee of the Committee on Agriculture, of which I have the honor to be chairman, but also by the full committee, and comes before you with the unanimous report of that committee.

#### IMPORTANCE OF THE LEGISLATION.

Some idea of the importance of this subject is gained when I say to you that the farm value of the grain crop of the United States in 1915 amounted to three and a half billion dollars. The provisions of this act will apply only to grain which is shipped in interstate and foreign commerce. A very large part of the grain of the country is shipped in interstate commerce, and to give you some idea of the volume of the grain to which this act will apply, I submit the following statement of the grain which is handled in the important grain markets of the country:

*Summary of total grain receipts of the 33 important grain markets in the United States, the receipts being expressed in the nearest million. The averages are based on a period of several years in the majority of cases.*

	Bushels.
Chicago	284,000,000
Minneapolis	177,000,000
Buffalo	152,000,000
Duluth	81,000,000
New York	74,000,000
St. Louis	72,000,000
Kansas City (Mo.)	67,000,000
Omaha	52,000,000
Milwaukee	51,000,000
Baltimore	36,000,000
Newport News, including Norfolk	35,000,000
Philadelphia	29,000,000
Galveston	25,000,000
Indianapolis	22,000,000
Cincinnati	21,000,000
Portland (Oreg.)	20,000,000
Louisville	20,000,000
Boston	20,000,000
Nashville	19,000,000
San Francisco	17,000,000
New Orleans	17,000,000
Seattle	15,000,000
Cleveland	15,000,000
Tacoma	14,000,000
Toledo	14,000,000
Wichita	14,000,000
Memphis	12,000,000
St. Joseph	10,000,000
Detroit	9,000,000
Portland (Me.)	8,000,000
Fort Worth	5,000,000
Little Rock	5,000,000
Mobile	4,000,000
Spokane	2,000,000
Total	1,418,000,000

The average quantity of grain shipped out of these various markets, which carries an outinspection certificate, is equivalent to approximately 60 per cent of the total receipts, making a combined volume of grain by inspection both in and out of these various markets of approximately 2,268,000,000 bushels.

This is not a new subject of legislation; bills similar to this one and seeking practically the same results have been before Congress for a number of years. The question of a uniform system for the grading of grain applicable to the entire country has long been discussed. Such a system has been advocated by every Secretary since the establishment of the Department of Agriculture.

#### STATES PIONEERS IN GRAIN-GRADES LEGISLATION.

Years ago there developed in the trade centers of the country exchanges and boards of trade, and speculation and manipulation became a great and growing evil. Gambling in futures became prevalent. Grain, the fruit of the honest toil of the farmers of my country, became the basis of exchange manipulations whereby prices were raised and lowered at will to meet the whim of the speculator and to satiate his greed for gain. Manipulation of the grading of grain early became one of the prevalent practices in many of the large grain markets. Grain purchased was inspected into the elevator at a low grade and when sold was inspected out and graded at a higher grade. Some of the States in the grain-producing sections of the country became the pioneers in combating these evils. They enacted comprehensive measures and inaugurated systems of grain inspection, which have been successfully managed and from which great good has come. These States deserve great credit for what they have accomplished; the State grain-inspection departments have stood as a great bulwark between the producer of grain on the farm and the manipulator of grain grades in the great central markets. State systems of grain inspection, however efficient and well managed they may be, will not accomplish the results desired or bring about uniformity in grain grading, so necessary for the complete perfection of a system throughout the entire country. The grain crops of the various States are not sold or consumed within the borders of the respective States in which they are grown and harvested. On the contrary, it is an established fact that from 75 to 90 per cent of the grain crop is shipped out of the State in which harvested and is sold and consumed in other States or in foreign countries.

#### LACK OF UNIFORMITY UNDER PRESENT METHODS.

Where we have State grain inspection regulated by law no one can say that grain inspected and graded under such a system, when honestly administered, is not truly and fairly graded; but we must bear in mind that such a system applies only to the State itself, and that when the grain leaves the borders of that State there is no authority anywhere to compel the acceptance of those grades, and it is practically as if the grain had never been graded. Let us see how the matter works out in actual everyday practice. A farmer in my State—Missouri—has raised and harvested a large crop of grain. It has been raised on the same farm, on the same kind of land, and is uniform in quality. He ships two carloads of it, one to Kansas City and the other to the St. Louis market. Missouri, having a system of State grain inspection, applied honestly and uniformly, the result is that he receives the same grade upon his grain in each of these markets. But suppose he ships his grain to markets outside of Missouri—a carload to Chicago, another to Minneapolis, and a third to some eastern market. Each of these markets is under a different system of inspection. In each of these markets there is some variation of the standards established; and as a result his grain, though of a uniform character and quality, may, and in all likelihood will, be graded differently in each of the three markets. It is an established fact that grain identical in quality, and which ought to be graded the same in every market in the country, under present methods of grading and inspection is graded differently in the different markets. Under national grain supervision, as provided in this bill, the Department of Agriculture will in no way interfere with the various State departments, but, on the contrary, will seek to cooperate with them, will unify their work by giving to each State a uniform standard, and will aid them in applying that standard equitably and uniformly, so that grain of like quality graded in one State will bear the same grade in every other State.

#### ONE STANDARD—UNIFORM GRADING.

There are two important things sought to be accomplished by this bill: First, the establishment of uniform standards of grades for grain, so that the same quality of wheat, or corn, or oats, or any other grain in any market in any State in the Union will be given the same grade. It is uniformly agreed

that the only agency that can fix and establish a satisfactory standard for the grading of grain is the Government itself. The second object to be accomplished is to secure an honest, efficient, and uniform application of these standards in the inspection and grading of grain, and this can and will be accomplished by rigid Government supervision, as provided in this bill. There are those who would go much further than this bill goes. They would not only have the Government fix and establish the standards, but they would have the Government do all of the inspecting and the grading of the grain which goes into interstate and foreign commerce. Bills providing for the establishment of Government standards and for Government grading of grain have been introduced in preceding Congresses, and strong efforts have been made to pass those bills, but without avail. The principal objection to Government grading and inspection is the fact that it will destroy State grain inspection in the States which now have such inspection provided for by law. Again, Government inspection has been opposed because of the enormous expense attached to such a system, and again it has been opposed because even with Government inspection it would be absolutely necessary to have some kind of general Government supervision over all the various Government inspectors grading the grain at the various markets of the country, in order to insure that the grading be done uniformly and that the standards adopted be applied everywhere uniformly and honestly. It is believed that with rigid Government supervision of the grading of grain in the principal markets of the country an honest, efficient, and uniform application of the Government standards will be secured.

This bill does not seek to abolish the systems of inspection now in operation in some of the States, nor does it seek to abolish the systems of inspection under boards of trade or chambers of commerce, but it does seek to establish uniform standards for the various grains, and by Government supervision insures the uniform application of those standards in the grading of grain by the States, by boards of trade, chambers of commerce, and by other agencies.

There are those who oppose this bill on the ground that it places too much power in the hands of the Secretary of Agriculture, that he might be arbitrary in the establishment of the grades, and that grades established by him might be impractical and unsatisfactory to the grain trade of the country. Congress in 1913 authorized the Secretary of Agriculture to fix and promulgate grades for grain. The standards for corn have been fixed and promulgated. Let us see what course the Secretary of Agriculture pursued in arriving at a just and equitable system of grades for corn, and whether or not these grades have been satisfactory, and if he pursued a just and equitable course in the fixing of the corn grades and these grades have been satisfactory, may we not expect that he will pursue a similar course in the fixing of grades for wheat and other grains, and may we not with equal certainty predict that these grades will be acceptable and satisfactory to the grain trade?

#### CORN GRADES FIXED AND PROMULGATED.

On January 3, 1914, the Secretary of Agriculture fixed and promulgated standards for the grading of corn, to become effective July 1 of the same year. While these were only permissive standards, there being no authority to compel their adoption and use, they have been adopted by all of the States having State grain-inspection departments, and by the grain exchanges of all of the important grain centers of the United States, except Boston, New York, Philadelphia, and Baltimore on the Atlantic seaboard, where most of the opposition to this measure is concentrated. During this time the grain interests of the country have handled one of the best corn crops which we have produced for years, that of 1914, and likewise one of the poorest crops that we have had for years, that of 1915.

Prior to the fixing of these standards the Secretary of Agriculture announced in August, 1913, tentative standards which were submitted to the grain interests of the country for consideration and criticism. The data on which the standards were ultimately fixed were discussed in detail by representatives of the department at an open meeting of the Grain Dealers' National Association, held in New Orleans in the early part of October, 1913. A similar presentation was made at a special meeting in Des Moines, Iowa, called for this purpose by the National Council of Farmers' Cooperative Companies; further opportunity was given to the grain interests of the country to attend a third meeting of this same character held in Washington on October 22, 1913, the day preceding the time set for hearings on the grades before the honorable Secretary of Agriculture. After a full hearing on these grades before the Secretary of Agriculture on October 23, 1913, full opportunity was

given to all interests for a discussion of various factors set forth in the tentative grade rules. The arguments presented were given most careful consideration by the Department of Agriculture and the tentative grades were modified in some respect in order to meet the objections presented where there was a unanimity of opinion for such modification. There is every reason to believe that there will be the same fair and careful consideration in connection with the fixing of standards for other grains, as provided for in this bill, and that such standards when fixed will be equally fair to the producer, the dealer, and the consumer.

#### PRACTICABILITY OF GOVERNMENT GRADES.

The following is taken from an address of Jesse Simpson, manager of the Farmers' Elevator Co., of Danvers, Ill., before the twelfth annual convention of the Farmers' Grain Dealers' Association of Illinois, Bloomington, Ill., February 17, 1915, on the subject "New corn grades."

Now, as to the practical working of the new grades it may be a little too soon to pass final judgment as they have been in effect only a little more than seven months. However, some of the worst things prophesied regarding the working of these grades have not happened. When they went into effect last July it created scarcely a ripple in the usual course of the grain trade. Corn graded about as usual, except that we occasionally had a car of No. 5 or 6 corn which would have been no grade under the old style, but it brought nearer its actual value. The farmer was just as willing to contract his new crop of corn on a basis of No. 4 as he was in the past to sell No. 3. And the funny part of it was that just as soon as he found the new crop was of such good quality he wanted to sell No. 3. And he did it too at an advance of about 1 cent per bushel over the No. 4. Now, if I remember, one of the arguments most used against the adoption of the new grades was: How are you going to educate the farmer to the new grades? How are you going to explain to him that No. 4 corn, new grade, is about the same as No. 3 under the old? That No. 3 corn is a higher grade and he won't have any of it in the wintertime? That we had just got him educated to the moisture test, and if we changed the grade again now it would demoralize the trade for years. Results show that this was borrowed trouble. The farmer is educated. He knew when he had No. 3 corn, demanded and got the price for it. \*

To sum up, I think the new grades have been decidedly beneficial all along the line in spite of the fact that there has been no way to enforce them or any supervision. The farmer is benefited because he gets nearer the actual value of his corn; the dealer because he has a more uniform grade, and the consumer because he gets a more uniform quality.

#### DEMAND FOR UNIFORM GRADES AND FEDERAL REGULATION.

The following is a list of the associations or organizations which have declared themselves in favor of a uniform system of grain inspection under standards fixed by the Federal Government, with authority to regulate the application of such standards vested in the Department of Agriculture. The majority of these associations favor a system of supervision by the Federal Government, although others are much more radical in their views and believe that the Federal Government should take over the entire system of inspecting and grading of grain.

#### Grain Dealers' National Association.

This association has a direct membership of approximately 1,000, about 85 per cent of which represents grain firms, the remainder being individuals.

#### Ohio Grain Dealers' Association.

Indiana Grain Dealers' Association.

Illinois Grain Dealers' Association.

Missouri Grain Dealers' Association.

Kansas Grain Dealers' Association.

Texas Grain Dealers' Association.

Western Grain Dealers' Association.

This association includes the regular grain dealers of the States of Iowa, Nebraska, and South Dakota.

#### Council of Grain Exchanges.

At the time action was taken by the Council of Grain Exchanges there were some dissenting votes, but a rising vote was not called for so there is no record of the exchanges or boards of trade opposed to the legislation, although generally conceded as being confined to those of the Atlantic seaboard as practically all of the other exchanges have taken action favoring standardization and supervision. The only grain exchanges opposing this legislation, as shown in the hearings before the committee, or in other available records, are the New York Produce Exchange, the Philadelphia Commercial Exchange, and the Baltimore Chamber of Commerce.

#### Millers' National Federation.

Ex officio: Central Kentucky Millers' Association; Indiana Millers' Association; Kansas City Millers' Club; Michigan State Millers' Association; Millers' Club of Minneapolis; Ohio Millers' State Association; St. Louis Millers' Club; Southeastern Millers' Association; Southern Illinois Millers' Association; Southwestern Millers' League; Southwestern Missouri Millers' Club.

American Feed Manufacturers' Association.

Corn Millers' Information Bureau.

Miami Valley Grain Dealers' Association.

Tristate Grain Dealers' Association.

This association comprises parts of Ohio, Indiana, and Michigan.

Norfolk Chamber of Commerce.  
Louisville Board of Trade.  
Indianapolis Board of Trade.  
New Orleans Board of Trade.  
Minneapolis Chamber of Commerce.  
Omaha Grain Exchange.  
Duluth Board of Trade.  
Kansas City Board of Trade.  
Boston Chamber of Commerce.  
St. Louis Merchants' Exchange.  
Providence Chamber of Commerce.  
National Council of Farmers' Cooperative Associations.  
National Association of Farmers' Cooperative Companies.  
Minnesota Farmers Grain Dealers' Association.  
North Dakota Farmers Grain Dealers' Association.  
Iowa Farmers Grain Dealers' Association.  
Nebraska Farmers' Cooperative Grain and Live Stock Shipping Association.  
Kansas Farmers Grain Dealers' Association.  
Ohio Farmers Grain Dealers' Association.  
Indiana Farmers Grain Dealers' Association.

At the nineteenth annual meeting of the Grain Dealers' National Association, held in Peoria, Ill., October 11, 1915, the following resolution was adopted:

Whereas the bill introduced in Congress by Representative Moss and known as the grain-grades act, failed of enactment: Therefore be it

Resolved, That we indorse Representative Moss in his declared intention to reintroduce this measure, without material change, immediately after the Sixty-fourth Congress convenes; that we reaffirm in all respects the endorsements given this measure by this association at its Kansas City convention and that every honorable effort be put forth by the members of this association to secure its enactment into law.

[Telegram.]

GRAIN DEALERS' NATIONAL ASSOCIATION,  
Crawfordsville, Ind., January 21, 1916.

Hon. ASBURY LEVER, M. C.  
Washington, D. C.

The grain trade is anxiously watching progress of the grain-grades act. If you can do anything to forward the interests of this bill, you will perform a great service to the grain producers, handlers, and consumers. The small opposition coming from State departments that have State inspection should bear very little weight. Each State department has inspection rules of their own, differing entirely from all others. This causes great confusion and gives room for manipulation of grades of grain that is highly detrimental to the best interests of the country. May we depend on your influence in favor of this bill?

A. E. REYNOLDS,  
Chairman Legislation Committee  
Grain Dealers' National Association.

BOSTON CHAMBER OF COMMERCE,  
March 25, 1916.

Hon. THOMAS L. RUBEY,  
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN RUBEY: I have already notified you by day letter of the vote of the grain board indorsing the Rubey grain grades act. The board of directors of the chamber, at their meeting on March 23, unanimously adopted the report of the grain board and voted to inform the New England Senators and Congressmen of the action taken. For your information, I might say that the action taken by the grain board on the Rubey Act is perhaps the most representative and decisive vote which has been taken on any legislation providing for uniform grading of grain and Government supervision of inspection.

In its report to the board of directors, the grain board stated that "there has for many years been urgent need for some such legislation," and gave their reasons for favoring the passage of the grain grades act at this time. These may be summarized as follows:

(1) At the present time each market has a different standard of quality for similar grades in name.

(2) Inspection of identical lots of grain has differed widely, based on their ownership and destination, and not on their actual quality.

(3) On account of the present unsatisfactory method of grading, there is a wide variation in quality permissible in each of the established grades in the same market. For example, No. 1 Northern spring wheat has sold on the present crop at the same time and in the same place at a difference of from 8 cents to 16 cents per bushel, which is wholly a quality difference; and when it is considered that a fraction of a cent per bushel affects a trade in grain, the importance of such loose methods of grading is readily appreciated.

(4) Manipulation of grades with intent to defraud or deceive are not infrequently resorted to by unscrupulous dealers. For example, in the case of oats, a change in grade may be effected by the addition of moisture in the oats or their adulteration by mixing them with lower-priced grain or other foreign material. Such practices have resulted in seizures and confiscation by the Federal authorities of numerous car lots of such oats.

Further evidence of the deception and manipulation under present methods of grading and inspection is offered in the following case: Advance sales of No. 2 Hard and No. 2 Red Winter wheat were freely made to foreign buyers prior to harvest for shipment during the summer and fall of 1915. Unfavorable weather conditions resulted in badly damaging the crop, and receipts of the above-mentioned grades in the principal markets when the new crop moved were inconsiderable. Nevertheless certificates were issued grading very inferior wheat as No. 2 Hard and No. 2 Red Winter, and shipments were made to apply against these foreign sales, and buyers paid for their purchases based on the certificates, which are final as to evidence of quality on such contracts, only to find on receipt of shipments abroad that much of the grain was worthless, or of very inferior quality, as compared with their under-

standing of what the grain should be. These transactions have resulted in protests being lodged with our ambassadors for transmission to the Department of State.

(5) The proposed legislation has the support of the Grain Dealers' National Association, a body of 3,300 members, dealers in grain, representing practically every State in the Union; the Millers' National Federation, embracing thousands of flour millers; and many of the principal grain-trade organizations in the large grain centers of the country.

The board of directors of this chamber, appreciating the far-reaching effect which the proposed legislation would have on New England alone, which buys annually of outside sections not less than 50,000,000 bushels of oats and 100,000,000 bushels of corn, unanimously voted to adopt the report of the grain board and to urge the New England Congressmen to favor its passage.

Very truly yours,

JAMES A. MCKIBBEN,  
Secretary.

ILLINOIS GRAIN DEALERS' ASSOCIATION,  
Champaign, Ill., March 28, 1916.

Hon. THOMAS L. RUBEY,  
House Office Building, Washington, D. C.

DEAR SIR: I am directed to inform you that the board of directors of the Illinois Grain Dealers' Association, at a meeting held in Chicago March 24, gave hearty indorsement to your act for the uniform grading of grain known as House bill 10405. All grain dealers of the country are vitally concerned in this legislation and are anxious to see it passed. It will be of great benefit to shippers and also to producers.

\* \* \* \* \*

Cordially,

E. B. HITCHCOCK, Secretary.

The Kansas Grain Dealers' Association, at their meeting May 26, 1914, adopted a resolution favoring Federal supervision of grain inspection, according to the Lever bill as amended by the Grain Dealers' National Association.

[Telegram.]

KANSAS CITY BOARD OF TRADE,  
Kansas City, Mo., January 14, 1916.

Hon. THOMAS L. RUBEY,  
Washington, D. C.

The Kansas City Board of Trade strongly indorse the Moss grain bill, and respectfully but earnestly solicit your best efforts toward its adoption this session.

B. C. MOORE, President.  
E. D. BIGELOW, Secretary.

[Telegram.]

THE KANSAS CITY MILLERS' CLUB,  
Kansas City, Mo., January 14, 1916.

Hon. THOMAS L. RUBEY,  
House of Representatives, Washington, D. C.

We respectfully urge you to do all that is possible to secure enactment of the Moss grain-grades bill during the present session of Congress. The proper Federal supervision of grain inspection is of the utmost importance to the milling industry and the grain trade of the United States and further to defer enactment of this important legislation will merely delay much needed relief.

THE KANSAS CITY MILLERS' CLUB,  
R. E. STERLING, Secretary.

The Michigan Hay and Grain Dealers' Association, at their annual meeting, August 5, 1915, adopted the following resolution:

Resolved, By the Michigan Hay and Grain Association, at its annual convention in Jackson, Mich., on August 5, 1915, that we heartily approve of the provisions contained in the "grain-grades act," and that we urge its introduction and passage early in the next, the Sixty-fourth, Congress without amendment.

MISSOURI GRAIN DEALERS' ASSOCIATION,  
Mexico, Mo., December 29, 1915.

Hon. THOMAS L. RUBEY,  
Representative in Congress, Washington, D. C.

DEAR SIR: I have been advised that Congressman R. W. Moss of Indiana has introduced a bill in the House of Representatives under No. H. R. 4646, which provides that the United States Department of Agriculture shall establish a uniform standard of grades on all cereals entering into interstate and export commerce, and further provides for the supervision of such inspection.

This bill is not a new one to yourself or the grain trade, as it was introduced at the last session of Congress and passed the House by a large majority, but owing to the short session was not acted upon by the Senate.

The grain and milling trade has considered and discussed this bill thoroughly and have given it practically their unanimous indorsement. In the State of Missouri it has been unanimously indorsed by the Missouri Grain Dealers' Association, the Kansas City Board of Trade, and the St. Louis Merchants' Exchange.

Being a Representative of one of the largest grain-producing States, I trust you will give this bill your earnest support and urge it to be enacted at an early date, as it is of great importance to all grain-producing States. I should be pleased to give you any information you desire in regard to the grain trade of Missouri.

Sincerely yours,

J. A. GUNNELL, Secretary.

[Telegram.]

MISSOURI GRAIN DEALERS' ASSOCIATION,  
St. Louis, Mo., January 27, 1916.

Hon. THOS. L. RUBEY,  
Representative in Congress, Washington, D. C.

The Missouri Grain Dealers' Association, assembled in annual convention at St. Louis, Mo., January 27, unanimously indorsed the Gore bill now pending in the Senate, and the Moss bill now pending in the House, relating to uniform grading of grain, and desire to thank you for your sincere and constant efforts put forth in behalf of the grain trade.

MISSOURI GRAIN DEALERS' ASSOCIATION,  
By J. A. GUNNELL, Secretary.

[Telegram.]

NEW YORK STATE MILLERS' ASSOCIATION,  
Buffalo, N. Y., January 27, 1916.THOS. L. RUBEY, M. C.,  
Washington:

The millers of New York State, as assembled at their annual dinner last night at Buffalo, again express their strong hope that they might have immediate relief from possible grain-inspection abuses as would be provided by bill H. R. 4646. They hope that your committee may have already reported the bill favorable, or, if not, may do so as soon as may be possible, and that this may be followed by prompt, favorable action of the House and Senate. If we can be of any service please command us.

NEW YORK STATE MILLERS' ASSOCIATION,  
By W. V. HAMILTON, President.NEW YORK STATE MILLERS' ASSOCIATION,  
CHAMBER OF COMMERCE,  
Buffalo, April 18, 1916.To the honorable Members of Committee on Agriculture,  
United States House of Representatives, Washington, D. C.

DEAR SIR: Referring to the many indorsements of Federal supervision as proposed by the grain-grades bills now before Congress, and especially to the recent indorsement of the Boston Chamber of Commerce, which so outlines the imperative necessity for this legislation, we desire to say that we concur in their statement:

"We are in favor of Government supervision of grain inspection for the same reason that the honest shippers of the country favored the abolition of the rebate."

We believe that the grain-grades bills now before Congress would abolish favoritism shown a few at the expense of the many, and would largely abolish grain-inspection abuses as practiced in our domestic markets, and as have been so bitterly complained of in recent years by foreign purchasers of American grain. This last situation we believe may now be called an international disgrace as practiced, especially during the current crop year.

We trust this legislation may have your active support.

Very respectfully yours,

NEW YORK STATE MILLERS' ASSN.,  
W. V. HAMILTON, President.THE PROVIDENCE CHAMBER OF COMMERCE,  
March 21, 1916.Hon. THOMAS L. RUBEY,  
Chairman House Subcommittee Re  
Uniform Grading of Grain, etc.,  
The Capitol, Washington, D. C.

HONORABLE AND DEAR SIR: In accordance with the instructions therein contained, I am hereby respectfully conveying to you copy of a resolution unanimously adopted by the board of directors of the Providence Chamber of Commerce on Monday, March 20, 1916, and which follows:

"Resolved, That this Providence Chamber of Commerce favor the passage of House bill 10405, relating to the grading of grain, etc., preventing deception in transactions in grain, and regulating tariff therein, and that the general secretary of the Providence Chamber of Commerce be, and he is hereby, instructed to forward a copy of this resolution to THOMAS L. RUBEY, chairman of the House subcommittee in charge of the bill and to the Senators and Representatives from the State of Rhode Island in the Congress of the United States."

Respectfully yours,

CLARENCE A. COTTON,  
General Secretary.

[Telegram.]

ST. LOUIS MERCHANTS' EXCHANGE,  
St. Louis, Mo., January 11, 1916.Hon. THOMAS L. RUBEY,  
Washington:

On behalf of officers and members Merchants' Exchange of St. Louis urge you to use your best efforts to secure immediate reporting of Moss grain-grades bill by committee. Moss bill of great importance to grain and milling interests.

EUGENE SMITH,  
Secretary.

The executive committee of the Texas Grain Dealers' Association, in session April 22, 1916, passed a resolution instructing the secretary to take up with the Senators and Congressmen from Texas the matter of urging the passage of the Rubey bill or the grain-grades act at this session of Congress.

At the annual convention of the Western Grain Dealers' Association, held at Cedar Rapids, Iowa, April 14-15, 1916, O. K. Morrison, of South English, Iowa, read an instructive paper on grain-trade efficiency, in which he said:

Grain should be bought by grade, the same as it is sold. Paying the same price for all kinds of oats or other grains is one of the most damaging influences against the work that is being done to have better grain raised and to have better care after it is raised. Don't be too hasty in naming the grade on the grain. You can't do it by glancing at it. That is nothing more than guesswork, and guesswork is often very expensive. It would seem that there is considerable guesswork in the terminal markets, from the frequent notices we get that the grade has been raised or lowered. It is true that many times carloads can not be properly graded on account of being too full or some other good reason, but I can see no good reason why the grain can not be properly graded when delivered in wagons to the elevators.

The membership of the Western Grain Dealers' Association includes the regular grain dealers of the States of Iowa, Nebraska, and South Dakota.

At the annual convention of the Western Grain Dealers' Association, held at Cedar Rapids, Iowa, April 14-15, 1916, the following resolution was adopted:

Whereas there is pending before Congress the Rubey bill, which bill is substantially the same as that known to the trade as the Moss bill, or grain-grades act; and

Whereas this association has heretofore gone on record as favoring the Moss bill, which is designed to bring about supervision of grain inspection by the Federal Government:

*Resolved*, That we reaffirm our position with reference to this bill, which has been favorably reported by the House Committee on Agriculture and is now on the calendar awaiting action.

The membership of the Western Grain Dealers' Association includes the regular grain dealers of the States of Iowa, Nebraska, and South Dakota.

The National Council of Farmers' Cooperative Associations made the following recommendations to the Secretary of Agriculture concerning the inspection of grain:

We, the National Council of Farmers' Cooperative Associations, in special session, Chicago, December 10, 1913, having duly considered the wishes of our constituents in several States as expressed by them in letters and in personal interview, respectfully submit the following recommendations to the Secretary of the Department of Agriculture of the United States of America: We recommend that a law be enacted by Congress of the United States providing—

First. That the inspection of grain entering into interstate commerce shall be made by the Federal Government.

Second. That the chief and all other inspectors shall be appointed under civil-service rules.

Third. That the rules of the pure food and drugs act shall not be applied to grain in its natural state.

NATIONAL COUNCIL FARMERS' COOPERATIVE ASSOCIATIONS,  
J. W. SHORTHILL, President.  
H. W. DANFORTH, Vice President.  
W. J. RAY, Secretary.

The National Council of Farmers' Cooperative Associations is composed of State associations of farmers' elevator companies in Illinois, Iowa, Minnesota, South Dakota, and Kansas.

Mr. H. W. Danforth, president of the National Council of Farmers' Cooperative Associations, in his address at the third annual meeting on November 20 to December 2, 1915, of the National Conference on Marketing and Farm Credits in joint program with the National Council of Farmers' Cooperative Associations, made the following statement relative to grain-standardization legislation:

The farmers' cooperative elevator companies have long demanded the standardization of grades for all grain, and Federal inspection of same. About a year ago corn grades were adopted and standardized by the United States Government, and they have worked a remarkable change in the handling of this commodity. Any manager of a farmers' elevator company can readily place a sample of corn in its right grade with the assurance that if he has done his work carefully it will correspond with the grading by the inspectors at the terminal point.

Mr. Danforth also stated that—

At the present time there are in Illinois 305 farmers' elevator companies; in Iowa, 394; Minnesota, 345; South Dakota, 433; Kansas, 242; and Nebraska, 271. The total membership in these seven States is approximately 275,000 to 300,000 farmers. Many farmers' elevator companies have been organized in Michigan, Montana, Washington, Ohio, Oklahoma, Wisconsin, Missouri, Indiana, and Texas; in all, about 347 companies.

At the time of Mr. Danforth's address the last-named group of States had not yet organized State associations, but since that date the farmers' companies of the States of Ohio and Indiana have organized very active State associations, with considerable increase in the membership of the companies.

In a report of the National Association of Farmers' Cooperative Companies, held at Sioux City, Iowa, May 7-8, 1914, the following resolutions were read and adopted:

To the officers and members of the National Managers' Association now assembled, we, your committee on resolutions, beg to submit the following for your consideration and approval:

*Resolved*, That we approve of a Federal standardization of grades for grain, and favor the Government taking such steps as will bring this about.

*Resolved*, That we favor Federal supervision of grades.

The National Farmers' Association, at a convention held in Kansas City, February 21-23, 1916, adopted a resolution asking for a system of inspection, weighing and grading grain, hay, cotton, and other farm products that shall be uniform and under Federal control.

Farmers' Grain Dealers' Association of Illinois, in the report of the secretary, A. N. Steinhart, to their convention, which met February 16-18, 1915, says:

The new corn grades have been established, and no one has been hurt. Grade alone can not change values on the same class of grain, no matter by what number or name designated. The new grades have, however, brought a concerted effort on the part of grain growers to market a better and cleaner coin. This will tend to keep the market clear of a glut of dirty, low-grade stuff. Everybody will benefit, a great loss and waste will be eliminated, and the general price will be better. What we now need is Federal inspection to determine the grades in all cases, a method which will place men in charge of this work that need not necessarily be residents of the cities in which terminals are located; men who are free from all local influence and who are beholden only to your Uncle Samuel for their places and their action, such men as we have in the postal and revenue service. When this sort of inspection is in vogue there will be a chance that pure grain will go into the public warehouse under the same grade at which it goes out, and also that the grade will be as nearly uniform at all markets as human judgment can determine. Your association, through the national council, is working for this sort of inspection. They are going to get it for you, too.

## The association adopted the following resolution:

That we favor the Federal inspection of grain that we may have uniform inspection of grain throughout the country.

The Farmers' Grain Dealers' Association of Illinois in their meeting held February, 1915, adopted the following resolution:

Resolved, That we favor the Federal inspection of grain that we may have uniform inspection of grain throughout the country.

Iowa Farmers' Grain Dealers' Association at their convention held at Waterloo, February, 1914, adopted the following resolution:

Resolved, That we recommend to the national council to take up the question of inspection of grain with our Senators and Representatives and urge them to do all within their power to secure a law providing for the Federal inspection of all grains handled in interstate commerce.

Iowa Farmers' Grain Dealers' Association at their annual meeting held at Mason City February 9 to 11, 1915, adopted the following resolution:

Resolved, That we are most emphatically in favor of Federal inspection of grain.

The Farmers' Grain Dealers' Association of Iowa at their 1916 convention held in Des Moines on February 15, 16, and 17 adopted the following resolution:

*Be it resolved by the Farmers' Grain Dealers' Association of Iowa, representing 40,000 members as follows:*

"That as the Government has established uniform grain grades, which have proven practical;

"Therefore this convention strongly indorses an efficient law for the grading of grain."

Kansas Farmers' Cooperative Grain Dealers' Association, at a meeting of the managers of the Kansas Farmers' Cooperative Grain Dealers' Association at Turan, Kans., May, 1914, adopted the following resolution:

Resolved, That the Farmers' Cooperative Grain Dealers' Association of Kansas in convention assembled hereby express themselves as urging Federal grades and inspection of grain on all interstate shipments, and that all appointments of grain inspectors be made on competitive examination under the civil service.

Kansas Farmers' Cooperative Grain Dealers' Association at their meeting held March, 1915, adopted the following resolution: Whereas we believe that Federal inspection of grain will guarantee uniformity of grain and would protect the producer, distributor, and consumers in all markets: Therefore be it

Resolved, That we indorse Federal inspection under civil service.

Minnesota Farmers' Grain Dealers' Association at their annual meeting held in Minneapolis, February, 1914, adopted the following resolution:

Whereas there is a wide difference in the results of grain inspection at different times in each year in the same markets which are unfair to the shippers of grain: Therefore be it

Resolved, That we request that the Federal Government establish uniform inspection for all grains in all markets.

South Dakota Farmers' Cooperative Association at their annual convention held in Aberdeen, December, 1914, adopted the following resolution:

That we firmly believe in the justice of our claim when we demand full Federal inspection and grading of grain and seeds at terminal markets.

South Dakota Farmers' Cooperative Association, at a meeting held in December, 1913, adopted the following resolution:

Whereas conditions surrounding the inspection of grain entering into interstate commerce are open to severe criticism because of the local influence that manifests itself, and the charges of a rigid inspection in, and an easy inspection out, that in the absence of standard grades inspection is permitted at any and all grain centers, thereby subjecting shipments to the judgment of different inspectors while in transit from the shipper and producer to the seller or consumer. That cars grading No. 1 at one point may grade No. 2 and even No. 3 before reaching its destination. This has a demoralizing effect on the grain trade, and confusing to the shipper until the shipper is unable to establish a grade on his shipment with any degree of accuracy; and

Whereas a uniform grade established for the entire country, and inspected by a board appointed by the Federal Government under the civil-service rules, would tend to reestablish confidence in the entire grain trade, and form a basis upon which to adjust differences between shipper and seller or buyer: Therefore be it

Resolved, That a law be enacted by the United States Congress providing for Federal inspection, standardization of grades, and weighing of grain entering into interstate commerce.

THE FARMERS' COOPERATIVE ASSOCIATION OF  
NORTHWESTERN OHIO,  
Malinta, Ohio, April 11, 1916.

Hon. THOMAS L. RUBY,  
Washington, D. C.

DEAR SIR: At a meeting of the Farmers' Grain Dealers' Association of Ohio, held in the city of Toledo, Ohio, March 13, 1916, nearly 200 delegates from 65 farmer elevator companies, representing about 15,000 farmers of this State, adopted the following resolutions:

"We, the representatives of the cooperative grain dealers' movement in Ohio, in convention assembled, partially express our sentiments in the following resolutions, to wit:

"That we urge the passage by both the House and the Senate of the United States House bill No. 10405, known as the 'United States grain-grades act,' introduced by Congressman THOMAS L. RUBY, of Missouri." \* \* \*

## EUROPEAN COMPLAINTS OF AMERICAN INSPECTION.

For nearly a score of years the Agricultural and other Federal departments have been receiving complaints from Europe relative to the unsatisfactory quality of grain received from the United States. These complaints are not isolated cases, but are of such numbers and from such sources as to indicate clearly that the dissatisfaction and lack of confidence on the part of European receivers of American grain is quite general. The complaints are from the principal markets in England, Scotland, Denmark, Germany, Holland, Belgium, France, and Italy.

In this connection it is important to note that practically all of the grain exported from our Atlantic and Gulf ports is under a contract of "American certificate final." In this respect the United States occupies a unique position, as all other countries exporting grain to Europe are obliged to sell on a contract that in substance guarantees delivery in good condition. Under a contract of "American certificate final" the European buyer is without redress. It would appear that when forced to buy under such a contract the European importer would have just cause for complaint if the certificate of inspection called for a No. 2 corn and at time of discharge the cargo were found to consist of No. 3 or No. 4, it having been admitted by one of the large exporters in the hearings on this bill that No. 3 and sometimes No. 4 corn was bought in the West and exported as No. 2, the grade being raised at the seaboard. It is claimed by many that the price of grain in the United States is based upon the price paid in the Liverpool market, the great commercial center of the grain trade of the world. If this be true, and but few doubt it, then, indeed, the pernicious practice of shipping inferior grain to Europe and selling it as of a high grade has resulted in the loss of millions of dollars to the grain farmers of America.

In a letter from the Agricultural Department under date of March 4, 1916, in response to a request for information relative to complaints of European buyers with American grain certificates, the situation is covered in the following statement:

So far as this department has been able to make an investigation of the grain-export situation, the results show that the complaints of European grain exchanges, grain dealers' associations, and individuals have been well founded. It is a matter of much regret that our export grain has been below the quality required for a similar grade of grain for domestic commerce, and that a high percentage of the export cargoes, especially of corn, has arrived in Europe with at least a portion of the grain in a sour and heat damaged condition throughout, notwithstanding the fact that the corn was shipped under certificates of "No. 2 sail grade" or "prime sail," which is the highest grade of corn that the European buyers can purchase in the United States.

While it is true that some of this deterioration is directly traceable to improper stowage rather than to a too liberal inspection, there can be no doubt but that after repeated experiences of this nature European importers will not and do not bid as high a price for grain covered by certificates in which there is such a widespread lack of confidence as they would be willing to bid for the same grade of grain if they had due assurance of receiving grain of the quality called for by the certificates under existing published grade rules. It is likewise clearly evident that this lack of confidence in the American certificates must revert to our grain producers in that the price received by our farmers for their grain is in a large measure, under normal conditions, governed by quotations from Liverpool. In other words, the price for which our surplus grain can be disposed of affects the price of the whole.

The serious nature of the foreign complaints, as well as the situation governing certificates issued at an interior market, can be remedied only through some central Federal authority, such as is provided for in the United States grain-grades bill now under consideration or through a measure of similar character.

Excerpts from a few of the more recent complaints will serve to show the widespread dissatisfaction and the lack of confidence in Europe with American grain certificates.

One of the most recent complaints, under date of March 8, 1916, reads, in part, as follows:

The Italian embassy begs to inform the State Department that in the last few months there have arrived in Italy from the United States quite a number of shipments of wheat which were found to be in a very poor condition, largely unfit for consumption, notwithstanding the fact that they were accompanied by regular inspection certificates.

\* \* \* These occurrences have created a most unfavorable impression in Italian commercial circles, where it is felt that some American exporters of wheat have not been dealing with that degree of correctness customary in commercial transactions.

In September, 1915, the Secretary of the Liverpool Corn Trade Association, in a complaint to the Agricultural Department, stated:

My directors are of opinion that a serious mistake has been made; that the wheat has been given a wrong description, the same being entirely soft; furthermore, the condition, being warm, stiff, and mildewed, shows that it was not merchantable before shipment, even under the most superficial examination. The grading certificates are consequently valueless, and I am instructed to ask if your department could bring its influence to bear with a view to protecting buyers on this side, as, if such shipments are allowed to be made, buyers may be ultimately compelled to decline to accept \* \* \* inspection.

In this connection it might be mentioned that as early as 1906 the dissatisfaction became so great that European buyers

for a limited period refused to accept grain covered by inspection certificates from two export markets on the Atlantic seaboard. Again, in 1911, similar action was taken against another market on the Atlantic seaboard.

Under date of October 15, 1913, the Secretary of the Hull Corn Trade Association wrote:

My committee are of the opinion that the step you have taken is one that will place business upon a proper footing; and, so long as the grades are fixed, and are not altered without due and proper notice, we can trade with a certain amount of confidence. My committee hope that when the grades are finally adopted that they will apply to domestic as well as export business. Since December, 1911, there have been practically no arrivals of American maize at Hull, one of the reasons being that buyers here do not care to take the risk of condition.

THE INCORPORATED CORN TRADE ASSOCIATION OF LEITH,  
*Leith, May 21, 1914.*

THE SECRETARY UNITED STATES DEPARTMENT OF AGRICULTURE,  
*Bureau of Plant Industry, Washington, D. C., U. S. A.*

Sir: I am instructed by the executive committee of this association to express its strong support of the contention of the London Corn Trade Association as to the necessity of obtaining Government official inspection certificates in respect of quality and moisture content of maize shipped from the United States to this country.

I am further to add that my committee is of the opinion that these are the only terms upon which this business can be done in future.

I am, sir, your obedient servant.

THOMAS W. —, Hon. Sec.

While no complaints have been received from Germany during the past two years, owing to failure to receive grain from the United States as a result of war conditions, excerpts from complaints prior to the opening of hostilities will show the dissatisfaction of continental buyers.

October, 1913, Bremen wrote:

We received your letter of September 23, addressed to the president of the Bremen Grain Exchange, concerning grain standardization, especially grading of corn.

First of all, we express our extreme satisfaction that the United States Department of Agriculture takes such steps as to fix definite standards of grain to the purpose to make an end to the uncertainty now existing and to remove the want of reliance in the certificates now in use at the American shipping places. The certificates of the inspectors of the grain exchanges of the United States shipping places (New York, Baltimore, and others) are considered on our side with the greatest possible distrust, as they are giving not the slightest security for the good condition of the grain shipped.

Hamburg Association, in June, 1911, wrote:

The private certificates you mention were accepted here, because importers are left in the dark as to which certificates deserve to be called official or trustworthy, which latter would be still more important in buyer's interest. Receivers over here have had such very bad experience with official Philadelphia, Baltimore, etc., inspectors that it comes pretty much to the same by whom the certificates have been issued.

EXTRACTS FROM A DETAILED REPORT OF THE LONDON CORN TRADE ASSOCIATION, THE LIVERPOOL CORN TRADE ASSOCIATION, AND THE NATIONAL ASSOCIATION OF BRITISH AND IRISH MILLERS, UNDER DATE OF NOVEMBER 29, 1915, RELATING TO THE DISSATISFACTION ON THE PART OF EUROPEAN GRAIN DEALERS AND MILLERS WITH AMERICAN GRAIN CERTIFICATES.

For many years European buyers of United States grain have expressed grave dissatisfaction with the conditions of trading in respect of the quality of grain exported or certificate. Matters have now reached a climax.

An ordinary buyer of goods is in a position not only to claim delivery of that which he had bought but to refuse acceptance of the article if the seller tenders him something which he had not bought, but the system of grading and selling on "certificate final" as practiced at present in the United States does not appear to proceed on these principles of elementary justice, for European buyers have to accept delivery. Furthermore, so far as this point of principle is concerned, a still more glaring case occurred a few years ago when German buyers had to accept in execution of contracts for oats a mixture consisting of 70 per cent oats and 30 per cent barley at a time when barley was worth in Germany 50 shillings per ton less than oats; for some certifying authorities in the United States had thought fit, without consulting anybody on this side of the Atlantic, to suddenly make alterations in their grading rules, permitting such admixture. The impropriety of such actions on the part of sellers would be minimized if monetary compensation were payable to the aggrieved parties, but under the prevailing system of trading such redress has been and is refused. Nor is the evil confined to the injury done. The most urgent representations from this side have hitherto failed to provide a remedy. On the contrary, when an international committee representing European receivers of grain brought their case to the notice of many American authorities issuing certificates as to quality of grain, the chairman of one replied: "He considered their first duty was to move their crop."

Prior to 1912 serious complaints were made against Canadian grading, but the Dominion grain act of 1912 and the administrative arrangements ancillary thereto, have effected very great improvements, so that all European buyers have now confidence in Canadian certificates, and though a great number prefer trading on sample or on standard, they acquiesce in the system of grading and its concomitant "certificate final," as established by Canadian law and carried out by Canadian practice. One very important fact which has greatly enhanced the reputation of Canadian grading is this. Both in the United States and Canada a large proportion of the crop is sold before it is reaped. The buyer should be in a position to rely upon the grading rules current at the time the deals are made; in other words, the grain, when it is reaped, should be graded on its intrinsic merits according to rules which should not be changed from season to season. Canadian law and practice embody this principle. When the weather has been bad during harvest in Canada, and the quality of the crop has therefore been depreciated, the statutory grades have nevertheless not been changed, and buyers have obtained grain of the quality they expected and had a right to expect. The London Corn Trade Association has

received so many complaints concerning American grading that it called a conference "to consider what improvements are advisable in the present methods of working American business, to which conference delegates from all interested parts of Europe" were invited. It was held in London on November 8, 1906. There was a large attendance of delegates from many British, Irish, and continental associations. The following associations and organizations were represented:

London Corn Trade Association; Liverpool Corn Trade Association; National Association of British and Irish Millers; Hull Corn Trade Association; Bristol Channel and West of England Corn Trade Association; Incorporated Corn Trade Association, Leith; Glasgow Corn Trade Association; Belfast Merchants; Sligo Merchants; Dublin Merchants; Irish Flour Millers' Association; Chambre Syndicale des Grains, Graines, et Farines, Paris; Association Syndicale et de Conciliation des Grains et Graines de la Région du Nord, Lille; Chambre Syndicale et de Conciliation des Grains et Graines, Dunkerque; Chambre de Commerce du Havre; Chamber of Commerce, Antwerp; Chambre Arbitrale, Antwerp; Associazione dei Commercio dei Cereali e Seme, Genoa; Verein der Getreidehändler der Hamburger Börse; Hamburg Merchants and Millers; Börsenvorstand der Börse zu Köln; Verein Rheinisch-Westfälischer Getreide-Importen; Commissie voor den Graanhandel, Amsterdam; Het Comité van Graanhandelaren te Rotterdam; Nederlandse Vereeniging van Meelfabrikanten, Rijswijk; Foreningen af Korn & Foderstof Handlers paa København Bors; Foreningen af Korn-og Foderstof-Importører i Jylland og Fyn, Aarhus; Mannheimer Produkten Börse.

An international committee was set up consisting of 14 members, 7 nominated by the principal associations of the United Kingdom and 7 by continental associations. This international committee held several meetings, some in London, one at Antwerp. Its first efforts were directed to the establishment of uniform rules for grading of grain at all United States ports and grain centers, and to providing, under conditions designed to exclude all small and frivolous claims, machinery for arbitration in cases of misgrading, accidental or intentional. Among the resolutions carried at the meeting held on January 24, 1907, are the following:

"That this European international committee calls upon the boards of trade and commercial exchanges of the United States of America and Canada issuing certificates to draw up uniform rules for the grading of grain for export at all their various ports and grain centers. Further, that the said certifying bodies are requested to send to this committee for agreement such rules properly authenticated. When mutually agreed upon those rules are not to be altered, unless by mutual consent."

"That the certificate of any railroad, elevator, or private trading company or person shall not be recognized."

The committee then entered into communications with many American bodies issuing certificates as to quality of grain.

The Baltimore Chamber of Commerce wrote:

"Our board has already advised Europe that we counted full investigation as to our system, but as this chamber can not control the grading in other markets, we are not able to enforce uniform grading as applied to other United States markets."

The New Orleans Board of Trade wrote:

"The feasibility of establishing some system of uniformity in the grading of grain at exporting centers can not be questioned. The export grain exchanges, as well as the exporters themselves, should favor the taking of some action which would result in the protection of their interests and trade."

The New York Produce Exchange in February, 1907, wrote:

"It is known to you and all interested in the American grain business that at the last convention of the National Grain Dealers' Association, held at Chicago in December last, at which were gathered representatives from some 35 American commercial exchanges and boards of trade, also a representative from the Agricultural Department at Washington, it was unanimously resolved by the delegates there present to urge the adoption by all the American markets, both inland and seaboard, of uniform grades for grain both as to phraseology and quality requirements, and also the further adoption of methods to insure the appointment and supervision of properly qualified inspectors. To all the above the committee on grain of the New York Produce Exchange has given its hearty approval. Through the convention's subcommittee a tentative list of grades with quality requirements was submitted, and this tentative list as a basis is now before the various exchanges for their consideration."

The merits or demerits of a system of grading are not ascertained on a crop harvested under favorable conditions. Between the crops of 1908 and 1914 trade with European buyers in United States grain languished. Then came the very favorable harvest of 1914 and an exceedingly large trade in United States grain, due, among other causes, to the fine quality of the hard winter wheat. Even then there was cause for complaint as to irregularities in grading, but on the whole the buyers were satisfied.

In that state of mind they made large purchases of the 1915 crop, and it is important to note that the first arrivals of that wheat were satisfactory. Such wheat would to-day command a ready sale on our markets, for millers in the United Kingdom much desire to keep such wheats in their current mixtures, and doubtless the quality of these early arrivals induced buyers on this side to greatly increase their purchases. By the later export of grossly inferior and improperly graded wheat some United States shippers have secured an immediate advantage, for the system of grading and trading on "certificate final" appears to protect them from loss of monetary advantage on contracts then existing, but the loss of good repute is serious and deplorable. Buyers can not be fleeced with impunity. A buyer suspicious and unwilling can not be a satisfactory source of profit to the seller. For years past Canadian wheat has realized substantially higher prices in European markets than the corresponding grades of United States wheat, and the climax has now been reached in this further sense, that European buyers are restricting their present purchases of graded wheats almost exclusively to Canadian produce. It is indisputable that in normal times, when the harvests in the producing countries are favorable, the state of affairs which has led to the present complaints will militate strongly against American certificated wheat obtaining its proper intrinsic value in competition with those of other countries. It is hard to believe that even those sellers who are dominated by consideration of merely personal advantage can be satisfied with this state of affairs, and it must be in the highest degree unsatisfactory to honorable traders in the States who have to suffer for the misdeeds of the unscrupulous ones.

The want of uniformity in a system of grading must result in a lowering of the value of the whole crop, for buyers naturally base their

price on the poorest quality they may receive. Separate grading by different ports tends to the lowering of the grades in the endeavor to secure trade.

The chief point we desire to emphasize is that grain should be graded on its intrinsic merits according to standards which should not vary from season to season. Uniformity of treatment should be accorded to domestic and foreign buyers.

NATIONAL ASSOCIATION OF BRITISH AND IRISH MILLERS.

A. B. GRIPPER, Esq.  
London Corn Trade Association, 28 St. Mary Axe, E. C.

DEAR SIR: Your letter of the 12th instant, with reference to complaints of many shipments of No. 2 hard winter wheat from United Kingdom and continental buyers was considered by the council of this association at their meeting held yesterday, and the following resolution was passed:

"That the London Corn Trade Association be requested to interview the American ambassador, bringing through him to the notice of the United States Government the serious irregularities in recent deliveries of United States certificated wheat and the desirability of establishing the Federal grading of wheat."

Yours, faithfully,

ARTHUR E. HAWKER, Secretary.

OCTOBER 28, 1915.

JOSEPH RANK (LTD.), BALTIC HOUSE,  
Leadenhall Street, London E. C., November 11, 1915.

A. B. GRIPPER, Esq.  
Secretary London Corn Trade Association,  
28 St. Mary Axe, E. C.

DEAR SIR: We send herewith a delivery sample of so-called No. 2 hard winter wheat, inspection ex the steamship *Milwaukee*. This was delivered to us this week under the official certificate.

We may say that the sample, on account of being out of bulk some time, has cooled off, and probably improved in other respects, but we think that the quality shown by it is sufficient to prove that the wheat is in a shocking condition. It is sour, hot, full of heated corns, as well as being very badly grown, and we think that as this delivery is not an isolated experience some steps should be taken by your association to protect receivers in the United Kingdom against a repetition of deliveries of this nature.

We can not protest too strongly with regard to this delivery, as, seeing we buy on certificate final, we naturally put ourselves in (their) hands. \* \* \* and if they treat the buyers in this country in this way by grading wheat as No. 2 hard \* \* \* which is of the description given it is time receivers refused to accept their certificates. \* \* \*

Yours, truly,

JOSEPH RANK (LTD.).

ROTTERDAM.

To the SECRETARY OF THE LONDON CORN TRADE ASSOCIATION,  
Exchange Chambers, 28 St. Mary Axe, London E. C.

DEAR SIRS: The Nederlandsche Vereeniging van Meelfabrikanten and Het Comite van Graanhandelaren te Rotterdam received a similar letter from you dated 12th October about complaints of many shipments of No. 2 hard winter wheat, and we being the only receivers of all the wheat coming into Holland during the war for account of the Dutch Government they put the question to our hands to deal with.

We are sending you to-day different samples of No. 2 hard winter wheat, representing all the hard winter wheat we received from America up till now from the crop 1915. The samples are taken from the following steamers when discharged: Steamship *Gorredijk* and steamship *Rotterdam*. We had many complaints about the wheat ex steamers *Beekbergen*, *Costerdijk*, *Westerdijk*, *Rijndam*, *Maartensdijk*, *Amsteldijk*, and *Veendijk*. The complaints are not only to the bad smell but also to the mixture of other kinds of wheat, so that we can not rely upon the certificates, as we used to before the war.

Yours, faithfully,

VAN STOLK'S COMMISSIEHANDEL.

OCTOBER 19, 1915.

(Extract from letter received from Van Stolk's Commissiehandel, Rotterdam.)

NEW NO. 2 HARD WINTER WHEAT.

160 HIGH STREET,  
Hull, October 27, 1915.

The SECRETARY HULL CORN TRADE ASSOCIATION (Ltd.),  
Hull.

DEAR SIR: We beg to inclose certificates for 8,000 bushels per *Marengi*, one sample herewith; 16,000 bushels per *Mendip Range*, one sample herewith; 16,000 bushels per *Bassano Range*, two samples herewith.

These shipments arrived in wretched condition and we understand the whole question of such shipments is being taken up by your association.

We have got into great trouble with our buyers, allowances of 4/- per qr. on the two first-named shipments and 5/- per qr. on the other being claimed. All the parcels contained a heavy percentage of sprouted as well as heated grain; the *Bassano* was badly heated throughout and more than half the bulk is quite useless for milling purposes.

Yours, truly,

KEIGHLEY, MAXSTED & CO.

BERGEN, October 14, 1915.

Messrs. GILL & FISHER,  
Baltimore.

DEAR SIRS: As you will have seen from our different cables regarding the hard winter wheat received per steamship *Fram*, the receivers are "terror struck" by the quality and condition of the wheat, and we must admit they are right to feel so. The wheat in steamship *Fram* was heated to the extent that they were obliged to pick and carve it out with packers and spades, and it can absolutely not be used for human food as it is now, and it is a question whether it can be used after being dried and washed—even mixing only a small portion with good wheat. It is incomprehensible to us how your authorities can give certificates for such wheat for hard winter No. 2, and our buyers want samples sent to the London Corn Trade Association and have the question settled there if you should not be willing to settle

same amicably. The captain of steamer *Fram* has told here that the wheat was warm already on loading in Baltimore. Is this possible?

Yours, faithfully,

A/S MOHN & SONS LTD.,  
JENS. F. KONOW.

Continuing, the report of the London Trade Association says: The system of selling wheat on the basis of "certificate final" is peculiar to the Atlantic coast of North America.

In Russia a seller of grain for export sells on a sample which is sealed and remains available for use as a basis for comparison when the goods are delivered and for arbitration when the buyer claims that the delivery is inferior to the sealed selling sample.

In Argentina grain is sold on the basis of a guaranteed natural weight per bushel, and allowances are paid on a definite scale should the wheat delivered be inferior to the natural weight sold. An average of each kind of grain shipped from different districts during different months is made up in London, and the buyer is entitled to find the quality of his delivery, after taking into consideration any allowances he may have had in connection with natural weight, to be equal to that of the average of other grain shipped from the same district during the same period.

In India wheat is sold on the basis of analysis, and, after the wheat has been analyzed on arrival in this country, the buyer is paid for any admixture of dirt or foreign matter. Fair average quality samples are made up just as in the case of Argentina, and buyers are entitled to claim if they consider their deliveries are inferior to those of the average shipped.

In Australia standard samples are made up in each colony at the beginning of the season, representing the average of the wheat which they will ship. These samples are sent to London and sales are made on the basis of these samples. A buyer is entitled to claim for an allowance at arbitration if he considers his delivery is inferior to the standard sample sent by the chamber of commerce of the port or State from which his wheat was shipped.

It is noteworthy that in California and Oregon, United States of America, competent authorities make up standard samples of current grades and the buyer is entitled to claim an allowance for inferiority of quality at arbitration, just as in the case of Australia.

Although the countries above mentioned do not use the "certificate final" method of selling their wheat, it is generally agreed that the "certificate final" method, if properly carried out, is the most convenient and altogether the most simple method of all; but the inspection must be absolutely impartial and buyers must have implicit confidence in the integrity and skill of the grading authorities.

A careful study of the foregoing complaints coming, not from one but from every great European country, should convince any fair-minded man of the necessity of prompt and effective legislation by this Congress to the end that these abuses may be speedily corrected. The European market is the great world market upon which our farmers must depend for the sale of their surplus products. The passage of the pending bill will, I am satisfied, correct these abuses in our export trade, and with the grain of our country inspected and graded under Government supervision the markets of Europe will again be open to us under the most favorable conditions. Our producers will be able to meet the producers of other countries on fair and equal terms, and that is all they ask.

In our own fair land the passage of this act will be hailed with delight by the farmers who produce the grain, by every honest grain dealer and elevator man who purchases direct from the farmer at first hand, by every miller, and by every exchange and board of trade composed of men who seek to do an honorable and legitimate business in the grain trade.

Mr. LEVER. Mr. Chairman, how much time remains?

The CHAIRMAN. The gentleman from South Carolina has five minutes and the gentleman from Iowa [Mr. HAUGEN] has three minutes.

Mr. HAUGEN. I yield the balance of my time to the gentleman from New York [Mr. SANFORD].

Mr. SANFORD. Mr. Chairman, I offer the following amendment: On page 40, in line 24, after the word "shall," insert the word "plainly." On page 41, line 1, after the word "him," where it first appears, insert the words "upon the face thereof."

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amend, on page 40, by inserting after the word "shall" in line 24 the word "plainly"; and on page 41, after the word "him," in line 1, insert the words "upon the face thereof."

Mr. SANFORD. Mr. Chairman, I should like to persuade the chairman of the committee [Mr. LEVER] to accept this amendment. I will tell him my reason. Not long ago I had in my office while I was a district attorney some million dollars' worth of splendid looking negotiable bills of lading issued by one of the greatest railroads in this country. I had them for a long time locked up in my safe. I was not at all nervous about them. They were perfectly regular, negotiable bills of lading upon their face, but they were not worth the paper they were written upon. It happened in this wise: The freight agent of that great railroad got very friendly with the greatest shipper in our section of the country. Whenever the great grain-shipping firm became a little low in funds they would go over to the freight agent and he would give them a few hundred thousand dollars' worth of fine, yellow bills of lading, and they took them over to our biggest

bank, which advanced money upon them. They were old accomplished bills of lading negligently left lying around uncancelled. The bank lost vast sums of money loaned on the faith of these worthless papers, and there was a great scandal there in my town. The history of that affair taught me that the point where legislators should be careful is that these documents, which are the foundation of a great part of the finance of this country, should be guarded as pure gold.

Mr. LEVER. Will the gentleman yield?

Mr. SANFORD. Yes; I yield.

Mr. LEVER. I think the gentleman and I may get together on this amendment. I think the gentleman's amendment probably is not stated as accurately as it might be. Let me call his attention to this suggestion: In line 24 make it read, "shall plainly cancel," and then take the words which the gentleman has sought to insert on the other page—

shall plainly cancel upon the face thereof each receipt.

I have no objection to that.

Mr. SANFORD. I will take it either way.

Mr. LEVER. Suppose the gentleman withdraws his amendment and offers it in the other form.

Mr. SANFORD. I think my wording is just as good. I looked at it carefully, but I will take yours if you will accept the amendment.

Mr. LEVER. I will accept it.

Mr. HAMILTON of Michigan. I should like to ask the gentleman if he got his money back on his bills of lading?

Mr. SANFORD. I am glad to tell the gentleman that I had no personal interest in all those bills of lading in my safe, and one day the bank sent up for them, and I found about half of them. The other half had been scattered. We finally got most of them together. They wanted them as tokens.

The CHAIRMAN. The clerk will report the modified amendment.

The Clerk read as follows:

Amendment by Mr. SANFORD as modified: On page 41, in line 24, after the word "shall," insert the word "plainly," and after the word "cancel," insert the words "upon the face thereof."

Mr. LEVER. I will say to my friend that I have no objection to the amendment.

The CHAIRMAN. Under the rule the vote on the amendment will be taken at the conclusion of the debate.

Mr. LEVER. Mr. Chairman, I yield to the gentleman from California [Mr. CHURCH].

[Mr. CHURCH addressed the committee. See Appendix.]

Mr. LEVER. Mr. Chairman, this bill undertakes to do three things: First, it seeks to standardize warehouses in this country with a view to reduce as much as possible the insurance rates upon such warehouses and upon the products stored therein. There is a great divergence of insurance rates on warehouses in this country, due largely to the fact that there is no proper standardization.

It undertakes, in the second place, to standardize the methods of grading farm products with a view to give most impartial and accurate grade to all agricultural products. The system of grading in this country is likewise absolutely understanding, with the result that agricultural products are suffering greatly because of it. We are undertaking here to have a system of grading for the same kind of product in every community in which that product is raised.

In the third place, it undertakes to standardize warehouse receipts on agricultural products so as to give them collateral value for borrowing money, for taking advantage of the Federal reserve act which they do not now possess.

There is no reason in the world why there should not grow up in this country a system of warehouses uniform in their character, uniform in their methods, with receipts uniform in all sections of the country for the same class of agricultural products. When that warehouse receipt issues on 10 bales of cotton in Lexington, S. C., it will be just as negotiable in Texas or New York as it would be if it was issued from a warehouse on 10 bales of cotton in Texas. Under the present hodgepodge system, which is no system at all, the farmer has no method of knowing the means by which he can take these products, store them, and in the end have some voice as to the price at which he is willing to part with them. That is the great fundamental purpose of this warehouse bill. It is an effort upon the part of Congress, upon the part of the Agricultural Committee, to give as far as we can greater strength, more uniformity, and greater negotiability to farm collateral paper, so men may borrow money upon easier terms, so the receipts may be standardized and interest may be cheaper and credit easier. So much for that.

I have no special objection, Mr. Chairman, to the amendment offered by the gentleman from New York [Mr. BENNET] and I have no special objection to the amendment offered by the gentleman from New York [Mr. SANFORD], but the other amendments I trust will be voted down.

The CHAIRMAN. All time for debate has expired and the question is upon the amendment offered by the gentleman from New York [Mr. BENNET].

The question was taken, and the amendment was agreed to.

The CHAIRMAN. The next amendment is the amendment of the gentleman from Michigan [Mr. McLAUGHLIN].

The question was taken; and on a division (demanded by Mr. McLAUGHLIN) there were 30 ayes and 38 noes.

So the amendment was rejected.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from Iowa [Mr. HAUGEN].

The question was taken, and the amendment was rejected.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from Pennsylvania [Mr. MOORE].

The question was taken, and the amendment was rejected.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from New York [Mr. SANFORD].

The question was taken, and the amendment was agreed to.

The CHAIRMAN. The question now is on the substitute offered by the gentleman from Minnesota [Mr. ANDERSON].

The question was taken, and the substitute was rejected.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from South Carolina.

The question was taken, and the amendment was agreed to.

The CHAIRMAN. When the committee arose the other evening there was an amendment pending offered by the gentleman from Oklahoma [Mr. FERRIS] and the Chair thinks there was a point of order pending.

Mr. LEVER. I had reserved the point of order. I would like to ask the gentleman from Texas if he can make a statement in five minutes?

Mr. SMITH of Texas. I think so.

Mr. LEVER. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. SMITH of Texas. Mr. Chairman, this amendment was offered by the gentleman from Oklahoma [Mr. FERRIS] at my request. Unfortunately I was sick at home at the time and could not be here. I regret very much that the gentleman from South Carolina has shown a disposition to make a point of order against this amendment, because I regard it as one of the most important to the arid and semiarid and subhumid sections of our country. This is an appropriation that has been made continuously for several years—I do not remember how long, but certainly for the last four or five years. I have not looked it up prior to that time.

This is an International Dry Farming Congress, to be held in the city of El Paso, Tex. That congress is made up or will be of delegates from all over the western arid section of our country and perhaps from foreign countries. There will be discussion of the processes of dry farming from a scientific standpoint. There will be many papers read and speeches made, no doubt, dealing with this scientific question in all of its phases, and it is very important and useful that the department, as heretofore, shall be permitted to make an exhibit of the investigations and processes that have been discovered by the Agricultural Department upon this very important question.

I doubt if \$20,000, the amount asked for in this amendment, could be better expended than for this purpose. I hope the gentleman from South Carolina will be as generous as he has been on occasions heretofore and not make the point of order against this item.

In this connection I ask unanimous consent to extend my remarks in the RECORD by inserting at this place a memorandum which has been furnished me by the Agricultural Department showing how that appropriation will be expended, if made, and for what purpose it will be used.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

The memorandum referred to is as follows:

[Memorandum.]

APRIL 28, 1916.

The appropriation is expended under letters of authorization from the Secretary specifying how it is to be used.

Used to collect and prepare exhibits illustrating the more important work of the bureaus and independent offices of the department of interest to farmers in regions where dry farming is practiced.

To collect and prepare for display data relating to methods practiced at the dry-farming stations of the department, photographs of stations and crops, and crop samples. In order to carry out the intent of the law as fully as possible, material and data showing the work and results secured at some of the State experiment stations along dry-farming lines is selected through personal interviews, adding much to the value of the exhibit.

The principal expenses are those incurred in collecting and preparing and installing the exhibits and making the necessary display cases and fixtures for showing them.

The transportation of the exhibits and of the necessary experts who install and demonstrate them forms another large but very necessary item of expense.

*Summary of expenditures by the Department of Agriculture under the appropriation "International Dry Land Congress, Tulsa, Okla., 1913-14."*

Salaries (covering the employment of carpenters, cabinet-makers, model makers, additional clerical assistance, and labor of all kinds necessary in the collection and preparation of material)	\$5,708.96
Travel, station, and field expenses (covering the transportation of persons collecting and preparing the exhibits and that of persons accompanying the exhibits to assist in their installation and demonstration)	4,265.00
Freight and drayage	1,919.09
Express	275.73
Equipment:	
Apparatus	\$55.85
Furniture, office equipment, etc	748.62
Miscellaneous	1,400.25
Rent of building in which to prepare material	2,204.72
Lumber, hardware, and other mechanics' supplies	1,158.49
Miscellaneous supplies	2,154.25
Miscellaneous services (principally assistance to agents in the field)	1,414.07
Total expenditures	19,120.31

Mr. MONDELL. Mr. Chairman, I hope that the gentleman from South Carolina [Mr. LEVER] will see his way clear to allow this item to be considered upon its merits and not insist upon the point of order. We have for the past five years, I think, been appropriating for Government exhibits at the International Dry Farming Congresses. Four years ago the congress was held in western Canada. Three years ago I think it was held in the State of Washington, two years ago at Wichita, Kans., last year in Denver, and this year the congress is to be held at El Paso, Tex. This is the most important agricultural meeting in all the West, if not in the country as a whole. The Dry Farming Congress, as its name indicates, has to do with the science of farming the lands of little rain. Very great success has been made in this line of endeavor, and this congress is devoted to the teaching of the scientific methods under which profitable crops may be grown on land which has a minimum of moisture. The funds which Congress grants are used for the purpose of exhibiting the dry-grown products of the State and Federal experiment stations in the semiarid regions, in the fabrication of cases and models, clearly illustrating the work of the Department of Agriculture of all sorts and kinds having to do with the growing of crops in the semiarid regions. I said a few days ago in the discussion of this bill that our hope for the future as a cereal-growing people was largely in the semiarid lands. We have already conquered, I think, from fifty to sixty millions of acres from the semidesert and made of them profitable farming lands. There are at least one hundred if not one hundred and fifty million acres which a few years ago were believed to be valuable only for pasture purposes, which by thorough and scientific methods of farming can be made to produce profitable crops. Dry farming increases the productive value of those lands from a range value of 50 cents per acre per annum, at the outside, to a productive value of from ten to twenty dollars per acre per annum, and in doing that it is as though we added that much to the domain of the country.

This Congress is organized to carry on the work of teaching how this conquest of the desert may be accomplished. They teach scientific methods of agriculture that conserve the moisture and the fertility and enable the farmer to produce from a soil that under ordinary conditions would be of little agricultural value a crop that is profitable and certain.

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

Mr. MONDELL. Yes.

Mr. CLINE. In whose hands is the expenditure of this money placed?

Mr. MONDELL. In the hands of the Secretary of Agriculture. He makes the exhibit.

The CHAIRMAN. The time of the gentleman from Wyoming has expired. Does the gentleman insist upon the point of order?

Mr. LEVER. Mr. Chairman, I regret very much that I must insist upon the point of order.

The CHAIRMAN. The point of order is sustained and the Clerk will read.

The Clerk read as follows:

Experiments and demonstrations in live-stock production in the cane-sugar and cotton districts of the United States: To enable the Secretary of Agriculture, in cooperation with the authorities of the States concerned, or with individuals, to make such investigations and demonstrations as may be necessary in connection with the development of live-stock production in the cane-sugar and cotton districts of the United States, including the erection of barns and other necessary buildings, and the employment of persons and means in the city of Washington and elsewhere, \$60,000.

Mr. BENNET. Mr. Chairman, I reserve the point of order on that.

The CHAIRMAN. The gentleman from New York reserves the point of order.

Mr. DOWELL. Mr. Chairman, a few days ago when the question was before the committee on the paragraph in the bill making appropriation for the control and eradication of hog cholera, some criticisms were offered to that provision of the bill, and some reference was made to this disease in Dallas County, Iowa, as well as in other counties of the State.

Since that discussion I have received a communication directly on this question which is so concise that I desire to read a few paragraphs of the letter to the House. This letter was written by W. L. Van Meter, president of the Dallas County Anti Hog Cholera Association, was dated April 25, 1916, and the paragraphs I refer to are as follows:

As president of the Dallas County Anti Hog Cholera Association for the past two years, I have been closely associated with the men in charge of this work in Dallas County, and I want to inform you of the beneficial results of this work. I am informed that the cost of the work in Dallas County has been less than \$20,000 annually, and I know that the benefits to the farmers of Dallas County alone have been many times greater than this amount.

The influence of the work in Dallas County has not been confined to this particular locality, but has been far-reaching. I feel it would be disastrous to the swine industry of Iowa should this work be handicapped by a lack of appropriation to support it. My judgment is that an appropriation should be made that would permit of the extension of the work over a large area in order that the territory now practically free of cholera may be further protected.

To my personal knowledge the automobiles furnished for this work have been used in a most scrupulous manner, and any criticism along this line is very unjust and unfair to the Government men at this station who have given such valuable service to the farmers of this county. They have given earnest, conscientious, and efficient service in the face of many adverse conditions, with surprising and encouraging results.

During 1912 the year before any Government assistance was given, 23.4 per cent of all hogs raised in Dallas County were lost from cholera. Since the inauguration of the campaign to demonstrate the best method for the control of cholera the losses have been rapidly reduced, until in 1915 only 1.5 per cent of all hogs raised were lost.

Mr. BENNET. Mr. Chairman, I have reserved the point of order on this paragraph for the purpose of asking the gentleman from South Carolina for an explanation, and in particular why it is that this appropriation of \$60,000 is limited to those sections of the United States which grow cane sugar and cotton?

Mr. LEVER. Mr. Chairman, the history of that is something like this: About two or three years ago a recommendation came from the Secretary of Agriculture for the establishment of an experimental farm in the sugar-cane and cotton districts, with the view of developing the live-stock industry in that section. When the appropriation was brought on the floor of the House the point of order was made to some portions of it, and it went out. It was offered in a little different form, and the gentleman from Louisiana, Mr. RANSDELL, now one of the Senators from Louisiana, made a very strong argument in favor of the retention of this item. It was retained in the bill. I think probably the original purpose of the undertaking has been somewhat extended, and I think it should be extended if we are going to carry it on at all. I may say this, that there is a large area in the sugar-cane and cotton districts of this country where there is a very great deal of fine, valuable forage that from year to year goes to waste.

We have made no extensive Government tests as to the value of that forage. Now, this item proposes to let the Government experiment in the use of native forage in the feeding of cattle and horses. Then they are conducting some experiments here and there in connection with the growing of hogs. They are doing that on a little farm of 500 acres which the State of Louisiana has furnished for the work. They have erected some buildings there, the exact cost of which I do not recall. In addition to that a portion of this fund is being used in what would ordinarily be known as live-stock demonstrations in cooperation with individual farmers in the State of Louisiana and in poultry work, hog and pig raising work, mule-colt work, and things of that kind. It is really a very important little item, and is on all fours with the station in North Dakota, where we are experimenting with trees and dry-land crops and things of that kind.

Mr. BENNET. Mr. Chairman, I will say to the gentleman that I am in sympathy with the purpose of this item, but I want to call the gentleman's attention to what seems to be a practical difficulty in the language. It reminds me of a situation that arose in the State of New York where they attempted to put a somewhat similar definition of law into the excise law. The language here is: "In the cane-sugar and cotton districts of the United States."

For instance, take the State of Missouri. The gentleman from Missouri [Mr. RUBBY] announced this afternoon, somewhat to my surprise, that Missouri was a cotton-growing State, and demonstrated to his own satisfaction, in a very charming way, that it was. Under this language could this appropriation be expended in any part of the State of Missouri, because in part of the State of Missouri they raise cotton?

Mr. LEVER. I will say to the gentleman very frankly that while there might be authority here to do it, I think the Committee on Agriculture would look very severely upon any part of this appropriation being expended there.

Mr. BENNET. Would it not be better to drop out the words "in the cane-sugar and cotton districts of the United States" and give the Secretary of Agriculture the authority to use this \$60,000 in making general investigations?

I want to call the attention of the gentleman from South Carolina to the fact that there is no part of the country more interested in having live stock increased than the great cities, where the price of meat is always a very burning and a serious question to thousands of families. I am perfectly willing to go along with the gentleman and broaden this item in the way I have suggested.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. LEVER. Mr. Chairman, I will say to the gentleman from New York that that is a very pertinent question. I suspect—although I do not recall the exact reason for this language—that the reason it was put in there was because in the estimates which carried this item first there was also an estimate for similar work to be done in the dry-land section of the country in North and South Dakota; and the location of that work was specified, just as the location of this work is specified in this language. I understand that the gentleman from South Dakota [Mr. GANDY] is about to offer an amendment couched in somewhat similar language, locating the work, however, in a definite section of the country.

Mr. BENNET. That could be avoided, if those qualifying words were stricken out.

Mr. LEVER. That is true; but I think, if you are going to have a few of these stations, you had better have them identified, for the benefit of the Department of Agriculture and for the benefit of Congress.

Mr. BENNET. The matter is very important. I am in favor of developing the live-stock industry in the South, in that particular section of the country where, I understand, 242,000,000 acres of land adapted to agriculture could be utilized. I am willing to do anything I can to develop it. I withdraw my point of order, Mr. Chairman.

Mr. LEVER. I am glad of that, because there is no section of the country that promises so much for live-stock raising on the farms as that section.

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

Mr. LEVER. Yes.

Mr. FESS. Is the live-stock raising rather to be a by-product of the cane-sugar activity?

Mr. LEVER. I would say not. I would say to the gentleman from Ohio that this work here is really an additional agricultural experiment station, devoting its activities and energies to the development of the live-stock industry of that section of the country. That is frankly what this is.

Mr. FESS. There is a by-product very prominent in beet-sugar making, is there not?

Mr. LEVER. Yes. There is also a by-product in sugar cane, and they are making experiments as to the value of it for feeding cattle and stock.

Mr. SLOAN. Mr. Chairman, reserving a point of order, I would like to ask the gentleman a question.

Mr. LEVER. Very well.

Mr. SLOAN. When was this first passed; was it not in the year 1914?

Mr. LEVER. I understand what the gentleman is driving at, and I will say to him frankly that it was right after the Underwood tariff law went into effect. That will save all discussion about it. [Laughter.]

Mr. SLOAN. Was it not passed originally as "first aid to the injured," following the enactment of the Underwood tariff law, as applied to the sugar-cane industry in Louisiana?

Mr. LEVER. I remember that was the gentleman's opinion at that time.

Mr. SLOAN. Was it not the opinion of the House?

Mr. LEVER. I can not testify as to the opinion of the House, but I remember the gentleman said so at the time.

Mr. SLOAN. The opinion of the chairman might be satisfactory on that point.

The CHAIRMAN. The chair is not authorized to express opinions that are not germane to this discussion. [Laughter.]

Mr. SLOAN. Then, we will assume, from the gentleman's attitude, and his failure to answer, considered with his means of answering, that it was for that purpose. Now, since that feature of the Underwood tariff law has been repealed, does not the gentleman think, the mischief having been removed, this appropriation should be discontinued?

Mr. LEVER. I think the gentleman's suggestion argues that if it argues anything. But after all, in all seriousness, the main purpose of the establishment of this work was to determine whether in that section of the country, which has an area covering a large section, we could really develop a live-stock industry.

Mr. SLOAN. But it was expected to make it a successor to the sugar-cane industry, which was expected to be destroyed.

Mr. LEVER. I do not know about that. I do not think that is correct.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HAUGEN. Mr. Chairman, I have no desire to prolong the discussion of the bill, especially at this late hour. However, I feel that this item should not be passed without at least referring to it, in order that the House may know for what purpose it was inserted. Exactly as the gentleman from Nebraska [Mr. SLOAN] has stated, it was for the purpose of relieving the distressed condition in the South caused by the passage of the Underwood bill. A Representative from the South, now a United States Senator, was open and frank in his statement. He came before the committee and called its attention to the distressed condition under the free-sugar provision of the Underwood bill. For that reason this item was inserted in the Agricultural appropriation bill. Now that the tariff on sugar has been restored, it does not seem to me that it is fair to continue this appropriation. As has been stated here, we appropriate money for the State experiment stations, for the cotton boll weevil, for vocational education, for the extension work, for the demonstration work, and for other purposes, and much of that money is available. Why, we have several hundred thousand dollars in this bill available for the very thing that is covered in this item; we already have duplication of work and waste of money in many paragraphs of the bill. Let us cut out at least one little item of \$60,000.

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

Mr. HAUGEN. I yield to the gentleman from Connecticut.

Mr. TILSON. I should like to ask the gentleman how the cotton districts were brought in as a by-product, or what by-product of cotton raising could be used in raising live stock?

Mr. HAUGEN. I know of no other reason than just to mislead, that is all. The gentleman who brought it to our attention based his claim on the destruction of the sugar industry of the South, and some one added the word "cotton." I do not know why it was added.

My colleague, Mr. Good, has called attention to seven employees from the department in the vicinity of this station hiring two automobiles, driving, I believe, 20 miles into the country, and there addressing a distinguished audience, not of farmers, but each other. If the people in that vicinity do not turn out to hear seven experts from Washington, is it not fair to assume that they will not go to this farm or be benefited by the experiments and demonstrations in live-stock production carried on in the cane-sugar districts. If not, why erect barns, purchase stock, and employ more persons, especially as another station is being maintained in the State, and where evidently but little interest is taken in the work done by the department.

Mr. TILSON. Will the gentleman yield to me to allow me to ask a question of the chairman of the committee?

Mr. HAUGEN. Yes.

Mr. LEVER. I am very glad to be able to state to the gentleman that one of the most valuable by-products of cotton is cottonseed meal, which is fed to cattle in large quantities.

Mr. TILSON. But that had been used for years.

Mr. LEVER. They are experimenting with that right now, and there are some very great problems which have to be worked out.

Mr. TILSON. That is, some new experiments, since the passage of this bill, in the use of cotton seed?

Mr. LEVER. Oh, yes; they are experimenting now on the use of cottonseed meal for feeding live stock.

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. HAUGEN. Yes.

Mr. MOORE of Pennsylvania. We have certain barns down there, have we not?

Mr. HAUGEN. Yes.

Mr. MOORE of Pennsylvania. And we have some live stock?

Mr. HAUGEN. Yes.

Mr. MOORE of Pennsylvania. The situation is this, that if we withdraw the appropriation of \$60,000 we lose our interest in the barns, I suppose?

Mr. HAUGEN. Oh, the thing to do is to dispose of them, sell them, get rid of them, just as any business man would do.

Mr. MOORE of Pennsylvania. Is it worth \$60,000 to hold on to our interest in the barns?

Mr. HAUGEN. Here is another illustration of the fact that once an appropriation is made there is no way of stopping it. Here is an appropriation made to meet a certain emergency existing at that time, but which does not exist to-day. As we all know, the tariff on sugar has been restored, which carries with it the restoration of the sugar industry of this country. Still we are asked to continue this appropriation.

Mr. MOORE of Pennsylvania. What shall we do with our interest in the barns?

Mr. HAUGEN. Mr. Chairman, I move to strike out the section.

The CHAIRMAN. The gentleman from Iowa moves to strike out the paragraph.

Mr. CULLOP. Mr. Chairman, I want to offer an amendment, in line 9, to strike out the words "in the cane-sugar and cotton districts of the United States."

The CHAIRMAN. The Clerk will first report the amendment offered by the gentleman from Iowa.

The Clerk read as follows:

Amendment offered by Mr. HAUGEN: On page 77 strike out the paragraph from lines 3 to 13, inclusive.

The CHAIRMAN. The Clerk will now report the amendment offered by the gentleman from Indiana [Mr. CULLOP].

The Clerk read as follows:

Amendment offered by Mr. CULLOP: Page 77, lines 9 and 10, after the word "production," strike out the words "in the cane-sugar and cotton districts of the United States."

Mr. CULLOP. Mr. Chairman, I am in favor of this paragraph. I think it ought to be amended so that this appropriation will apply to the whole country. The stock-raising industry is a diversified one and can be conducted in every State and Territory in the Union. Now, if it is important to encourage this industry in the cotton-growing districts and the sugar-cane growing districts, it is important to encourage it in every other section of the country. It is an industry which the country is very much interested to see that it be made as flourishing as possible.

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

Mr. CULLOP. Certainly.

Mr. HAUGEN. We now have an experiment station in every State in the Union. Does the gentleman believe it is necessary to establish another station and to duplicate the work that is being done by the station already established, which has been supported all these years? Why have two stations in a State? Is not one sufficient?

Mr. CULLOP. It is sufficient in my judgment.

Mr. HAUGEN. We have about a dozen items here which could cover this. Now we propose to add another one. We have a station in every State, and now we propose to add another one. If so, some one may suggest another one next year, and so on until we have two or more in each of the 48 States.

Mr. CULLOP. It is not compulsory under this provision that the work shall be duplicated. If there is a station in every State, as the gentleman from Iowa says, then we do not need this provision for the cotton-growing and the cane-growing districts.

Mr. HAUGEN. Therefore I say, strike it out.

Mr. CULLOP. I do not see why an exception should be made in favor of the sugar and cotton districts of the United States over the other sections of the country. I want to see no section preferred over another. If once inaugurated it would prove before long to be a dangerous policy and in the end a very harmful one.

Either the amendment I have offered ought to be adopted or the section ought to be stricken out on the motion of the gentleman from Iowa. It is just as important to grow stock in one section of the Union as it is in another. The stock-growing business ought to be encouraged, and I hope it will be, and the Department of Agriculture, as I believe, is the proper department to assist it. In view of the statement of the gentleman from Iowa, I shall vote for his amendment. I am glad

that it is expanding its usefulness by entering new fields of work, investigating conditions, and assisting the farmer in his work so that it will become more profitable and bring larger returns to those engaged in this important branch of industry, but I do not want to see one section have benefits which are denied to others. All should be treated alike.

Mr. CANNON. Mr. Chairman, there is much in this bill as it is amended that I do not understand, and yet I have had some knowledge of the growth of the agricultural appropriation bill. It is wonderful; we have adopted amendments here which might well have been considered by other committees, but we have agreed to them, and I suppose the bill will be passed with the amendments that we have adopted.

Nobody cares about being said to be against the farmers. The farmers are to be cared for. I represent an agricultural district, and I want to say to you—and I speak whereof I know, and I believe it will extend to a considerable portion of the States south of Mason and Dixon's line and north of the line—that the farmers do not need any guardian. [Applause.] And yet we have had trust busting; we have had all kinds of friendship and care extended to the farmer. I grew up in a farming country, I represented a farming country for 40 years, and if you think the farmers are a set of idiots or ignoramuses you are badly mistaken. They are amply able to take care of themselves. [Applause.]

Long before there was much work done on this Agricultural appropriation bill, and much that has been done I agree ought to be done, where sufficient knowledge is not had in the various communities, something new, I believe, it ought to be looked after, and it is well enough to look after it from the standpoint of Government appropriation. And yet long before this policy was thought of we knew how to raise cattle, we knew how to raise hogs, we knew how to grow corn, we knew how to grow wheat, we knew how to grow potatoes, and we knew how to cultivate strawberries. There were not as many lemons then as there are now; they have increased in quantity.

The truth of the matter is, in my judgment, understanding it to be true what the gentleman from Iowa has stated, that there is a score of appropriations here that may be utilized for the purpose that this appropriation is to be utilized, and for the purpose that any one of the score might be used in the service from the other 19 appropriations, assuming that there are 20 of them.

Now, query, how much of this appropriation is to be used in increasing the army of Government employees? But you do not have any monopoly I will say to you, my Democratic friends, of increasing the public service from the standpoint of public employment and employment of the numbers of people who are our respective constituents, and yet while we Republicans drifted along that way, you have seen us, you have called us, and you have multiplied it by 3 or 4 all in the name of economy. [Laughter and applause on the Republican side.]

Mr. LEVER. Mr. Chairman, I ask unanimous consent that debate on this paragraph and amendments thereto close in 10 minutes. I see several Members over there who are signaling for time, but I hope gentlemen will not press me too hard, for I have been as patient, I think, as any little man can be. [Laughter and applause.] There must be a limit some time, and I want to get this bill into the House this afternoon. If gentlemen want to strike this item out, I shall not shed any tears over it. It is well known what it is; the gentleman from Wyoming was here when it was put in the bill. I am ready to vote. I will ask unanimous consent, Mr. Chairman, that debate close in 10 minutes on this paragraph and all amendments thereto.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. MONDELL. Mr. Chairman, this item illustrates a number of things. First, it illustrates the fact that an appropriation once made and work started under it, there is no possibility, apparently—although I hope this will be an exception—of stopping it, even though the purpose or the excuse under which it was originally adopted has passed away. This item was a sop to the Democratic brethren of Louisiana, whose industry was threatened by a foolish provision inserted in the Underwood tariff bill. That error has been rectified, not because the gentlemen on the other side have learned anything, but because they have been confronted by the stern necessity of securing funds with which to run the Federal Government.

It illustrates another thing; it illustrates how the evil effects of Democratic blunders go on forever, or at least for a lamentable length of time, even when the blunder has been belatedly rectified. My Democratic brethren set about to destroy a great American industry, and they legislated in a way to do it very

effectively. Something had to be done. Some pretense of effort must be made in order to give the brethren of Louisiana who still desired to remain faithful an excuse to do so, and they made this appropriation.

Now, the free-sugar error has been rectified, not by any virtue on the part of our friends on the other side, but by the logic of necessity, and yet the reason or excuse for the appropriation having passed away, this waste of public money following that Democratic folly seems destined to go on indefinitely.

Unless we strike it out to-day this appropriation will stand in this bill as a monument to Democratic economic folly. They say that somewhere in eastern Russia there stands a tall grenadier on guard in an open field, and yet for a hundred years there has been nothing there to guard. He stands there as a monument of a former need or necessity of a hundred years ago, and so this will, I suppose, stand prominently as a monument to Democratic folly unless we strike it out.

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

Mr. FESS was recognized.

Mr. LEVER. I wonder if the gentleman from Ohio would give me two minutes of his time.

Mr. FESS. I will.

Mr. LEVER. I thank the gentleman.

Mr. FESS. Mr. Chairman, I think it is a well-established principle that a diversity of industry is one of the most essential principles of prosperity in any community, and any community that is limited to one industry alone must of necessity suffer not only from the dangers of a failure now and then but from the lack of diversified life. From the very time the southern country limited its production to cotton to the exclusion of other production it became more or less dependent. That section needs most a greater variety of production from the farm. The trend in the greater variety has set in and is promising. It is one of the things that I have ever insisted upon, not as a man who knows from personal observation anything of the situation, but as I read it from reports that are made. Uniformity of production compels dependence for consumption upon other sections. For that reason I hope that there will be an increase of diversity in that section, not only in the addition of live stock, but other production of the farm, as well as a stimulation of all lines of industries. I wanted the time to simply say that it does not seem to me that that function belongs to the National Government, but that ought to be left to the people of the States. If it should receive any governmental aid, it should be the State immediately affected. We ought not to spend money from the standpoint of the General Government to diversify the industry in any section. I am not averse to an expenditure of public funds to open up arid lands or reclaim waste country, but I am averse to this proposal. I do not believe it is a good policy for the Government to enact a law destroying an industry, such as the cane-sugar industry of the South destroyed by the Underwood bill, and then, as a recompense, come in and pass an appropriation of \$60,000, as herein proposed, to discover whether live stock can be substituted for what was destroyed. Live stock is a legitimate industry of the South, and should be encouraged, but it is not wise to destroy another equally legitimate industry in order to vote out of the Treasury this sum of money. I do not think this is necessary, and therefore shall vote to strike out the item.

Mr. Chairman, this legislation is but another and striking example of Democratic management of the Government. It also displays the striking inconsistency of Democratic theory. Less than two years ago the country was warned that the Republican tariff on sugar was not only unconstitutional but was a vicious tax upon the commonest article of consumption. The titular head of Democracy ordered it upon the free list. He declared that his tariff-for-revenue theory was to be tested with sugar and wool. In spite of protest, on the free list it went. The sugar producer, including the farmer who grew the cane and beets, as well as the refiner, demonstrated the certain destruction of that important industry. To those protests the only reply was that sugar was not a legitimate American product and it would be replaced by some other that was legitimate. To the South, so loyal to Democracy, no matter how treated by the party, it was promised to give Government aid to develop a substitute. Live stock was to be that substitute. However, while the Democracy was knee-deep in the National Treasury for cash to discover a substitute for Louisiana sugar it was thought well to enlarge upon the war and include with cane-sugar land cotton land; hence this item. Notice its wording:

Experiments and demonstrations in live-stock production in the cane-sugar and cotton districts of the United States: To enable the Secretary of Agriculture, in cooperation with the authorities of the

States concerned, or with individuals, to make such investigations and demonstrations as may be necessary in connection with the development of live-stock production in the cane-sugar and cotton districts of the United States, including the erection of barns and other necessary buildings, and the employment of persons and means in the city of Washington and elsewhere, \$60,000.

Here is a clear idea of Democratic policy. In the interest of a free-trade plank an industry is destroyed. To sop the injured section money is asked for that section to find something else they can grow. It will be noticed that nothing was appropriated for the beet-sugar States to appease the injured for their loss. These States are not in the Democratic column; why, therefore, need there be any such recompense?

Another item in this legislation that must not be overlooked is the reversion of the Democratic policy on sugar by a suspension of the Underwood law on the free-sugar item—a proposition that repudiates not only the Democratic free-trade theory but which obviates the necessity of this item to find a substitute for sugar in Louisiana. Notwithstanding this complete reversal of a Democratic President and Congress, this same Congress insists upon its demand for this item when its grounds have been removed by an act of this very Congress not a week ago. True, the party leaders put their reasons to the war. We do not object. If Republican policies must be resorted to because of the war, we demand that degree of political honesty that will admit it. We fully recognize the attempt of Democracy to embrace Republican policies and at the same time attempt to becloud the public by claiming that it is temporary and emergent, due to the war.

A catalogue of recent utterances by Democratic responsibles is timely. The Republicans denounced this administration for its free-sugar plank. The Democrats passed it, and then repealed it. The Republicans demanded an antidumping clause in the Underwood bill. The Democrats laughed to scorn the mere mention and voted down the amendment. They now come and propose the wise interdiction against Europe dumping surplus goods on our shores. The only humor in this episode is the suggestion of Secretary Redfield to punish a foreign seller who dares to sell here cheaper than there. The Republicans established a Tariff Board against the most united and vociferous opposition of the Democrats. The Democrats strangled it to death by refusing to appropriate for its continuance, and now comes this administration, headed by the President, to say why they have changed their minds. The Republicans demanded a protection upon the dye industry to develop a most needed item of daily use. At first the proposal was laughed out of court. Even still we hear the threadbare statement that there is no need of such stimulus at the very moment when the leaders are exhausting their resources to find a way to protect it without calling it protection.

The Republicans have stood for an adequate defense and maintained our first and second line at least in second rank. The Democrats denounced it, and when they came in power permitted the Nation to lapse back to fourth rank. To-day the President demands what he calls "preparedness" because, as he says, "sparks are flying all around us."

The Republicans demanded a change in our currency laws, appointed a Monetary Commission, and upon its findings introduced a bill which was bitterly opposed by the Democrats. The Democrats took the recommendations of the Republican commission, the Republican bill, as a model, and by a fiction of law pretended to organize what they called "regional banks" as distinguished from a central bank, but with the powers and functions of the latter. The only features of value in this measure were borrowed from the former bill of the Republican administration.

The Republicans under Roosevelt and Taft enforced the Sherman law and promised to make it effective against illegal combinations. The Democrats attempted to fulfill Republican promises, and gave as its remedy the makeshift of the Clayton bill—a bill designed to keep a promise without embarrassing anything except legitimate business.

The Republicans, following the line of their policy on the interstate-commerce legislation, proposed an Interstate Trade Commission. The Democrats, following their conduct in opposition to a tariff commission, warned the country against the danger of commissions. This administration seized upon Republican ideas and undertook a trade commission.

This administration displays the most wonderful agility to make the turn. The platform upon which it was elected should be studied as an index of what it has not done. Note the tolls issue, the free-sugar issue, the tariff-commission issue, the anti-dumping issue, the civil-service issue, the national-defense issue, the economy issue. These are but suggestions.

The country will not fail to note the instability of such leadership. The Mexican episode of driving Huerta from power because he was a revolutionist and recognizing Carranza for the same reason will not be overlooked.

The climax of the folly of this administration is reached in the determination to abandon the Philippines. Here is a proposal unwise as an economic policy, discreditable as an international step, dishonorable as a policy of scuttle, and cowardly for a dignified Nation. While the Democrats have played hide and seek with their promise and performance and have attempted to embrace Republican policies under the guise of necessity occasioned by the war, this vacillation, which extends to Mexico and the world war, reveals the real character, and this last proposal toward the Philippines too truly tells the story of the future. The people of this country await the opportunity to pronounce the verdict.

This entire program is in keeping with the attitude of the majority in this Congress in their refusal to strike out this item, destroy cane sugar by the Underwood bill, spend \$60,000 to find a substitute, repeal the sugar clause, but continue to appropriate money for a substitute; that is Democracy as now led.

Mr. LEVER. Mr. Chairman, I trust that the amendment of the gentleman from Iowa will not prevail. We have been undertaking this work for three years now. We have well-established experiments under way on a 500-acre farm. No tangible results have come as yet, but we are expecting them at any time. This is an investigation, it is experimental research work, and we do not expect the result to come in a day or even in a year or two years, but it is a valuable piece of work, and it is the only kind of work of this description that is being done in that entire section. Louisiana has been the worst hit in all of the Southern States by the boll weevil, and it may be true as some friends insist that it was hit very hard by the free-sugar weevil. I do not know about that and I do not care. I am not concerned with that. I do know that the agriculture of that State has suffered very severely from the boll weevil. This item is intended to help those people diversify their industries. It seems to me it would be wise, since we have already expended \$120,000, to continue to carry on these experiments for a few more years, for five or six I should say. They estimate it will take that length of time to determine whether or not that is a live-stock country. That is all there is to it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana to the amendment offered by the gentleman from Iowa.

The amendment was rejected.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from Iowa to strike out the paragraph.

The question was taken; and on a division (demanded by Mr. MOORE of Pennsylvania) there were—ayes 37, noes 46.

Mr. HAUGEN. Mr. Chairman, I demand tellers.

The CHAIRMAN. All in favor of ordering tellers will rise and stand until counted. [After counting.] Fifteen, not a sufficient number, and tellers are refused.

So the amendment was rejected.

Mr. GANDY. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. GANDY: Page 17, after line 13, insert the following as a new paragraph:

"Experiments in dairying and live-stock production in semiarid and irrigated districts of the western United States: To enable the Secretary of Agriculture to conduct investigations and experiments in problems connected with the establishment of dairying and meat-production enterprises on the semiarid and irrigated lands of the western United States, including the purchase of live stock, the erection of barns and other necessary buildings, and the employment of necessary persons and means in the city of Washington and elsewhere, \$40,000."

Mr. LEVER. Mr. Chairman, I reserve the point of order on that. Before the gentleman from South Dakota proceeds, let me say this: This item which is proposed by the gentleman is practically on all fours with the item that we have just voted upon. I wish to say—and I want the committee to know it—that I do not feel disposed to press the point of order, but I reserve it so that any gentleman who wishes to make it may make it.

Mr. MADDEN. Mr. Chairman, I make the point of order.

Mr. GANDY. Mr. Chairman, I desire to be heard on the point of order.

The CHAIRMAN. The Chair will hear the gentleman from South Dakota on the point of order.

Mr. GANDY. Mr. Chairman, the organic act which created the Department of Agriculture provides as follows:

There shall be at the seat of Government a Department of Agriculture, the general design and duties of which shall be to acquire and to diffuse among the people of the United States useful information on subjects

connected with agriculture in the most general and comprehensive sense of that word, and to procure, propagate, and distribute among the people new and valuable seeds and plants.

Mr. CHAIRMAN, Volume IV, paragraph 3615, Hinds' Precedents, discloses this precedent:

A department being created for the declared purpose of investigation, an appropriation for the instrumentalities of such investigation was held to be within the rule.

There are several other precedents along that line to the effect that where an investigation is in order under the law or where there is provision of law for an investigation, the instrumentalities of that investigation are within the rule. I submit that on this question, and I will be pleased to cite the Chair to other precedents, the point of order is not well taken against this paragraph for the reason that the Department of Agriculture is authorized to conduct the investigation and to diffuse the information gained by that investigation. Therefore the instrumentalities of conducting the investigation are necessarily in order and within the rule.

The CHAIRMAN. Does the gentleman from Illinois desire to be heard upon the point of order?

Mr. MADDEN. No. I do not desire to be heard. I make the point of order.

The CHAIRMAN. The Chair thinks that the argument of the gentleman from South Dakota is not sound. While the organic act gives the Agricultural Department the right to make these investigations, we can not infer from that that it would give it the right to establish stations wherever that department may be disposed to establish them in order to conduct these investigations. It may be possible to conduct them just as well from Washington or anywhere else, and the Chair can not assume it is necessary to establish these stations in order that it may carry out the requirements of the organic act. It seems to the Chair that it would be going into something new and unauthorized.

Mr. GANDY. Allow me to say this to the Chair before he concludes his ruling: That this item does not contemplate the establishment of any new stations, but contemplates some further and new work at stations already established.

Mr. ESTOPINAL. Experiments.

Mr. GANDY. Yes; that is all. Further demonstrations and experiments at stations already established.

The CHAIRMAN. If the gentleman is correct about that, then the Chair misunderstood the amendment. The amendment reads:

To enable the Secretary of Agriculture to conduct investigations and experiments in problems connected with the establishment of dairying and meat production enterprises on the semiarid and irrigated lands of the western United States, including the purchase of live stock, the erection of barns and other necessary buildings, and the employment of necessary persons and means in the city of Washington and elsewhere, \$40,000.

The Chair would naturally conclude from that that it provided for the establishment of a new experiment station and new paraphernalia entirely.

Mr. GANDY. I may say that the department has nine stations now in existence within the territory bounded as follows: On the east by the ninety-eighth meridian, on the west by the Rockies, on the south by the Rio Grande, and on the north by the Canadian border. The hearings and the estimates of the department disclose the fact that the department contemplates doing this work at different stations that are already established.

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

Mr. GANDY. Yes.

Mr. FINLEY. It is not contemplated by this amendment, as I understand, to establish any permanent stations here, and it is only for the purpose of making experiments. When the experiments are ended, the work will be completed and finished. It is not a permanent matter at all.

Mr. GANDY. The Government already has stations established there.

Mr. FINLEY. I understand; but for the purposes of this appropriation it is not permanent?

Mr. GANDY. It is just to broaden the work.

Mr. FINLEY. Whenever the experiments covered by the gentleman's amendment are completed, that branch of the work will be ended?

Mr. GANDY. Yes.

Mr. FINLEY. It is not to continue them indefinitely?

Mr. GANDY. Certainly not. That will be ended when the experiments are completed.

Mr. ANDERSON. Mr. Chairman, I have no objection to the carrying on of the work provided by the gentleman's amendment. But the questions raised by a point of order are always incidental to the merits of the question. It is important that the

Chair should rule correctly with respect to parliamentary questions, without regard to the merits of the amendments proposed.

The amendment of the gentleman from South Dakota [Mr. GANDY] provides not only for the carrying on of the work which is within the purview of the act creating the department, but it also provides for the construction of buildings, a matter which is not authorized by law. These buildings can not be constructed without a specific authorization of law, and there is no authority, so far as I am informed, which authorizes the construction of the buildings contemplated by the amendment proposed by the gentleman from South Dakota. It seems to me there can be no question but that it is not in order.

Mr. LEVER. Mr. Chairman, if the Chair will permit, while I may have my personal views as to the advisability of undertaking this work, I am satisfied that the point of order should be sustained by the Chair. The Chair will recall that in the item before, when it was first proposed on the floor of the House, it was in almost identical language with the language proposed by the gentleman from South Dakota in his amendment now, and the present occupant of the Chair, when the point was made, sustained the point of order in line with the reasoning of the gentleman from Minnesota [Mr. ANDERSON], that there is no authority to erect buildings.

The CHAIRMAN. The Chair was just about to complete his ruling when the gentleman from South Dakota interrupted. The Chair is absolutely sure that similar provisions have been held to be out of order by Chairmen of the Committee of the Whole. Of course, the present occupant of the chair would be inclined to follow those rulings if he had no other reason. But the Chair will call attention to the fact that on February 18, 1896, there was a proposition to appropriate money for compiling tests of dairy cows at an exposition, and it was held not to be authorized as an expenditure by the general law giving to the Secretary of Agriculture authority to acquire and diffuse information pertaining to agriculture. A point of order was made against the provision, but the proponent of that proposition invoked the same provision of the organic act which the gentleman from South Dakota has suggested to the Chair. The then Chairman of the committee, the late Hon. Sereno E. Payne, held, as I say, that the provision was not included or contemplated in the organic provision establishing the Department of Agriculture which the gentleman read. The present occupant of the chair thinks that has been the uniform ruling of the Chairmen of the different Committees of the Whole on these appropriation bills on similar questions, and therefore sustains the point of order.

Mr. GANDY. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from South Dakota.

The Clerk read as follows:

Amendment offered by Mr. GANDY: Page 77, after line 13, insert the following new paragraph:

"Experiments in dairying and live-stock production in semiarid and irrigated districts of the western United States: To enable the Secretary of Agriculture to conduct investigations and experiments in problems connected with the establishment of dairying and meat-production enterprises on the semiarid and irrigated lands of the western United States, including the purchase of live stock and the employment of necessary persons and means in the city of Washington and elsewhere, \$40,000."

Mr. MADDEN. Mr. Chairman, I make the point of order against that.

Mr. GANDY. Will the Chair rule?

The CHAIRMAN. The Chair sustains the point of order.

Mr. GANDY. Mr. Chairman, I offer another amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. GANDY: Page 77, after line 13, insert the following new paragraph:

"Experiments in dairying and live-stock production in semiarid and irrigated districts of the western United States: To enable the Secretary of Agriculture to conduct investigations and experiments in problems connected with the establishment of dairying and meat-production enterprises on the semiarid and irrigated lands of the western United States, and the employment of necessary persons and means in the city of Washington and elsewhere, \$40,000."

Mr. MADDEN. Mr. Chairman, I make a point of order against that.

Mr. GANDY. Mr. Chairman, certainly the amendment just read is not subject to a point of order.

The CHAIRMAN. In what respect does it differ from the last one?

Mr. GANDY. The provision with relation to the erection of buildings and the purchase of live stock has been eliminated, and it only authorizes the conducting of live-stock investigations in the semiarid and irrigated districts of the West.

Mr. ANDERSON. Mr. Chairman, I do not think that amendment is subject to a point of order. It seems to me to be clearly

within the purview of the act authorizing the creation of the Department of Agriculture and the Bureau of Animal Industry. It does not provide for the construction of any building, nor does it provide for the purchase of live stock. It provides a method of doing that which is authorized by law. It merely provides for the carrying on of experiments along lines upon which the Department of Agriculture and the Bureau of Animal Industry are clearly authorized to proceed. I think it would be a great misfortune if the Chair should rule that this amendment is not in order, particularly in view of the recent ruling of the Chair with respect to amendments offered by the chairman of the committee. It would greatly curtail and restrict not only the House but the committee in reporting legislation extending and expanding the department if the Chair were to rule that amendments merely carrying on the work of the department along lines which are clearly authorized by the act creating the department were held out of order.

Mr. LEVER. Mr. Chairman, if the Chair will permit me, I will call his attention to the act of May 29, 1884, establishing the Bureau of Animal Industry:

That the Commissioner of Agriculture shall organize in his department a Bureau of Animal Industry, and shall appoint a chief thereof, who shall be a competent veterinary surgeon, and whose duty it shall be to investigate and report upon the condition of the domestic animals of the United States, their protection and use, and also inquire into and report the causes of contagious, infectious, and communicable diseases among them and the means for the prevention and cure of the same, and to collect such information on these subjects as shall be valuable to the agricultural and commercial interests of the country.

Now, I agree with my colleague on the committee. I feel that this is a rather important ruling that the Chair is called upon to make, because it may form the basis of a precedent in the future. I would remind the Chair that the language here is exceedingly broad, and certainly the language offered by the gentleman from South Dakota [Mr. GANDY] is no more broad than the language which I have read. So I would call the attention of the Chair to the Chair's own former ruling on this proposition and the item above. The same objections were made to that item that have been made to the gentleman's item, and when the item was finally revised it struck out the authorization to buy animals and to erect barns, and then the Chair held it to be in order under the act creating the Bureau of Animal Industry. That is my recollection of the situation at that time.

The CHAIRMAN. To what item does the gentleman refer?

Mr. LEVER. I am referring to the item that we have just passed, to enable the Secretary of Agriculture, in cooperation with the authorities of the States concerned, or with individuals, to make investigations, and so on—the item relating to live-stock production in the cane-sugar and cotton districts.

Mr. BENNET. I withdrew the point of order to that.

Mr. LEVER. I am referring to the time when it was offered two years ago.

Mr. MADDEN. There was no point of order made to it.

Mr. LEVER. There was no point of order made to-day. I am refreshing the memory of the Chair, and I am quite sure that the point of order was made against that item when it was first offered to the Agricultural appropriation bill two years ago, and the point of order was sustained on the ground that the item provided for the erection of barns and other necessary buildings, and my recollection is that it provided also for the purchase of stock. Now, when that point of order was sustained, as the chairman of the committee in charge of the bill, I offered an amendment which struck out the authorization for the erection of barns and buildings, and probably the authorization for the purchase of stock was withdrawn voluntarily, and then the Chair held it to be in order. That is my recollection.

Mr. MADDEN. My recollection is that there was no point of order made against it, and that it was put in the bill by some sort of an agreement under which no point of order should be made.

Mr. LEVER. I am just giving my recollection. The gentleman may be right.

Mr. MADDEN. I was on the floor at the time the amendment was offered to the bill, and it was done as a result of conferences on the floor and agreements entered into under which no objection was made to it; and I maintain now, Mr. Chairman, that the language of this amendment offered by the gentleman from South Dakota [Mr. GANDY] goes much further and is fundamentally different from the purposes contemplated in the law read by the gentleman from South Carolina [Mr. LEVER].

Mr. FESS. It does not follow that because the point of order was sustained as to certain items it would be sustained as to all.

Mr. MADDEN. I know, but my recollection is that there was no point of order made at that time.

Mr. BENNET. Mr. Chairman, it seems to me that if this amendment simply provides for an investigation along the lines indicated by the prior amendment, without the objectionable features relating to buildings and live stock, it is in order, and I will cite the Chair to a precedent. In the first session of the Sixty-first Congress, when Mr. James Breck Perkins, one of the ablest men we ever had in the House, presided over the Committee of the Whole House on the state of the Union during the consideration of the Army bill, he overruled a point of order to an amendment which added the words "other vehicles" to the methods of transporting the Army. The Chair will not find his decision in Hinds' Precedents, because it was rendered subsequent to the publication of Hinds' Precedents. Mr. Perkins's reasoning was this, that where a department of the Government is authorized to do a particular thing, the doing of that thing becomes a work in progress, and that the Congress may from time to time change the method of doing the work.

Now, as I understand the amendment offered by the gentleman from South Dakota, it simply proposes to insert in the bill for this coming year a new method of doing something which the Department of Agriculture has done for many years; and if my understanding of the amendment is correct, it seems to me that under the precedents which were collated at that time by Mr. Perkins the amendment is absolutely in order. I have no particular zeal for the amendment, but I have a zeal for preserving the integrity of the decisions in this House; and up until the close of the Sixty-first Congress, at least, that was the line of decisions; and if the amendment offered—of which I have not heard the words—is as has been indicated to me, it seems to me it is clearly in order.

Mr. MONDELL. Mr. Chairman, it seems to me there can be no doubt about the amendment being in order. If the Department of Agriculture can not carry on investigations and experiments in connection with the live-stock industry and the dairy-ing industry, there is very little that the department can do in connection with live stock in this country. Clearly the organic law of the department authorizes the department to do work of this character. This amendment is widely different from the amendment which has been ruled out of order, in that it pro-vides for no purchase of animals and does not provide for the erection of buildings. Those were the features of the previous amendments that made them subject to the point of order. As a matter of fact, under various items of appropriation in the bill some work is being done similar to that contemplated by this amendment.

This is an amendment clearly designating the character of the work in connection with the live-stock industry that is to be carried on and performed, and it clearly within the purview of the work of the Agricultural Department.

Mr. LEVER. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and amendments thereto close in 10 minutes.

Mr. DILLON. I would like a few minutes.

Mr. LEVER. I will take one minute of my five and give the gentleman four.

Mr. DILLON. That is a fair division. [Laughter.]

The CHAIRMAN. The gentleman from South Carolina asks unanimous consent that all debate on this paragraph and amendments thereto close in 10 minutes. Is there objection?

There was no objection.

Mr. GANDY. Mr. Chairman, right now I want to state that the item covered by the amendment which I have just offered was regularly estimated for and recommended by the honorable Secretary of Agriculture in his estimates to this Congress for the coming fiscal year. Before discussing the item I want to express my very high regard for the members of the Committee on Agriculture and especially for the chairman of the committee, Mr. LEVER, for the committee has worked hard in an effort to bring into the House a bill which has for its aim the rendering of the greatest possible service to agricultural, horticul-tural, and live-stock industries of this Nation. However, no provision was made in the bill for equipping the Federal experimental farms in the semiarid West with live stock, and perhaps we may excuse the omission by the statement that the problems of the farmer and the ranchers on the high, dry prairies are scarcely known and but little understood by those who reside in the more favored sections of the country. The committee held extended hearings on the various items esti-mated for by the department, and from these hearings, Mr. Chairman, and my personal knowledge of conditions in the semiarid and irrigated sections of the West, I hope to impress you with the urgent necessity of adopting this amendment. The Agricultural Department estimated for \$87,500 for live stock on experimental farms in the semiarid and irrigated sections of the West, and I am sincerely of the opinion that that

sum was not a cent too large for the work desired to be done. I realize that if the item should pass for a less amount the plans would have to be revised and less work done, yet, in order that some live-stock work may be carried on on these high prairies where for the most part only forage feeds are raised, I have introduced the amendment carrying less than half the departmental estimate and feel sure that the House will agree to that amount.

This item was included in the estimates presented to the last Congress but then, the same as now, it was not included in the bill. Never was any estimate given more careful attention by the Bureau of Plant Industry, the Bureau of Animal Industry, and the Secretary of Agriculture, than was the item of \$87,500, to provide general live stock and dairying demon-strations in connection with semiarid and irrigated experimental stations. This work will be of material assistance to the strip of country from the ninety-eighth meridian on the east to the Rockies on the west and from the Canadian border on the north to the Mexican border on the south, or considerable more than two-thirds of the territory included in the Louisiana Purchase. The department has nothing "up its sleeve," but, on the contrary, has spent much time and study on this proposition.

When this live-stock work in the semiarid West was first considered the Secretary of Agriculture appointed a committee composed of representatives of the Bureau of Plant Industry and the Bureau of Animal Industry to thoroughly investigate the proposition and the necessity for the work, and I desire to read you the report of that interbureau committee:

During recent years it has become increasingly obvious that the permanence of agriculture and the prosperity of the settlers in many sections of the Great Plains area and on most of the irrigation projects depend upon the establishment of live-stock industries. It is certain also that these industries must be established on an entirely different basis from that on which they were conducted under the old range system.

Under existing conditions, if settlers are to introduce live stock into their agriculture, they must correlate the animal industries with the production of crops on relatively small farms. Farm feeding of live stock must displace largely the use of the open range. Dairy farming must be introduced in many sections which heretofore have limited their live-stock industries to the production of beef through the extensive use of the range. It will be necessary for communities of farmers to work together in utilizing the available free range, in correlating the use of the range with the disposal of farm crops in live-stock industries, and in marketing their products.

To do these things will necessitate profound readjustments in the regions under consideration. Commercial grain production has proven unprofitable on much of the new land of the West, but, on the other hand, these lands are well suited to the production of forage. Different breeds of live stock must be introduced in many sections, as, for example, where dairy cattle are to take the place of beef cattle, and much prejudice on the part of older settlers must be overcome. In brief, the agriculture must in many respects be entirely reorganized, and one of the chief features of this reorganization will be the development of methods for the disposal of crops through the production of live stock.

In the matter of developing and demonstrating methods of crop dis-posal through the production of live stock in the region under consideration, the department is not well supplied either with the necessary information or the facilities for securing it.

In connection with the dairy industry, for example, there is urgent need for definite information regarding such problems as the most desirable pasture crops, pasturing methods, feeds to use to supplement alfalfa and pasture, and efficient and economical means for maintaining and improving dairy herds on the irrigated lands and in the dry-land sections. Some of these problems have already been attacked on the plant industry field stations; but with the equipment now available on these stations the investigations have been necessarily one-sided. For example, several pasture-grass mixtures are being grown on some of the irrigated field stations, but it has not been possible to determine the relative value and efficiency of these crops and the best methods of their utilization, because the necessary cows have not been available. It has been proved by the investigations of the department that the only practicable way of raising any of the small grains in the Great Plains is in rotation with forage crops, but unless the forage crops can be fed to live stock at a profit, neither the small grains nor the forage crops will yield a profit. While a number of these forage crops are being grown on the field stations, the necessary facilities for properly testing their feeding values are lacking.

It is frequently the case that low prices and high freight rates make the small grains unprofitable when sold on the local market. This is especially true when the quality of the grain has been reduced by unfavorable weather conditions, so frequent in semiarid regions. This low-priced grain could undoubtedly be fed at a profit if the farm system were organized on a live-stock basis.

A large number of settlers, both on the dry lands and on the irrigation projects, are very skeptical as to the practicability of dairying, particularly where the farm units are small and where abundant free range is not available. We believe that many of the irrigation projects are admirably suited to dairy farming and that dairying can be made profitable on the dry lands in many sections; but it is certain that before the dairy industry can be successfully established in those localities a great many problems now confronting the settlers will have to be solved, as the information now available regarding these problems is wholly inadequate.

The situation is similar to this with respect to the hog industry, the sheep industry, and the beef industry as it relates to the economic utilization of the crops produced on irrigated and dry-land farms under the present conditions. The information which has been secured during the past two years at the Scottsbluff, Huntley, and Bellefourche field stations relative to the possibilities of utilizing irrigated alfalfa as pasture for hogs and to the practice of hoggingdown corn has aroused a great deal of interest and is of considerable value to the farmers located in sections where the conditions are similar to those at the three field stations named. These hogging experiments, however, have been conducted

on a very small scale, in connection with the crop-rotation experiments, and have done little more than indicate possibilities and emphasize the need for more comprehensive investigation. It has not been possible to conduct any comparative tests for the purpose of determining the most efficient and economical methods. Information on these points is urgently needed.

No work whatever has been done on our field stations with respect to sheep farming on the irrigated lands or on the dry lands. There is urgent need for information regarding desirable breeds, feeding methods, pasturing practices, and methods of correlating the small sheep-farm enterprises with the large range-sheep enterprises of the West. In connection with this last-named point, there is need for information regarding the best methods whereby a community of irrigation farmers or dry-land farmers can correlate their meat-production activities with those of the stock growers, who depend on the extensive use of the open range. It seems certain that if the matter is adequately investigated it will be possible to establish mutually profitable relations between the small sheep and beef producers and the extensive grower, but at the present time there is little, if any, activity in this direction.

In cases, therefore, where it may seem desirable to endeavor to establish meat-producing enterprises on reclamation projects or in dry-land sections, it will be necessary not only to have information with respect to the best methods to be pursued by individual farmers, but also to have definite knowledge as to the best way in which a community of farmers can deal with the question in a comprehensive manner from the community standpoint.

The need for information on the points mentioned above is particularly acute at the present time in connection with the demonstration work which has been inaugurated on the reclamation projects. In this demonstration work particular emphasis necessarily will be placed on the establishment of various live-stock industries. To make this demonstration work as effective as it should be information which is not at present available must be secured.

The more the conditions on the reclamation projects are studied the clearer appears the necessity for inaugurating as soon as possible animal-industry investigational work so that the results of this work may be made available to the demonstration organization.

The need of the farmers in many of the dry-land districts is no less acute. Repeated failures of small-grain crops where forage crops have succeeded have demonstrated that dry farming without live stock to consume the crops is a failure. This lack of knowledge of which kind of stock to buy and how to handle it profitably on a small dry-land farm has caused many farmers to give up in despair who might have stayed, built homes, and become prosperous producers of live-stock products, for which there is a constantly increasing demand.

Steadily the agricultural frontier has moved westward. With each series of moist years the people have gone farther out onto the high semiarid prairies, and, while each succeeding series of dry years has driven the settlers back a part of the way, yet not all the way, nevertheless each movement, if we may call it that, has resulted in a net expansion of the field of agriculture. It has been my observation that practically every homesteader on the public domain, having gone there during a series of moist years, has the idea that that particular locality is a farming section and will produce crops that will measure up with the old-established agricultural community from whence he came. The experience of thousands of these settlers has been a costly one to them. They may have been successful farmers in their former locations, but on the high dry prairies the problems of agriculture were so new to them and the weather conditions sometimes so adverse that failure was almost inevitable. We have come to realize as never before that the settler in the semiarid districts of the West faces a problem in the successful solution of which the Nation very generally is interested. Even in the irrigated districts of the West we now understand that it takes more than soil and water to make a success, for, first, those crops must be produced for which the climate is adapted, and, second, the settler must have an opportunity to either market or feed that which he is able to raise. The fact that the markets of large cities are, in practically every case, situated at great distances, and western freight rates being exceptionally high, makes it necessary that the products of the farm be utilized at home.

The Department of Agriculture, under an item that has been in previous appropriation bills and is included in this one, has, on a number of stations in the West, been conducting crop-raising experiments. This work has been of inestimable benefit to the people of the West, for definite data is now available as to the possibilities and limitations of grain and forage feeds in these semiarid districts. These stations have been conducted solely for production, and now, Mr. Chairman, we know that it is absolutely essential to also conduct them along the lines of the utilization of the products that have been raised.

Let me cite you a specific example. At Ardmore, in the district which I have the honor to represent in the House, there is located one of the stations conducted by the office of dry-land agriculture of the Bureau of Plant Industry. Late last fall I visited that station and was greatly pleased to see that the superintendent in charge, Mr. F. L. Kelso, had raised last year a very large amount of various forage feeds. He had some wheat, oats, and rye which gave fair yields of grain and made a considerable amount of straw. Then there was corn, sudan grass, alfalfa, sweet clover, and a variety of the sorghums, including feterita and kiolang, which have been recently introduced in this country. In all, I am of the opinion that there were from 300 to 375 tons of very excellent forage feed prop-

erly stacked on that farm. The farm has no live stock except four work horses, and there is no provision of law to either sell or give away this large quantity of forage feed. The only way that it will be disposed of will be when it is burned up late in the spring to make room for that which will be harvested next fall. Not a man on this floor will for one moment attempt to justify that condition, which is typical of conditions on other experimental farms in the West, and yet Congress is responsible for that waste of feed and for the setting of this bad example, because no funds have ever been provided to equip these stations with live stock. As a business proposition, I submit, gentlemen of the House, the addition of a proper amount of live stock on these farms will go a long way toward eventually making them self-sustaining.

Mr. MADDEN. Will the gentleman yield?

Mr. GANDY. Yes.

Mr. MADDEN. Does the gentleman want the House to understand that where there is a vast amount of feed raised they can not find the way to feed it—that somebody from the Agricultural Department must tell them how to dispose of it?

Mr. GANDY. There was no law by which the feed could be sold or given away.

Mr. MADDEN. Could not you get cattle to eat it?

Mr. GANDY. They had no live stock.

Mr. MADDEN. They do not have to have the agricultural stations tell them how to do that, do they?

Mr. GANDY. There was no live stock, no authority to get any.

If you will turn to the agricultural bulletin 111 you will find that no bulletins are available for the settler in the semiarid regions of the West that will give him definite information as to the relative feeding values of these forage feeds that are being raised in those high altitudes with scant rainfall as compared with the humid regions. Mr. F. D. Farrell, agriculturist in charge of the demonstrations on reclamation projects of the Bureau of Plant Industry, stated the issue plainly when he said at the hearings:

It is not a matter of telling a man how to feed his cow, but it is a matter of telling him how best to feed her with the resources he has; how he can add more resources to those he already has; and how he can establish himself in live-stock industries under these new conditions.

Then along the same line Dr. William A. Taylor, the chief of the Bureau of Plant Industry, said:

The crop-production feature has been taken care of, but we do find a lack of ability to say to the farmer, "Do so-and-so in your dairy under these conditions," as they are able to do in the older sections.

The high prairie section of the West a few years ago was given over to the open-range theory of live-stock production. The public lands were simply used by stockmen and, while in the aggregate, the number of stock was large, yet in proportion to the vast acreage it was exceptionally small. The coming of the homesteader broke up the old open-range condition, and within a limited area the settler must succeed or fail. I wish it were possible for you to thoroughly understand this situation and to know and appreciate the struggle these homesteaders have made to succeed where, from the first, nature has apparently dealt harshly with those who sought to change the old conditions. Disappointments and privations have kept company with them and, although many have grown faint-hearted and given up, yet, as I said before, the agricultural frontier has been moved westward and thousands are fighting the fight with a determination to win.

That you may fully realize that the problem there is entirely different from the agricultural and live-stock problems with which Members of this House are, for the most part, familiar, I want to call your attention to the following table showing the altitude and the average rainfall at the places where are located independent Federal experimental farms, and then the altitude and the average rainfall at several places in the humid regions where Members generally are familiar with conditions:

*List giving the independent stations under the Office of Dry Land Agriculture, Bureau of Plant Industry, with their respective altitudes and average rainfalls.*

	Altitude.	Average annual rainfall.
	Feet.	Inches.
Mandan, N. Dak.	1,644	17.64
Ardmore, S. Dak.	3,557	13.50
Sheridan, Wyo.	3,790	14.48
Akron, Colo.	4,650	19.25
Dalhart, Tex.	3,993	16.82
Big Spring, Tex.	2,396	18.03
Lawton, Okla.	1,111	31.19
Woodward, Okla.	1,900	21.18
Tucumcari, N. Mex.	4,194	16.89

*List of points east of the Great Plains region, with their respective altitudes and average annual rainfalls.*

	Altitude.	Average annual rainfall.
	Feet.	Inches.
Morehead, Minn.	935	25.89
Yankton, S. Dak.	1,234	25.43
Omaha, Nebr.	1,103	30.66
Lincoln, Nebr.	1,189	27.51
Des Moines, Iowa	861	32.45
Springfield, Ill.	644	36.96
Fort Wayne, Ind.	856	37.20

There is now no live-stock work being carried on by the Government in the Great Plains region of the West. A few of the States are doing live-stock work at some of their demonstration farms, but, Mr. Chairman, those farms are not located where the prevailing conditions are similar to those on the high prairies. The experiment stations of North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, and Texas are all located in the eastern and humid portion of the respective States, that of North Dakota being at Fargo; of South Dakota, at Brookings; of Nebraska, at Lincoln; of Kansas, at Manhattan; of Oklahoma, at Stillwater; and of Texas, near Bryan. The experiment stations of Montana, Wyoming, Colorado, and New Mexico are located in irrigated valleys along the foothills of the Rocky Mountains; that of Montana being at Bozeman; of Wyoming, at Laramie; Colorado, at Fort Collins; and of New Mexico, near Las Cruces. The Office of the Dry Land Agriculture of the Bureau of Plant Industry has nine independent stations, located at Mandan, N. Dak.; Ardmore, S. Dak.; Sheridan, Wyo.; Akron, Colo.; Dalhart and Big Spring, Tex.; Woodward and Lawton, Okla.; and Tucumcari, N. Mex. It cooperates at 10 State substations—Edgeley, Hettinger, Dickinson, and Williston, N. Dak.; Havre and Moccasin, Mont.; North Platte, Nebr.; and Hays, Colby, and Garden City, Kans. It cooperates with the Office of Western Irrigation Agriculture at Huntley, Mont.; Newell, S. Dak.; and Scottsbluff, Nebr.; and with the Office of Cereal Investigations at Archer, Wyo., and Amarillo, Tex. The Office of Western Irrigation Agriculture maintains stations and is carrying on investigations in irrigation at Huntley, Mont.; Newell, S. Dak.; and Scottsbluff, Nebr. The Office of Cereal Investigations maintains stations at Amarillo, Tex., and Archer, Wyo., and cooperates to a greater or less extent at nearly all of the State substations and departmental stations already mentioned.

The department proposes to equip several of these experimental stations for live-stock demonstration work. At Scottsbluff, Nebr., on the North Platte irrigation project, it desires to conduct investigations with hogs, sheep, and beef cattle; at Dalhart, Tex., a dry-land station, to conduct investigations with beef cattle and with hogs, supplementing the dairy work; at Ardmore, S. Dak., which is also a dry-land station, to do work with beef cattle and hogs, supplementing the dairy work; at Newell, S. Dak., with hogs, beef cattle, and sheep; and at Huntley, Mont., where the farms are extremely small, with hogs, lambs, poultry, and possibly also beef cattle. That, in a broad, general way, is the plan that the department has in mind in regard to the investigations in animal husbandry.

Mr Chairman, the hearings disclose that the honorable Secretary of Agriculture felt so keenly about the need of this work that he personally appeared before the committee, and from his remarks at the hearings I quote you the following:

This year, as in previous years, I have been especially concerned with the meat supply of the Nation. All the members of the committee are more or less familiar with the situation. You know that within the last 15 years, while the population of the Nation increased 24,000,000, the number of beef animals decreased over 6,000,000 and the number of sheep nearly 11,000,000.

The request that we make again this year for an appropriation of \$87,500 for experiments in dairying and live-stock production in the semiarid and irrigated districts of the western United States, seems to me to deserve favorable consideration. Intensive agriculture requires near-by markets, or it means the perfection of marketing machinery. The farmers in the western sections are not in touch with large markets. A serious problem confronting them is how to market their products. To reach the market at a profit these must possess high value in proportion to their bulk. Apparently the farmers must utilize their products through live stock. Comparatively little has been done along this line. Only recently have the agricultural problems of the reclamation projects been carefully studied. The marketing problem is especially acute. I should like to see this appropriation favorably considered, so that we may attempt to furnish assistance.

For several days I have listened to the discussions of the various items in this appropriation bill, and I know that the Committee on Agriculture and the Members of the House generally have a desire that the Federal Government assist in the building up of the agricultural and live-stock industries of the

Nation. This item, if adopted, will be of material assistance to the farmers and stockmen in the territory from the Rio Grande to the Canadian line and varying in width from 200 to 400 miles. The appropriation asked for in the amendment for all this great territory is \$20,000 less than has been provided for similar live-stock demonstration work at one station in the cane and cotton regions of the South. It is justified by the report of the committee appointed two years ago by the honorable Secretary of Agriculture to investigate the proposition, and by the Agricultural Department estimates for this appropriation bill, as well as the one of last year. The greatest justification comes in the demand for reliable information as to the feeding values of such feeds as can be raised in the semiarid and irrigated districts of the West.

Mr. HAUGEN. Will the gentleman yield?

Mr. GANDY. Yes.

Mr. HAUGEN. We have the relative values in other States. In what respect does the value of forage feeds differ from other States?

Mr. GANDY. The forage feeds that are being raised are very largely different from that in other States.

Mr. HAUGEN. They are identically the same, are they not?

Mr. GANDY. No.

Mr. HAUGEN. You raise alfalfa?

Mr. GANDY. That is true; we raise a little, but we are raising fetereta and kiolang and soudan grass and other crops that have been brought in and developed within the past few years.

Mr. HAUGEN. They grow them in other States and relative food values is given.

Mr. GANDY. Not that I know of.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. GANDY. Mr. Chairman, I ask leave to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

Mr. MADDEN. I object to any extension of remarks under this rule.

Mr. LEVER. Mr. Chairman, I yield one minute to the gentleman from Colorado [Mr. TIMBERLAKE].

Mr. TIMBERLAKE. Mr. Chairman, I am glad, indeed, that the point of order did not lie against the amendment, because the amendment will be of great benefit to the semiarid regions of the Northwest. In my district we have one Federal experiment station, one that is coordinate with the State. I am well acquainted with the operation and with the activities of these two stations, and I know that a great waste is now manifest by reason of the fact that they have no provision of law whereby their activities can be directed to stock raising and dairying.

In the short time I have I want to read one or two telegrams from the manager of the feed station of Colorado in reply to my question as to whether or not an amendment to the Agricultural bill contemplated would be beneficial to the West.

The telegrams are as follows:

FORT COLLINS, COLO., April 27, 1916.

CHAS. B. TIMBERLAKE, M. C.,  
Washington, D. C.:

We are very much in favor of live stock for experiment stations in semiarid regions. Present practice wasteful and tends to operate stations at very low efficiency. United States Department of Agriculture can not afford to set such a bad example of wastefulness.

CHAS. A. LORY,  
President Agricultural College.

AKRON, COLO., April 27, 1916.

C. B. TIMBERLAKE,  
House of Representatives, Washington, D. C.:

We are in need of fund for live-stock experiments. Semiarid region is best adapted to diversified farming. Stock as essential as grain. Akron is central station in semiarid region and can do the largest amount of live-stock work for Great Plains, as it is representative of large area.

O. J. GRACE.

Mr. DILLON. Mr. Chairman, I hope that this amendment will be adopted. Whenever the farmer has gone into these semiarid belts and undertaken to raise oats, corn, and wheat he has made a failure. These countries must succeed, if at all, through the live-stock industries. A few years ago the Danish farmer found himself unable to produce much crops, and he was in an unfortunate situation until he took up the live-stock industry, and through cooperative associations the Danish farmers have made great success in the live-stock industry. Ninety-five per cent of the farmers belong to these associations, and 85 per cent of them are owning their own farms. This prosperity has been developed largely through the live-stock industry, and that country now is selling to English customers \$1,000,000 worth of butter each week.

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

Mr. DILLON. Yes.

Mr. MADDEN. Then they do not need information from the Agricultural Department if they have learned how to do it themselves.

Mr. DILLON. I am speaking about the prosperity of the Danish farmer. The instruction from the Agricultural Department going around to these demonstration bureaus and places will give them information as to how to keep away disease, how to keep their stock, how to develop this industry; and you will never develop the semiarid regions unless you develop them through the live-stock industry. I hope the amendment will prevail.

Mr. LEVER. Mr. Chairman, this item was estimated for by the Secretary of Agriculture except that the appropriation was \$87,000. The committee considered the matter very carefully and after careful consideration did not feel it wise at this time to inaugurate this line of work. The committee realized that there may be some merit in the proposition, but we thought that a delay would not be fatal to the work, and, therefore, did not allow the appropriation.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from South Dakota.

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

That not to exceed \$70,000 of the lump-sum appropriations herein made for the Department of Agriculture shall be available for the purchase, maintenance, repair, and operation of motor-propelled and horse-drawn passenger-carrying vehicles and motor boats necessary in the conduct of the field work of the Department of Agriculture outside the District of Columbia: *Provided*, That not to exceed \$10,000 of this amount shall be expended for the purchase of such vehicles and boats, and that such vehicles and boats shall be used only for official service outside the District of Columbia, but this shall not prevent the continued use for official service of motor trucks in the District of Columbia: *Provided further*, That the Secretary of Agriculture shall, on the first day of each regular session of Congress, make a report to Congress showing the amount expended under the provisions of this paragraph during the preceding fiscal year.

Mr. BROWNE. Mr. Chairman, I move to strike out the last word.

Mr. LEVER. Mr. Chairman, I ask unanimous consent that debate on this paragraph and all amendments thereto close in 20 minutes.

The CHAIRMAN. The gentleman from South Carolina asks unanimous consent that all debate on this paragraph and all amendments thereto close in 20 minutes. Is there objection?

There was no objection.

Mr. BROWNE. Mr. Chairman, on April 14 when we were discussing this bill in regard to the forest-products laboratory located in the city of Madison, Wis., the question was brought up in regard to the manufacture of vegetable alcohol, and I discussed that proposition and the feasibility of using the by-products of sawmills for the manufacture of alcohol. Since that time I have written to the forest-products laboratory and have received a letter from them in regard to the practicability of manufacturing alcohol from the by-products of a sawmill, and I desire now to read that letter, and I ask unanimous consent to insert with it a statement by S. W. Kressmann.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BROWNE. Mr. Chairman, that letter and statement are as follows:

UNITED STATES DEPARTMENT OF AGRICULTURE,  
FOREST SERVICE,  
Madison, Wis., April 18, 1916.

Hon. EDWARD E. BROWNE,  
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN BROWNE: Your letter of April 13 is received. In view of the fact that the design of plants for the manufacture of ethyl alcohol has not been standardized, and many improvements in machinery and methods have been made since the present plant at Georgetown, S. C., was built, it is difficult to make any really accurate estimates of the cost of building a plant which would embody all of these improvements in its design. However, I believe that you will find the following estimates reasonable and reliable. They are based largely on statements which have been made to us concerning the first and present reproduction costs of the two plants at Georgetown, S. C., and Fullerton, La., and on statements upon the present cost of producing alcohol at the former plant.

It has been pretty well established that, in a properly designed plant, at least 20 gallons of 190-proof alcohol can be produced from a ton of dry pine. A cord of pine contains about a ton of dry wood, so we may assume that for every cord of waste available at Neopit, 20 gallons of 190-proof alcohol may be produced. Assuming an average operation at this mill, without any disposal of waste for fuel or other purposes outside of the mill itself, we may figure on about one-half cord of waste for every 1,000 feet sawed. The remainder of the waste produced would be needed for fuel in the furnaces of the sawmill boilers.

Assuming, then, that for every 1,000 feet cut at Neopit, 10 gallons of 190-proof alcohol can be produced, the annual production which could be attained would be 200,000 gallons. Assuming, further, an operating period of 330 days per year, the capacity of the plant would be just about 600 gallons per day. This is considerably smaller than

either the Georgetown or the Fullerton plant, and it is a question whether or not it could be operated as efficiently as a larger unit.

We estimate that a plant of a capacity from 2,500 to 3,000 gallons per day would cost about \$100 per gallon capacity. If we assume that the smaller plant would cost just the same per unit of capacity, the Neopit plant would cost \$60,000 erected.

We were slightly misquoted concerning the cost per gallon of producing the alcohol. We simply estimate that this cost will be from 13 cents upward, and do not claim that ethyl alcohol has ever been made from wood at this price. In fact, we are told that the best that has been done so far is about 21 cents per gallon of 190 proof spirit.

Accompanying this letter is a mimeographed copy of a very recent report on ethyl alcohol, prepared by Mr. Kressmann, of this laboratory, who has been conducting our experiments upon its production, and in this report you will find detailed estimates of the cost of production.

We are anxious to be of as much assistance as possible in this matter, and if you so desire we may be able to arrange a conference between yourself and Mr. Kressmann, in which the whole subject could be gone over in detail.

Awaiting your further commands, I am,

Very sincerely yours,

BERNARD F. WEISS, Director.

(Enclosure : Report.)

#### ETHYL ALCOHOL FROM WOOD.

[By F. W. Kressmann, chemist in forest products, Forest Products Laboratory, Madison, Wis.]

#### OUTLINE OF PROCESSES.

The processes used for the production of ethyl alcohol from wood may be grouped into two general classes: First, the hydrolysis or conversion of the wood into fermentable sugars by the use of dilute mineral acid as a catalyst; and, second, solution processes in which the wood is dissolved from concentrated acid with a subsequent hydrolysis or conversion of the diluted solution.

Processes of the second class involving the use of concentrated sulphuric acid in which the wood is actually dissolved have not received commercial attention because the amounts of acid used have been so large compared to the processes in which the acid is used merely as a catalytic agent that the large initial and recovery cost for acid have prevented commercial development.

The first process of producing ethyl alcohol from wood consists in general of digesting the sawdust, or hogged and shredded waste, with dilute sulphuric acid at a steam pressure of 60 pounds or more for a short time. This is done in rotary digesters which will thoroughly mix the acid and wood. These digesters are of steel boiler plates with an acid-proof lining. A part of the wood is converted into a mixture of sugars, some of which are fermentable. The digester material is next transferred to a diffusion battery similar to that used in the extraction of sugar from sugar beets or dyes from dyewood, and here the sugar and other water-soluble material is extracted with hot water from the digested sawdust. The acidity of the extract is then neutralized with lime or limestone, and the sludge formed by the calcium sulphate and some of the dust carried in the extract is allowed to settle out, which requires ordinarily from 15 to 20 hours. The clear solutions are then drained off and cooled to the proper temperature for fermentation. The fermentation, distillation, and rectification of the alcohol are accomplished in the usual manner very similar to the production of alcohol from molasses.

#### PLANT.

The essential parts of a plant necessary to produce ethyl alcohol from wood, considered in the order of their use, are the following:

1. Adequate sawdust storage.
2. Disintegrating equipment: Hogs, screens, and shredders.
3. Sawdust storage above digesters: Acid storage.
4. Digesters.
5. Diffusion battery.
6. Neutralizing and settling tanks.
7. Coolers.
8. Fermenters and yeast equipment. (This item must be under U. S. Internal-Revenue Department approval and supervision.)
9. Beer still. (This item must be under U. S. Internal-Revenue Department approval and supervision.)
10. Rectifying still. (This item must be under U. S. Internal-Revenue Department approval and supervision.)
11. Bonded warehouse. (This item must be under U. S. Internal-Revenue Department approval and supervision.)
12. Boilers and engines.
13. Laboratory and office.

#### SAWDUST STORAGE.

Adequate sawdust storage will vary with the location and continuity of operation, the sawmill, and the character of the logging operation. The operation of the alcohol plant and distillery must be continuous. The storage must be sufficient to permit compliance with the necessary regulations of the Internal-Revenue Department regarding the operating of distilleries. The latter are surveyed as to their output and must produce daily the amount required in this survey or else are penalized with the tax on such a quantity of alcohol as is necessary to make up the survey. In general, therefore, the alcohol plant should have at least a 15-days' supply of wood on hand, and where logging operations are such as to require frequent shutdowns, the alcohol plant should have sufficient material in storage to last twice as long as the usual shutdowns. The waste can be stored and handled easiest in the condition ready to use—that is, hogged and shredded. Protection from the rain is sufficient, and any type of open-walled but covered building would answer the purpose. Belt conveyors can be used to handle the material, and a long, open, covered shed with an inclined bottom sloping into a trough, similar to those used for the storage of sugar beets, would answer the purpose.

#### DISINTEGRATING EQUIPMENT.

This would consist of hogs or shippers and shredders and screens. A chip one-half an inch long with the grain will be penetrated thoroughly with acid, but the ease with which the sugar can be leached out is a problem that would require attention. However, since the residual digested sawdust or waste left after extraction is ample for power production, and all engine exhaust steam can be used for heating and distillation purposes, the extra power required to chip down a three-sixteenth or one-fourth inch chip would not be prohibitive, and the greater efficiency of extraction would probably make it very desirable. After screening and reshedding the screenings the fine stuff would go by belt to the loading bins over the digester.

## SAWDUST AND ACID STORAGE.

The loading bins should be of sufficient size to act as an intermediate storage for the material as it comes from the screen on its way to the digester. They should hold four or five digesters full each, and should be placed over the digester and tapered down so that the material can flow directly into the digester similar to those in use in chemical pulp plants.

The acid would come to the plant in concentrated form so as to permit tank-car shipment and storage in steel tanks. The concentrated acid would be pumped into a lead-lined tank above the digester and diluted so that the dilute acid could flow into the digester along with the sawdust. If rotating digesters are used, no special mixing apparatus will be necessary; at least we have never found evidence of appreciable quantities of uncooked material when handled in this way.

## THE DIGESTERS.

The digesters should be rotating, and may be spherical or short and cylindrical with dished ends. If the latter type is used, the diameter should be double the length of the cylindrical section, so that it may be filled as completely as possible. A number of satisfactory acid-proof linings are obtainable at present. During cooking the mass shrinks in volume and settles so that the final volume is only about two-thirds the original volume and leaves ample room for thorough mixing during cooking.

The size of the digesters will be governed by the daily capacity of the plant, the heating period, and the time of the complete cycle per digester. If the heating period is 15 minutes out of a total of 1 hour for each cook, 4 digesters, or multiples of 4, should be used, whereas if the heating period is 20 minutes out of a total of 1 hour only 3 or multiples of 3 should be used. In this way the steam load on the boilers will be as uniform as possible and the boiler capacity will be dictated largely by this load, since the rest of the load for power and distillation purposes will be generally constant. In addition, the hogging, shredding, and digester capacity of the plant should be such that it will give sufficient digested sawdust in 18 or 20 hours to run the rest of the plant 24 hours, thereby giving time for repairs and breakdowns.

The cooked sawdust can be discharged merely by rotating the digester, and falls into a bin which receives the cooked material from all the digesters and from which it goes by a mechanical conveyer to the different cells of the diffusion battery.

## DIFFUSION BATTERY.

Closed cells, similar to those used for the extraction of sugar beets or dyewood chips, can be used. These should be lined so as to be acid resistant like the digesters and the top and bottom should be arranged so that charging and discharging can be readily accomplished. Cells of this type can be obtained in which the extracted material will empty itself after a release of the bottom of the cell. The temperature of the extracting water should be from 75° to 90° C., since this will give not only a greater solubility than colder water but will also sterilize it and keep the juice sterile while it is settling after neutralization.

The size of the cells and the number of cells in the battery and the amount of water per cell will be governed by the size of the plant and the size of the material that is cooked, since sawdust, for instance, will extract more readily than larger material. As our leaching experiments have shown, seven or eight extractions seemed to be necessary; this would require eight or nine cells in the battery, since one is being discharged and filled all the time. Since the sugars are readily soluble, only a short extraction period is necessary—that is, of from 50 to 75 minutes. This time, however, will be governed in part by the length of time that it takes the water to drain through each cell, which in turn depends on the size of the cell. The cells should not be too large, or the extracting water will not pass through the material easily, and the amount of water used should be such that the resulting extract is of the proper concentration for fermentation, which is from 11° to 12° Brix. The Brix will go up another degree on neutralization.

Just as in the case of laboratory extractions or washing of precipitates, a large number of extractions or washings with small amounts of liquid will give a better extraction or more thorough washing and a more concentrated extract than fewer extractions with larger amounts of extracting water for each extraction.

## NEUTRALIZATION AND SETTLING.

After extraction, the acid extract is nearly neutralized with solid or milk lime or a high-grade limestone (a magnesia stone is undesirable) and is then allowed to stand so as to settle out the sludge of calcium sulphate. This usually requires from 15 to 18 hours, so that adequate tank capacity is required here.

## COOLERS.

The clear juice is then drawn off and passed through coolers to reduce its temperature to about 27° C., from which it goes into the fermenting tanks. The coolers should be of copper and their size will depend upon the temperature of the water supply available.

## FERMENTATION, DISTILLATION, ETC.

A 96-hour fermentation period is permitted, so that a 4-day fermenter capacity is required. The size of the individual fermenter will be dictated largely by local conditions, such as mean temperature, and the other equipment is the standard distillery equipment in use at present in grain or molasses distilleries.

## POWER REQUIREMENTS.

The steam load of the plant will be distributed about as follows:

	Per cent.
Pumps (boiler, fire, general water supply, beer, alcohol)	20
Digesters	30
Hogs and shredders	20
General power for driving conveyers, digesters, etc.	15
Distillation and rectification (including all exhaust steam not used for heating boiler feed and extraction water. If large quantities of exhaust are not available, distillation and rectification may require as high as 40 per cent of the total load)	15

A large supply of pure, cool water is necessary. It should be pure for boiler and extraction use, and should be cool for use in cooling and condensing. The disposal of the beer still slops requires attention, because of the large amount of pentose carbohydrate, and also of dead yeast which is highly nitrogenous and which would lead to rapid putrefaction.

## COSTS.

The production of alcohol by this process up to the present time in this country, with one exception, has not been a commercial success. The reasons for these failures have been: (1) General development of

the process which includes acquisition of the necessary experience in working out a problem of this kind to large-scale operation; (2) promotional difficulties (at least one plant was built in this country by promoters ignorant of the requirements of an operation of this type); and (3) lack of technical experts in this field who have had the necessary chemical, engineering, and bacteriological skill to develop the operation.

With new developments at the Forest Products Laboratory, allowing the necessary manufacturing losses involved in extraction, in the sludge of the settled juice, and in distillation and rectification losses, which combined should not be 20 per cent of the total yields, a yield of over 20 gallons per dry ton has been obtained. Assuming this yield and a location where the supply of waste is uniform and constant for a period of 20 years and where plenty of good water may be had, and where there is a fairly close supply of sulphuric acid and lime, the cost of alcohol from wood in a properly designed and constructed plant of 2,500 or 3,000 gallons per day capacity, is estimated per gallon of 190 proof as follows:

Yeast nutrients (this item may go as high as \$0.035 in some sections since the war; also rapidly advancing prices of iron, steel, and copper, particularly the latter, will require some increases in the estimate, which were figures for market conditions existing over a year ago)	\$0.015 to \$0.020
Repairs and materials (exclusive of fuel and wood)	.030 to .040
Labor	.015 to .030
Wood and fuel	.020 to .020
Interest at 7 per cent	.019 to .020
Depreciation at 10 per cent	.023 to .035
Overhead, taxes, etc.	.015 to .030
Total	.137 to .195

In the above table wood has been valued at \$0.40 per cord of 1,800 pounds of dry wood per cord. This should consist of sawdust and hogged refuse, but should not contain over 10 per cent of bark, since the yield of sugars and alcohol from bark is very low. A large quantity of bark would mean running a large volume of inert material through the alcohol plant at considerable expense without return, and in the case of most barks would add large quantities of undesirable tannin to the solution to be fermented.

A successful operation for the production of alcohol from wood in addition requires a sufficient daily supply of wood to produce about 1,500 gallons of 95 per cent alcohol or more per day. This means 75 tons of dry wood (or its equivalent in the air-dry or green condition), comparatively free from bark, or 100 tons per day of mixed sawmill waste. A plant smaller than this would increase the distillation and rectification costs to a questionable figure, because continuous operation would no longer be possible in standard types of apparatus. A plant of the above size would cost from \$200,000 to \$250,000, and a plant of 3,000 gallons per day would cost around \$300,000.

Before the war alcohol for denaturing purposes could be obtained in quantity for \$0.30 per 188 to 190 proof gallon; at present the market value is \$0.50 to \$0.55 per gallon for small lots, with no doubt appreciable shading for contracts in quantity. The price, however, has gone up from 33 $\frac{1}{3}$  to 50 per cent, and as long as the war continues no appreciable decrease in price seems probable because of the demands for grain and molasses for other purposes and because of the enormous amounts of alcohol being used. Before the war from 10,000,000 to 11,000,000 gallons of denatured alcohol were being produced annually. This production has now increased to over 30,000,000 gallons.

Under normal operating conditions most mills, particularly the large ones, produce waste in excess of their own power requirements, and in large mills equipped with efficient power plants this excess will be from 50 to 65 per cent of the total produced. The disposal of this waste by means of a burner is therefore almost invariably necessary. The cost of burning this waste varies widely with the size and efficiency of the mill, but from figures gathered by this laboratory this expense ranges from \$0.50 to \$0.66 per cord, or from \$0.11 to \$0.22 per thousand feet on all of the lumber cut, and means that the present cost of waste disposal amounts to about \$8,000,000 annually, in addition to the value of the wood so burned. All waste therefore that could be disposed of for the production of alcohol would not only net the sawmill about \$0.40 per cord but would also relieve them of the charge of burning, which, as given above, ranges from \$0.30 to \$0.66 per cord, and which therefore practically doubles the above realization to the sawmill. In other words, an operation of this kind in conjunction with the sawmill would add from \$0.22 to \$0.45 per thousand to the value of all lumber cut. This applied particularly to mills cutting coniferous species to which the above alcohol yield and waste-disposal figures apply. From work going on at present it seems that the yields from some of the hardwoods will not be as great as those obtained from the coniferous species.

In conclusion, the successful production of ethyl alcohol from sawdust seems to depend upon the proper design, equipment, and management of the plant, in addition to its chemical and fermentological features. Large volumes of low-grade materials must be handled quickly and efficiently under unusual technical conditions. The perfection of the necessary acid-resistant pieces of apparatus along with the experience of the plants that have been built, together with the utilization of material whose mere removal at present is an expense, justifies a serious consideration of the future of this industry.

Mr. GANDY. Mr. Chairman, I renew my request to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota that he be permitted to extend his remarks in the RECORD?

There was no objection.

Mr. MCKELLAR. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD on the subject of the Army bill.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. DAVIS of Texas. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD on the Agricultural appropriation bill.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BENNET. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD by printing a memorandum issued by the Department of State in relation to armed belligerent vessels.

The CHAIRMAN. The gentleman from New York asks unanimous consent to extend his remarks in the RECORD by printing the matter indicated. Is there objection?

There was no objection.

Mr. KEATING. Mr. Chairman, I desire to call attention to the fact that the memorandum concerning armed ships was inserted in the RECORD of this morning in the Senate.

The CHAIRMAN. The memorandum has already been acted upon by the committee.

Mr. BENNET. Mr. Chairman, if it was inserted this morning I ask unanimous consent to withdraw my request.

The CHAIRMAN. Without objection, the request of the gentleman from New York will be withdrawn.

There was no objection.

Mr. MOORE of Pennsylvania. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Add, at the end of line 6, page 78, the following as an extension of the paragraph:

"The Secretary of Agriculture is hereby directed to report to Congress on or before July 1, 1916, a complete list of the names and occupational assignments of all persons employed in the department as scientists, experts, specialists, or otherwise, not provided for on the statutory roll, together with the amounts paid to them per annum or for such special services as they may render; and in reporting such list the Secretary of Agriculture shall designate the subdivisions of the Department of Agriculture to which such employees are assigned, and he shall also indicate whether the appointment of such employees was by Executive order or otherwise, the date of appointment to be given in each case."

Mr. LEVER. Mr. Chairman, I reserve a point of order on the paragraph.

The CHAIRMAN. The gentleman from South Carolina reserves a point of order on the paragraph.

Mr. LEVER. I would rather make the point of order outright. It is subject to a point of order. I think we can finish this afternoon.

Mr. MOORE of Pennsylvania. On what ground does the gentleman from South Carolina contend that it is subject to a point of order?

Mr. LEVER. On the ground that it is not germane to this paragraph, Mr. Chairman.

Mr. MOORE of Pennsylvania. I can offer it, then, as a new paragraph.

Mr. LEVER. The gentleman can do that, but he has now offered it as an amendment to this paragraph. It is new legislation, in addition to that.

Mr. MOORE of Pennsylvania. Mr. Chairman, if the Chair holds that it is out of order at the present time, I shall offer it as a new paragraph. It is near adjourning time, and I want to save time, not take up time.

The CHAIRMAN. Does the gentleman from Pennsylvania withdraw his amendment at this time?

Mr. MOORE of Pennsylvania. I will do that by unanimous consent and offer it again as a separate paragraph. I ask the privilege of introducing it as a new paragraph at the proper time.

The CHAIRMAN. The gentleman from Pennsylvania withdraws his amendment.

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

The CHAIRMAN. The gentleman from Pennsylvania [Mr. MOORE] has the floor.

Mr. MOORE of Pennsylvania. Mr. Chairman, I offer it as a new paragraph. Am I recognized now?

Mr. LEVER. Mr. Chairman, I reserve a point of order on the amendment as a new paragraph also.

The CHAIRMAN. The gentleman from South Carolina reserves a point of order on the amendment as a new paragraph.

Mr. MOORE of Pennsylvania. The gentleman does not object to my stating why I offer this amendment?

Mr. LEVER. No. Let the gentleman go ahead.

Mr. MOORE of Pennsylvania. Mr. Chairman, I have undertaken to offer an amendment substantially in this language to each one of the three amendments that were forced through the House under the rule, because it seemed to me that in the matter of lump-sum appropriations the House should be advised as to the amount of salaries paid, as to the number of offices filled, and as to the duties performed. Now I offer my amendment to the Agricultural bill itself, for reasons which I shall endeavor to explain.

All through the many pages of this Agricultural appropriation bill, consideration of which is now approaching a close, there will be found lump-sum appropriations for demonstration work, for experimental work, for field work, with nothing whatever about the number of employees engaged in that kind of work, and nothing of the method of employment or of appointment, and nothing of the salaries, such as we require with respect to other departments of the Government. Why should we not occasionally have a report from the Secretary of Agriculture with respect to the people employed under these lump-sum appropriations?

Let me illustrate by referring to that feature of the Agricultural Department work which may be called the migratory bird law bureau. The department is there undertaking to enforce a law which has been declared unconstitutional by the United States courts. I find, on page 7898 of the RECORD, that the gentleman from Iowa [Mr. HAUGEN] inserted from some report a statement as to the number of people employed and the purpose for which they are employed on the enforcement of the migratory-bird law, which has been declared unconstitutional. Provision is made there for no less than 220 wardens at the very strange sum of \$1 per month, and some of them at \$1 per annum; five game protectors, I believe, at \$1 per annum each. What does this mean? There may be a reason for it. Perhaps the chairman of the committee will explain.

Mr. LEVER. I will say to the gentleman that—

Mr. MOORE of Pennsylvania. I have asked the gentleman to explain, but I have not the time to yield to him now. Apart from these nebulous appointments of game wardens and game protectors there are at least 22 administrative officers, mostly inspectors, employed at anywhere from \$1,500 per annum up to \$2,500 per annum. I think \$2,500 is the highest salary given here. Now, the total that was used for 1915, apparently for salaries alone, was in excess of \$38,000 for enforcing a law which was not enforced. But what else was done with the money? More than \$16,000 of it went into traveling expenses. Do the game wardens come in here? Do the game protectors come in here? The amount for traveling expenses is almost half the amount for salaries.

Now, what the department desires for 1917 is \$56,000 for salaries, and for traveling expenses it asks for \$37,000. Do the wardens come in on this? And if all this is to be done in the administration of a law which is nugatory and which has been declared unconstitutional and is not enforced, why should not Congress be informed as to the method of selecting the men who perform this alleged service?

There has been talk about "graft" in connection with other departments. I make no such insinuation here, but it seems to me that if we put 22 inspectors on the force and have 220 game wardens and protectors, with salaries and with traveling expenses, it would be well for the Secretary of Agriculture to report about them once in a while to the House. [Applause.]

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

Mr. LEVER. Mr. Chairman, I am going to withdraw the point of order and let the House vote on it, although I think it is subject to a point of order. It is my purpose presently to offer the following amendment:

The Secretary of Agriculture, for the fiscal year 1918, and annually thereafter, shall transmit to the Secretary of the Treasury for submission to Congress in the Book of Estimates detailed estimates for all executive officers, clerks, and employees below the grade of clerk, indicating the salary or compensation of each, necessary to be employed by the various bureaus, offices, and divisions of the Department of Agriculture, and shall include with such estimates a statement of all executive officers, clerks, and employees below the grade of clerk, who may have been employed during the last completed fiscal year on any lump-sum appropriation for the department and the salary or compensation of each.

We shall undertake in that amendment—and in the drawing of it I have had the cooperation of the gentleman from Minnesota [Mr. ANDERSON]—to relieve ourselves of some of the criticism which has been directed against this bill.

Now, the amendment of the gentleman from Pennsylvania [Mr. MOORE] undertakes to require a complete statement to be made as to the scientists and experts and others employed elsewhere than on the statutory roll. I want to call the attention of members of the committee to the fact that in the Book of Estimates now the Secretary of Agriculture is required to furnish a list of employees that are paid out of the lump fund, and that list in the Book of Estimates is always before the Committee on Agriculture.

Mr. MAPES. Mr. Chairman, will the gentleman yield there?

The CHAIRMAN. Does the gentleman from South Carolina yield to the gentleman from Michigan?

Mr. LEVER. I yield for a question.

Mr. MAPES. I would like to ask the gentleman if the various employees that are provided for under this appropriation bill

and in the amendments which we have adopted or which the committee has voted for to-day—the grain-grading bill and the cotton-futures bill and the warehouse bill—are appointed according to and under the regulations of the Civil Service Commission?

Mr. LEVER. They are; yes. I stated that pretty fully in the discussion of this bill.

Mr. MAPES. The experts and all?

Mr. LEVER. Yes; every one of them is appointed under the civil-service law.

Take, for instance, the general expenses of the Office of Markets and Rural Organization. We have here several pages in which the number of persons employed under lump funds is set out. I think the only additional requirement of the gentleman's amendment is to ask that the names of the persons employed be inserted. Now, we have the number and the salaries which they are drawing set forth in the Book of Estimates. I think some criticism was made of the Forestry Service because of the high cost of bookkeeping—and it is high as compared to private business, I confess—and this is true of other departments also. Yet we are requiring more reports year after year from heads of departments to be made to Congress, reports which nobody ever looks at, as a matter of fact. It seems to me it is a waste of time and waste of public money to keep on asking the departments to furnish report after report and detail after detail which very few, if any, of us ever look at.

Now, we have here a list—

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. LEVER. I yield to the gentleman from Pennsylvania.

Mr. MOORE of Pennsylvania. I want to say to the gentleman that my purpose in offering these amendments was as much to relieve the committee of the odium of passing improper appropriations, or being accused of it, as anything else; but I did want to ask the gentleman whether the game wardens, foresters, game protectors, specialists, and so forth, were all appointed under the civil service? I think the gentleman made rather a comprehensive answer to the question.

Mr. LEVER. I understood the gentleman's question to apply to the scientific force of the Department of Agriculture. I take it that the collaborator that the gentleman refers to, the game warden at \$1 a year, would not be appointed under the civil service. I do not know about that; but I do know that the scientific force of the Department of Agriculture and the clerks of the Department of Agriculture are all appointed under the civil service.

Mr. MOORE of Pennsylvania. They all start that way, do they, as the gentleman understands it?

Mr. LEVER. Oh, I know they do, except occasionally when some person may be employed temporarily because there is no one eligible for the appointment on the civil-service register, as I have stated before.

Mr. BOOHER. Is it not a fact that there is a list furnished now by the Agricultural Department of all the employees and the different bureaus in which they are employed and their salaries?

Mr. LEVER. Of course. The chief clerk of the department has all that information.

Mr. BOOHER. I remember that in the Sixty-first Congress I was on the Committee on Expenditures in the Department of Agriculture, and there were three of those books printed, which were duplicates, and the committee reported in favor of abolishing two of them, and they were abolished.

Mr. LEVER. I am very glad the gentleman has called attention to that. Some years ago this committee itself abolished two of the three reports that we had been requiring from the Department of Agriculture, because they were absolutely worthless. Nobody read them, nobody cared anything about them, and it was simply an expense to the Government to collect and publish them.

Mr. BOOHER. There is one of those books printed now that contains the name of every employee, the bureau in which he is employed, and the salary paid.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LEVER. I ask unanimous consent to continue for a few minutes.

The CHAIRMAN. The committee has fixed the time.

Mr. MADDEN. Mr. Chairman, you know we can change that by unanimous consent.

Mr. HUMPHREY of Washington. The committee did not fix the time.

Mr. MADDEN. I desire to ask the gentleman a question.

The CHAIRMAN. Does the gentleman from Illinois desire recognition?

Mr. MADDEN. Yes, Mr. Chairman.

The CHAIRMAN. The gentleman from Illinois is recognized. Mr. MADDEN. Mr. Chairman, I wish to ask the gentleman from South Carolina a question because of a statement that he has just made. He said the number of reports that we were requiring the Department of Agriculture to make added to the expense of the department. Now, if that be true, then a good many of the items in this bill ought to be eliminated, because nearly every item in the bill provides for an additional report on some activity of the agricultural business of the country. What does the gentleman say to that?

Mr. LEVER. The gentleman misunderstood what I said. I meant to say that the continued calling upon the department to give to Congress in the minutest details reports of what it was doing from time to time, how many people it had—of course, the department keeps that anyhow—where they had been, and how long they talked at this place or that, and many other minute details, were a burden upon the department and a waste of money.

Now, the reports to which the gentleman refers are scientific facts that are gathered for the purpose of dissemination.

Mr. MADDEN. Is not the other information worth while?

Mr. LEVER. We think so; yes. If we did not, we would not vote for this bill.

Mr. HAUGEN. Mr. Chairman, it is true, as the gentleman has stated, that the department does furnish a list of employees.

Mr. LEVER. Yes.

Mr. HAUGEN. And also estimates for the number of employees?

Mr. LEVER. Yes.

Mr. HAUGEN. And also for a lump-sum appropriation.

Mr. LEVER. That is true.

Mr. HAUGEN. Which is available for the payment of salaries.

Mr. LEVER. And that lump sum is appropriated here every year.

Mr. HAUGEN. The criticism is this: The department should estimate every salary, and the committee should carry it into the law.

Mr. LEVER. Congress passed on that two years ago. The gentleman from North Carolina raised the question, and we had a vote on it. I withdrew the point of order on it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. Moore].

The amendment was rejected.

Mr. MADDEN. Mr. Chairman, we have had a strenuous week—

Mr. LEVER. Mr. Chairman, I will say to the gentleman from Illinois that I wish to offer one more amendment, which will take only a moment.

The CHAIRMAN. The gentleman from South Carolina offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 78, after line 6, insert a new paragraph, as follows:

"The Secretary of Agriculture, for the fiscal year 1918, and annually thereafter, shall transmit to the Secretary of the Treasury for submission to Congress in the Book of Estimates detailed estimates for all executive officers, clerks, and employees, below the grade of clerk, indicating the salary or compensation of each, necessary to be employed by the various bureaus, offices, and departments of the Department of Agriculture, and shall include with such estimate a statement of all executive officers, clerks, and employees below the grade of clerk who may have been employed during the last completed fiscal year on any lump-sum appropriation for the department, and the salary or compensation of each."

Mr. LEVER. Mr. Chairman, I ask for a vote on the amendment.

The amendment was agreed to.

Mr. RUBEY. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD on the warehouse bill.

The CHAIRMAN. The gentleman from Missouri [Mr. RUBEY] asks unanimous consent to extend his remarks in the RECORD on the warehouse bill. Is there objection?

There was no objection.

Mr. DAVENPORT. Mr. Chairman, I ask leave to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. WILSON of Illinois. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD by printing a report of the commanding general of the Philippine Islands pertaining to the Philippine Scouts.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. STEPHENS of Texas. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD on the Gandy amendment to the pending bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. FESS. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD on the variety of industries in the country.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. CARAWAY and Mr. BLACK, by unanimous consent, were given leave to extend remarks in the RECORD.

Mr. MADDEN. Mr. Chairman, the Members of the House have been very industrious during this week. It is Saturday night, and it is evident that we can not pass this bill to-night, and I make the point of no quorum.

Mr. LEVER. Will the gentleman reserve that point for a moment?

Mr. MADDEN. I will.

Mr. LEVER. Let us see if we can not agree on a time to discuss the paragraph on the foot-and-mouth disease. The gentleman from Iowa [Mr. HULL] and the gentleman from Illinois [Mr. KING] have been most earnest in their talk with me, and I would like to see if we can not agree.

Mr. MANN. Does not the gentleman see if the point of order was made and sustained to the present paragraph that we could not agree on time to debate an amendment not offered. I do not know whether one will be offered. I think there will be no difficulty as to time if it is offered.

Mr. LEVER. I would like to agree on a time when we shall vote on the bill, or on any amendment offered to the paragraph or otherwise.

Mr. KING. What does the gentleman say to eight hours?

Mr. LEVER. That would be more time than I think the gentleman can consume.

Mr. KING. But there are other gentlemen who would like some time.

Mr. LEVER. I am willing to agree on a reasonable time.

Mr. KING. Say four hours.

Mr. LEVER. That is entirely too much. Let us get down to business.

Mr. KING. There are a number of gentlemen who desire to be heard. I think in view of the fact that this is a very important question and there is going to be a convention in a week or two of all the stock raisers in the country on this particular subject, that we should have time to debate it.

Mr. LEVER. Let me ask the gentleman a question. Is the gentleman going to move to strike it out, or make any substantial amendment to it? The question of talk is one thing and I am willing to give a liberal time. If there is a general proposition to strike out or increase, that is one thing.

Mr. KING. I have three amendments that I want to offer in good faith, and the gentleman from Iowa [Mr. HULL] can speak for himself.

Mr. MADDEN. I also have an amendment.

Mr. HULL of Iowa. I have a point of order and three amendments to make.

Mr. LEVER. It will not take long on the point of order, for I know what it is. How would one hour on a side do on the paragraph relating to the foot-and-mouth disease?

Mr. KING. Well, I think an hour on a side will be all right.

Mr. MOORE of Pennsylvania. I have an amendment to that paragraph that I want to offer.

Mr. LEVER. Mr. Chairman, I think I have got a line on what will be acceptable to both sides.

Mr. MANN. So far as the gentleman now knows, does he expect to proceed with this bill on Monday?

Mr. LEVER. I do not know what the program is on Monday, but I am going to try to proceed.

Mr. MANN. The gentleman made an agreement the other day about it; the gentleman stated that he would not endeavor to bring up the Agricultural bill as against the Philippine bill, if it was brought before the House.

Mr. LEVER. That is true. Mr. Chairman, I ask unanimous consent that all debate on the paragraph relating to the foot-and-mouth disease, and all amendments relating thereto, or new paragraphs relating thereto, be confined to two hours, one half to be controlled by myself and the other half by the gentleman from Iowa [Mr. HULL].

The CHAIRMAN. The gentleman from South Carolina asks unanimous consent that all debate on the paragraph relating to foot-and-mouth disease and all amendments relating thereto conclude in two hours, one half to be controlled by himself and

the other half by the gentleman from Iowa [Mr. HULL]. Is there objection?

Mr. FESS. Mr. Chairman, reserving the right to object, Ohio was wonderfully stricken last year. Will time be given to speak for the situation over there?

Mr. LEVER. Yes; I will take care of the gentleman.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. LEVER. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. HAMLIN, chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill 12717, the Agricultural appropriation bill, and had come to no resolution thereon.

#### INDIAN APPROPRIATION BILL.

Mr. CARTER of Oklahoma presented a conference report on the Indian appropriation bill (H. R. 10385) for printing in the RECORD under the rule, as follows:

#### CONFERENCE REPORT (NO. 618).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10385) making appropriations for the current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with various Indian tribes, and for other purposes, for the fiscal year ending June 30, 1917, 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 3, 4, 6, 8, 11, 12, 15, 23, 30, 31, 32, 33, 40, 43, 44, 45, 49, 69, 73, 77, 88, 91, 92, 100, 108, 117, 118, 119, 120, 123, 133, 135, 147, 149, and 157.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 5, 9, 13, 16, 17, 18, 19, 20, 21, 22, 24, 25, 27, 28, 29, 33, 39, 46, 48, 50, 51, 52, 53, 54, 56, 58, 60, 61, 62, 63, 64, 65, 66, 67, 68, 70, 71, 76, 80, 81, 85, 86, 89, 90, 93, 94, 96, 98, 99, 101, 103, 104, 106, 107, 109, 111, 112, 114, 115, 121, 122, 125, 126, 128, 130, 131, 134, 136, 138, 139, 140, 141, 143, 144, 145, 148, 150, 151, 152, 153, 154, and 155, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In line 7 of said amendment, strike out the word "the" and insert in lieu thereof the word "Indian," and in line 8 of said amendment, strike out the word "the" and insert in lieu thereof the word "such"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: In line 1 of said amendment, strike out the word "to" and insert in lieu thereof the following: "\$5,000 of which shall"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: In lieu of the amendment proposed insert the following:

*"Provided further, That not more than \$200,000 of the amount herein appropriated may be expended for the tuition of Indian children enrolled in the public schools;"*

And the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following: "two permanent warehouses"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In line 1 of said amendment strike out the words "which has been," and in line 2 of said amendment strike out the words "heretofore or"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows: In lieu of the amendment proposed insert the following:

*"For beginning the construction by the Indian Service of a dam with a bridge superstructure and the necessary controlling works for diverting water from the Gila River for the irrigation of Indian land and Indian allotments on the Gila River Indian Reservation, Ariz., as recommended by the Board of Engineers of the United States Army in paragraph 217 of its report to*

the Secretary of War of February 14, 1914 (H. Doc. No. 791), \$75,000, to be immediately available and to remain available until expended, reimbursable as provided in section 2 of the act of August 24, 1912 (37 Stat. L., p. 522), the total cost not to exceed \$200,000."

And the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"For beginning the construction by the Indian Service of a diversion dam and necessary controlling works for diverting water from the Gila River at a site above Florence, Ariz., as estimated by the Board of Engineer Officers of the United States Army in paragraph 188 of its report to the Secretary of War of February 14, 1914 (H. Doc. No. 791), \$75,000, to remain available until expended, the total cost not to exceed \$175,000: *Provided*, That said dam shall be constructed as a part of a project for the irrigation from the natural flow of the Gila River of Indian lands on the Gila River Indian Reservation and private and public lands in Pinal County, Ariz.: *And provided further*, That the water diverted from the Gila River by said diversion dam shall be distributed by the Secretary of the Interior to the Indian lands of said reservation and to the private and public lands in said county in accordance with the respective rights and priorities of such lands to the beneficial use of said water as may be determined by agreement of the owners thereof with the Secretary of the Interior or by a court of competent jurisdiction: *And provided further*, That the construction charge for the actual cost of said diversion dam and other works and rights shall be divided equitably by the Secretary of the Interior between the Indian lands and the private and public lands in said county; and said cost as fixed for said Indian lands shall be reimbursable as provided in section 2 of the act of August 24, 1912 (37 Stat. L., p. 522); but the construction charge as fixed for the private and public lands in said county shall be paid by the owner or entryman in accordance with the terms of an act extending the period of payment under reclamation projects, approved August 13, 1914 (38 Stat. L., p. 686): *And provided further*, That said project shall only be undertaken if the Secretary of the Interior shall be able to make or provide for what he shall deem to be satisfactory adjustments of the rights to the water to be diverted by said diversion dam or carried in canals, and satisfactory arrangements for the inclusion of lands within said project and the purchase of property rights which he shall deem necessary to be acquired, and shall determine and declare said project to be feasible."

And the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"For extension of the Ganado irrigation project on the Navajo Indian Reservation in Arizona for the irrigation of approximately 600 acres of land in addition to the area to be irrigated by said project, as authorized in section 2 of the act of August 24, 1912, \$20,000; and for maintenance and operation of the project, \$3,000; in all, \$23,000, reimbursable and to remain available until expended."

And the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment as follows: In line 16 of said amendment strike out the figures "\$15,000" and insert in lieu thereof the following: "\$10,000"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"For support and education of 100 Indian pupils at the Greenville Indian School, California, including pay of superintendent, \$18,400; for general repairs and improvements, including purchase of additional land for school farm, \$8,000; in all, \$26,400."

And the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment as follows: In lieu of the amendment proposed insert the following:

"For the improvement and construction of roads and bridges on the Yuma Indian Reservation in California, \$10,000, to be immediately available, reimbursable to the United States by the Indians having tribal rights on said reservation."

And the Senate agree to the same.

Amendment numbered 47: That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"That the Secretary of the Interior is hereby authorized to withdraw from the Treasury of the United States the sum of \$10,000, or so much thereof as may be necessary, of the funds on deposit to the credit of the Potawatomi Indians in the State of Kansas, and to be expended under his direction for the construction of bridges across the Big Soldier Creek and Little Soldier Creek, within the Potawatomi Indian Reservation, Jackson County, Kans.: *Provided*, That no part of the money herein appropriated shall be expended until the Secretary of the Interior shall have obtained from the proper authorities of the county of Jackson satisfactory guarantees of the payment by the said county of Jackson of at least one-half of the cost of said bridges, and that the said proper authorities of the said county of Jackson shall assume full responsibility for and will at all times maintain and repair said bridges: *And provided further*, That any and all expenses above the amount herein named in connection with the building and maintaining of said bridges shall be borne by the said county of Jackson: *And provided further*, That this appropriation shall not become effective until approved by an Indian council to be called for that purpose."

And the Senate agree to the same.

Amendment numbered 55: That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment as follows: Strike out the following language of the amendment:

"Hereafter on ceded lands in the State of Minnesota embraced within the provisions of the law entitled 'An act for the relief and civilization of the Chippewa Indians in the State of Minnesota,' approved January 14, 1889, the minerals in and mineral rights pertaining to any of the lands, the cession of which was provided for in said act, and for which the United States has not conveyed title, shall be and remain in and are reserved for the use and benefit of the Chippewa Indians in the State of Minnesota."

And the Senate agree to the same.

Amendment numbered 57: That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment as follows: In line 6 of said amendment strike out the following: "at Keewaton Academy, Wisconsin" and the comma; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment as follows: In line 1 of said amendment, after the word "balance," insert the following: "of \$3,436.03"; and the Senate agree to the same.

Amendment numbered 72: That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment as follows: In line 2 of said amendment, strike out the figures "\$50,000" and insert in lieu thereof "\$25,000"; and the Senate agree to the same.

Amendment numbered 74: That the House recede from its disagreement to the amendment of the Senate numbered 74, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"The work to be done with the amounts herein appropriated for the completion of the Blackfeet, Flathead, and Fort Peck projects may be done by the Reclamation Service on plans and estimates furnished by that service and approved by the Commissioner of Indian Affairs: *Provided*, That not to exceed \$15,000 of applicable appropriations made for the Flathead, Blackfeet, and Fort Peck irrigation projects shall be available for the maintenance, repair, and operation of motor-propelled and horse-drawn passenger-carrying vehicles for official use upon the aforesaid irrigation projects: *Provided further*, That not to exceed \$7,500 may be used for the purchase of horse-drawn passenger-carrying vehicles, and that not to exceed \$1,500 may be used for the purchase of motor-propelled passenger-carrying vehicles."

And the Senate agree to the same.

Amendment numbered 75: That the House recede from its disagreement to the amendment of the Senate numbered 75, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"That the Secretary of the Interior be, and he is hereby, authorized and directed to announce, at such time as in his opinion seems proper, the charge for construction of irrigation systems on the Blackfeet, Flathead, and Fort Peck Indian Reservations in Montana, which shall be made against each acre of land irrigable by the systems on each of said reservations. Such charges shall be assessed against the land irrigable

by the systems on each said reservation in the proportion of the total construction cost which each acre of such land bears to the whole area of irrigable land thereunder.

"On the first day of December after the announcement by the Secretary of the Interior of the construction charge the allottee, entryman, purchaser, or owner of such irrigable land which might have been furnished water for irrigation during the whole of the preceding irrigation season, from ditches actually constructed, shall pay to the superintendent of the reservation where the land is located, for deposit to the credit of the United States as a reimbursement of the appropriations made or to be made for construction of said irrigation systems, 5 per cent of the construction charge fixed for his land, as an initial installment, and shall pay the balance of the charge in 15 annual installments, the first 5 of which shall each be 5 per cent of the construction charge and the remainder shall each be 7 per cent of the construction charge. The first of the annual installments shall become due and payable on December 1 of the fifth calendar year after the initial installment: *Provided*, That any allottee, entryman, purchaser, or owner may, if he so elects, pay the whole or any part of the construction charges within any shorter period: *Provided further*, That the Secretary of the Interior may, in his discretion, grant such extension of the time for payments herein required from Indian allottees or their heirs as he may determine proper and necessary, so long as such land remains in Indian title.

"That the tribal funds heretofore covered into the Treasury of the United States in partial reimbursement of appropriations made for constructing irrigation systems on said reservations shall be placed to the credit of the tribe and be available for such expenditure for the benefit of the tribe as Congress may hereafter direct.

"The cost of constructing the irrigation systems to irrigate allotted lands of the Indians on these reservations shall be reimbursed to the United States as hereinbefore provided, and no further reimbursements from the tribal funds shall be made on account of said irrigation works except that all charges against Indian allottees or their heirs herein authorized, unless otherwise paid, may be paid from the individual shares in the tribal funds, when the same is available for distribution, in the discretion of the Secretary of the Interior.

"That in addition to the construction charges every allottee, entryman, purchaser, or owner shall pay to the superintendent of the reservation a maintenance and operation charge based upon the total cost of maintenance and operation of the systems on the several reservations, and the Secretary of the Interior is hereby authorized to fix such maintenance and operation charge upon such basis as shall be equitable to the owners of the irrigable land. Such charges when collected shall be available for expenditure in the maintenance and operation of the systems on the reservation where collected: *Provided*, That delivery of water to any tract of land may be refused on account of nonpayment of any charges herein authorized, and the same may, in the discretion of the Secretary of the Interior, be collected by a suit for money owed: *Provided further*, That the rights of the United States heretofore acquired, to water for Indian lands referred to in the foregoing provision, namely, the Blackfeet, Fort Peck, and Flathead Reservation land, shall be continued in full force and effect until the Indian title to such land is extinguished.

"That the Secretary of the Interior be, and he is hereby, authorized to prescribe such rules and regulations and issue such notices as may be necessary to carry into effect the provisions of this act, and he is hereby authorized and directed to determine the area of land on each reservation which may be irrigated from constructed ditches and to determine what allowance, if any, shall be made for ditches constructed by individuals for the diversion and distribution of a partial or total water supply for allotted or surplus unallotted land: *Provided*, That if water be available prior to the announcement of the charge herein authorized, the Secretary of the Interior may furnish water to land under the systems on the said reservations, making a reasonable charge therefor, and such charges when collected may be used for construction or maintenance of the systems through which such water shall have been furnished."

And the Senate agree to the same.

Amendment numbered 78: That the House recede from its disagreement to the amendment of the Senate numbered 78, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following: "for the purpose of making necessary repairs on the Government bridge across the Niobrara River near Niobrara, Nebr.; also to reconstruct one span of 90 feet over the back channel of the Niobrara River at the same point, the sum of \$6,500; said sum to be expended

under the direction of the Secretary of the Interior"; and the Senate agree to the same.

Amendment numbered 79: That the House recede from its disagreement to the amendment of the Senate numbered 79, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$91,100"; and the Senate agree to the same.

Amendment numbered 82: That the House recede from its disagreement to the amendment of the Senate numbered 82, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"For support and education of 290 Indian pupils at the Indian School at Carson City, Nev., including pay of superintendent, \$50,430; for general repairs and improvements, \$8,000; for irrigating school farm, \$4,000; in all, \$62,430."

And the Senate agree to the same.

Amendment numbered 83: That the House recede from its disagreement to the amendment of the Senate numbered 83, and agree to the same with an amendment as follows: In line 4 of the amendment, after the figures "\$15,000" strike out the period, insert a colon and the following: "*Provided*, That no part of this appropriation shall be expended for mileage, salaries or expenses of employees"; and the Senate agree to the same.

Amendment numbered 84: That the House recede from its disagreement to the amendment of the Senate numbered 84, and agree to the same with an amendment as follows: In line 2 of the amendment strike out the following: "And to remain available until expended"; and the Senate agree to the same.

Amendment numbered 87: That the House recede from its disagreement to the amendment of the Senate numbered 87, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"For support and education of 350 Indian pupils at the Indian school at Santa Fe, N. Mex., and for pay of superintendent, \$59,550; for general repairs and improvements, \$6,000; for water supply, \$1,600; for the construction of an assembly hall and gymnasium, \$25,000; in all, \$92,150."

And the Senate agree to the same.

Amendment numbered 95: That the House recede from its disagreement to the amendment of the Senate numbered 95, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"For support and education of 220 Indian pupils at the Indian school, Wahpeton, N. Dak., and pay of superintendent, \$38,540; for general repairs and improvements, \$5,000; for new school building, \$20,000; in all, \$63,540."

And the Senate agree to the same.

Amendment numbered 97: That the House recede from its disagreement to the amendment of the Senate numbered 97, and agree to the same with an amendment as follows: Strike out all of said amendment and insert the following: "To enable the Secretary of the Interior to redeem a mortgage on the allotment selection of Starr McGillis, a Turtle Mountain Chippewa Indian, described as the northwest quarter of section 34, township 164 north, range 70 west of the fifth principal meridian, North Dakota, \$1,500, or so much thereof as may be necessary"; and the Senate agree to the same.

Amendment numbered 102: That the House recede from its disagreement to the amendment of the Senate numbered 102, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"That the unexpended balance of \$9,533.38 is hereby reappropriated and made available for continuing the relief and settlement of the Apache Indians formerly confined as prisoners of war on the Fort Sill Military Reservation, Okla., for the purchase of allotments in Oklahoma, as provided for in the act of June 30, 1913 (38 Stat. L., p. 77), for the three adult heads of families who have not heretofore received allotments."

And the Senate agree to the same.

Amendment numbered 105: That the House recede from its disagreement to the amendment of the Senate numbered 105, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following: "except that the Secretary of the Interior is hereby authorized, within 30 days after the passage of this act, to investigate claims not to exceed \$1,950 growing out of contracts alleged to be in existence between John Calvin Gray, William T. Lancaster, Arthur Jennings, and Clyde Jennings, as enrolled members of the Choctaw or Chickasaw Nations, and Henry W. Blair, Kappler & Merillat, James K. Jones, Charles M. Fechheimer, and Eugene Hamilton, as attorneys, and in case such claims are found to be valid and the contracts approved in accordance with existing law, the said Secretary of the Interior may, in his discretion, apply any amounts that may be found due under this paragraph to the

aforesaid enrolled members of the Choctaw or Chickasaw Nations to the payment of such fee, but the amounts due hereunder to other enrolled members of the Choctaw and Chickasaw Nations shall not be held in abeyance to this claim but shall be paid promptly without reference to same; and the Senate agree to the same.

Amendment numbered 110: That the House recede from its disagreement to the amendment of the Senate numbered 110, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$15,000"; and the Senate agree to the same.

Amendment numbered 113: That the House recede from its disagreement to the amendment of the Senate numbered 113, and agree to the same with an amendment, as follows: In lieu of the matter proposed insert the following: "\$12,000; for remodeling sewer system, \$5,000; for three high-pressure steam boilers, \$7,200: *Provided*, That the unused balance of \$9,830 of the amount appropriated by the act of August 1, 1914 (38 Stat. L. p. 602), and an additional amount of \$2,500 may be expended for an addition to the assembly hall; in all \$128,700"; and the Senate agree to the same.

Amendment numbered 116: That the House recede from its disagreement to the amendment of the Senate numbered 116, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"The Secretary of the Interior is hereby authorized to withdraw from the Treasury of the United States the sum of \$3,000, or so much thereof as may be necessary, of the funds on deposit to the credit of the Klamath Indians of the State of Oregon, and use the same for the construction of a bridge across the Williamson River, on the Klamath Indian Reservation, Oreg., under such rules and regulations as he may prescribe."

And the Senate agree to the same.

Amendment numbered 124: That the House recede from its disagreement to the amendment of the Senate numbered 124, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following: "\$67,500: *Provided*, That the unexpended balance of \$1,607.44 appropriated by the act approved August 1, 1914, for repairing buildings and replacing equipment destroyed or damaged by the tornado of June 10, 1914, at Flandreau Indian School, S. Dak., is hereby reappropriated and made immediately available for the purchase and installation of a water tank and the purchase of dairy cattle for said school"; and the Senate agree to the same.

Amendment numbered 127: That the House recede from its disagreement to the amendment of the Senate numbered 127, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"The Secretary of the Interior is hereby authorized and directed to cause investigation to be made as to the probable cost of providing on the various Sioux Indian reservations, adequate school facilities for the children of the Sioux tribes who are now without Government or public-school facilities on the respective reservations; and to make a report thereof to Congress on or before the first Monday in January, 1917, together with a complete and detailed statement of the per capita cost per annum, including mileage paid, now expended for the education of the Sioux Indian children in all the schools, whether on or off the respective reservations, and there is hereby appropriated for the expense of such investigation and report the sum of \$1,000, or so much thereof as may be necessary, to be immediately available."

And the Senate agree to the same.

Amendment numbered 129: That the House recede from its disagreement to the amendment of the Senate numbered 129, and agree to the same with an amendment as follows: In line 7 of said amendment, after the word "highway," insert a comma and the following: "reimbursable out of any funds now or hereafter placed to the credit of said Indians in the Treasury of the United States"; and the Senate agree to the same.

Amendment numbered 132: That the House recede from its disagreement to the amendment of the Senate numbered 132, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"The Secretary of the Interior is hereby authorized to withdraw from the Treasury of the United States the sum of \$1,000, or so much thereof as may be necessary, of the funds on deposit to the credit of the Uintah Tribe of Indians, in the State of Utah, and to use the same to protect the north abutment of the Government bridge at Myton, Utah, under such rules and regulations as he may prescribe, said sum to be immediately available."

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 proposed insert the following:

"That the Secretary of the Interior be, and he hereby is, authorized to sell and dispose of not to exceed 20 acres of that portion of the lands situated on the north side of and within the limits of the abandoned Fort Spokane Military Reservation, State of Washington, not necessary for hospital purposes, as provided for in the act approved August 1, 1914 (38 Stat. L. 584), at not less than the appraised value thereof, and to place the proceeds thereof in the Treasury of the United States to the credit of the Spokane Indians in said State."

And the Senate agree to the same.

Amendment numbered 142: That the House recede from its disagreement to the amendment of the Senate numbered 142, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$5,000"; and the Senate agree to the same.

Amendment numbered 146: That the House recede from its disagreement to the amendment of the Senate numbered 146, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"That without bias or prejudice to the rights or interests of any party to the litigation now pending, the Secretary of the Interior be, and he hereby is, authorized to sell the timber on the so-called 'school lands' and 'swamp lands' within the boundaries of the Bad River and Lac du Flambeau Indian Reservations, in Wisconsin, and to which the State of Wisconsin has asserted a claim; to keep a separate account of the proceeds of such sale with each legal subdivision of such land; and to deposit the said proceeds at interest in a national bank, bonded for the safe-keeping of individual Indian moneys, to be paid over, together with the interest thereon, to the party or parties who shall finally be adjudged to be entitled to such fund: *Provided*, That the consent of the State or parties claiming title therefrom be obtained before any such sale shall be made."

And the Senate agree to the same.

Amendment numbered 156: That the House recede from its disagreement to the amendment of the Senate numbered 156, and agree to the same with an amendment as follows: In lieu of the matter proposed insert the following:

"SEC. 27. On the first Monday in December, 1917, and annually thereafter, the Secretary of the Treasury shall transmit to the Speaker of the House of Representatives estimates of the amounts of the receipts to, and expenditures which the Secretary of the Interior recommends to be made for the benefit of the Indians from all tribal funds of Indians for the ensuing fiscal year; and such statement shall show (first) the total amounts estimated to be received from any and all sources whatsoever, which will be placed to the credit of each tribe of Indians, in trust or otherwise, at the close of the ensuing fiscal year, (second) an analysis showing the amounts which the Federal Government is directed and required by treaty stipulations and agreements to expend from each of said funds or from the Federal Treasury, giving references to the existing treaty or agreement or statute, (third) the amounts which the Secretary of the Interior recommends to be spent from each of the tribal funds held in trust or otherwise, and the purpose for which said amounts are to be expended, and said statement shall show the amounts which he recommends to be disbursed (a) for per capita payments in money to the Indians, (b) for salaries or compensation of officers and employees, (c) for compensation of counsel and attorney fees, and (d) for support and civilization: *Provided*, That hereafter no money shall be expended from Indian tribal funds without specific appropriation by Congress except as follows: equalization of allotments, education of Indian children in accordance with existing law, per capita and other payments, all of which are hereby continued in full force and effect: *Provided further*, That this shall not change existing law with reference to the Five Civilized Tribes."

And the Senate agree to the same.

C. D. CARTER,  
THOS. F. KONOP,  
CARL HAYDEN,  
P. P. CAMPBELL,  
P. D. NORTON,

Managers on the part of the House.

HENRY F. ASHURST,  
H. L. MYERS,  
MOSES E. CLAPP,

Managers on the part of the Senate.

## STATEMENT.

The effect of the recession of the House conferees on the amendments on which they have unqualifiedly receded is as follows:

No. 1. Makes the reimbursable appropriation for repair and maintenance of irrigation ditches available until expended.

No. 5. Increases limit of cost of hospitals from \$15,000 to \$17,500 which are now under construction.

No. 9. Strikes out the word "and" and inserts the word "or," to include blind children so they can receive the benefit of the fund to educate Indian children.

No. 13. Provides that hereafter Indian farmers must hold and file a certificate of competency from some college recognized before employment in the service.

No. 16. Increases the reimbursable appropriation for determining heirs of deceased Indian allottees \$10,000.

No. 17. Permits the use of \$25,000 of the reimbursable appropriation for determining heirs of deceased Indian allottees for employment of clerks in the Indian Office here.

No. 18. Corrects total in accordance with amendment 16.

No. 19. Strikes out the word "heir" and inserts "heirs."

No. 20. Places a limit of value of \$250 or more upon an heirship in order to charge the fee for determining the heirs.

No. 21. Permits the partition of an allotment of a deceased Indian regardless of competency of heirs.

No. 22. Permits extension of trust period specified in patent to incompetent heirs if necessary.

No. 24. When an Indian allottee by reason of old age or incapability can not personally occupy their allotment that is susceptible of irrigation, the Secretary of the Interior may, in his discretion, lease said allotment for a term not to exceed 10 years for benefit of said Indian.

No. 25. Any Indian who is mentally or physically incapable of managing his or her affairs may apply to the Secretary of the Interior, who may, in his discretion, withdraw from the Treasury any part of said Indian's pro rata share of funds to their credit and use for their benefit.

No. 27. An appropriation of \$2,000 to pay Charles J. Kappler for compiling, annotating, and indexing the third volume of Indian Laws and Treaties.

No. 28. Provides that all bidders for supplies for goods furnished the Indian Service may deposit a certified check or approved bond to guarantee the fulfillment of contract instead of the money in amounts exceeding \$5,000.

No. 29. Increases the appropriation \$3,500 for the purchase of additional land adjacent to the Phoenix (Ariz.) Indian School.

No. 33. Strikes out the words "to remain available until expended."

No. 39. Makes an appropriation of \$3,000 for preservation and repair of prehistoric pueblo ruins and cliff dwellings in Arizona, under supervision of the Smithsonian Institution.

No. 46. Provides for an appropriation of \$8,000 for erection of a barn at Haskell Institute, Lawrence, Kans.

No. 48. For traveling and incidental expenses amounting to \$250, to Joseph Bradley for appearing before Congress in behalf of Indians in Michigan.

No. 50. An appropriation of \$3,000 to improve road and to blast out and deepen the ditch and creek leading to the Pipestone Indian School in Minnesota.

No. 51. Provides that not to exceed \$60,000 of the \$185,000 withdrawn from the trust funds of the Chippewas in Minnesota, and one-fourth of the interest on said tribal funds, may be used for school purposes and compensation of employees, and that \$10,000 may be used for road improvements; and that \$10,000 may be used for the installation of an electric light plant at White Earth Agency, provided the residents pay a proportionate share.

No. 52. Provides sale and conveyance at not less than appraised value of certain lands to Independent school district 1, of Mahnomen County, Minn.

No. 53. Provides for the issuance of a fee patent to 40 acres of land on the Nett Lake Indian Reservation in Minnesota to the Methodist Episcopal Church.

No. 54. Appropriates not to exceed \$25,000 from amounts derived from sale of timber of the Chippewa Indians in Minnesota, for payment of scalers and check scalers.

No. 56. Appropriates \$6,000 out of tribal funds of the Chippewa Indians to pay expenses of general council of said tribe to meet in July, 1916.

No. 58. Amends the act of June 30, 1913 (38 Stat. L., p. 89), by appointing an Assistant Attorney General instead of a selection to be made by the Attorney General.

No. 60. Provides for the completion of the enrollment of allottees within the White Earth Reservation in Minnesota, and appropriates \$5,000 for that purpose.

No. 61. Provides for the establishment and administration of a forest reserve and for sale of timber within the Red Lake Indian Reservation in Minnesota.

No. 62. That lands within said Red Lake Indian Forest Reserve not covered with merchantable timber and suited for agricultural purposes, and that front lake shores, may be allotted to individual Red Lake Indians under certain conditions.

No. 63. Authorizes the Secretary of the Interior to issue permits or grant leases on such lands in said forest reserve covered in amendment 61, for a limited time.

No. 64. Authorizes the Secretary of the Interior to select not exceeding 200 acres in sections 20, 21, 28, and 29 for town-sites purpose, and to be held subject to future legislation of Congress.

No. 65. Provides for sale of timber on lands of the Red Lake Indian Reservation outside of the forest reserve created by amendment No. 61.

No. 66. Authorizes investigation of condition of Indians living in Mississippi and appropriates \$1,000 for that purpose.

No. 67. Corrects section number.

No. 68. Increases appropriation for civilization of Indians at Flathead Agency, Mont., from \$14,000 to \$20,000, and limits amount to be expended in salaries to not exceeding \$4,500.

No. 70. Appropriates \$750,000 (reimbursable) for continuing construction of the irrigation system on the Flathead Indian Reservation, Mont.

No. 71. Appropriates \$100,000 (reimbursable) for continuing construction of the irrigation systems on the Fort Peck Indian Reservation, Mont.

No. 76. Corrects section number.

No. 80. Is a reimbursable appropriation of \$30,000 to pay drainage assessments and grant right of way for location of drainage ditches on lands belonging to Omaha and Winnebago Indians in Dixon, Wayne, and Thurston Counties, Nebr.

No. 81. Corrects section number.

No. 85. Corrects section number.

No. 86. Adds the words "in the vicinity of," so that additional land, either adjoining or in the vicinity of, may be purchased as a school farm for the Indian school at Albuquerque, N. Mex.

No. 89. Corrects section number.

No. 90. Corrects section number.

No. 93. Corrects section number.

No. 94. Makes the appropriation of \$4,000 for sinking wells and improving the water system at the Fort Totten Indian School, N. Dak., immediately available.

No. 96. Authorizes the Secretary of the Interior from time to time, within his discretion, to withdraw from the Treasury money derived from sale of surplus lands and any interest thereon accrued belonging to the Fort Berthold Indians in North Dakota and distribute same per capita, or where any Indian is incompetent said share may be withheld and deposited in some bank and used for benefit of said incompetent Indian.

No. 98. Is an appropriation of \$1,497.44 to reimburse Benson County, N. Dak., for caring for certain insane Indians.

No. 99. An appropriation of \$100 for the erection of a headstone to mark the grave of Scarlet Crow, a Sioux Indian chief.

No. 101. Corrects section number.

No. 103. Corrects section number.

No. 104. An increase of \$10,000 for expenses and administration of affairs of the Five Civilized Tribes and makes it immediately available.

No. 106. Authorizes the Secretary of the Interior to make a per capita payment of \$300 to each Seminole Indian in Oklahoma, same to be paid out of their tribal or trust funds.

No. 107. An appropriation of \$275,000 for the benefit and aid of the common schools in the Cherokee, Creek, Choctaw, Chickasaw, and Seminole Nations and the Quapaw Agency in Oklahoma.

No. 109. Authorizes the Secretary of the Interior to use tribal funds of the Choctaws, Chickasaws, Creeks, and Seminoles, Oklahoma, for school purposes.

No. 111. Authorizes a settlement of a compromise of a suit between the United States and E. Dowden in regard to the Tuttle town site, Oklahoma.

No. 112. Corrects section number.

No. 114. Provides that the money derived from sale of lands belonging to Indians on the Siletz Indian Reservation, in Oregon, may be paid out to said Indians share and share alike.

No. 115. Permits the withdrawal of not exceeding \$1,000 from tribal funds of the Klamath Indians, in Oregon, to pay the expenses of two delegates elected by their council to come to Washington.

No. 121. Corrects section number.

No. 122. Corrects section number.

No. 125. Strikes out the word "boiler" and inserts the word "boilers," to be installed at the Indian School, Pierre, S. Dak.

No. 120. Increases the appropriation \$5,000 for the construction of a barn at the Indian School, Pierre, S. Dak., and corrects total.

No. 128. Corrects section number.

No. 130. An appropriation of \$1,684 to reimburse the board of education of Box Elder County, State of Utah, for education of 23 Indian pupils during the years 1913 and 1914, and for the education of 21 pupils during the years 1914 and 1915.

No. 131. An appropriation of \$832 for the education of 22 Indian pupils at Washakie, Box Elder County, Utah, for the years 1915 and 1916.

No. 134. Corrects section number.

No. 136. A reimbursable appropriation of \$100,000 to pay the third installment for water supply of 40 acres of each Indian allotment on the Yakima Indian Reservation in the State of Washington.

No. 138. Authorizes the Secretary of the Interior to lease for mining purposes the unallotted mineral lands on the diminished Spokane Reservation in Washington.

No. 139. An appropriation, reimbursable, of \$95,000, and authorizes the Secretary of the Interior to negotiate and pay for water rights for lands heretofore allotted to Indians situated within the boundaries of the West Okanogan Valley irrigation district, Okanogan County, Wash.

No. 140. Corrects section number.

No. 141. This amendment is intended to provide an appropriation to pay certain members of the Stockbridge and Munsee Tribe of Indians enrolled under the act of March 3, 1893 (37 Stat. L., 744), the amount of payments made prior to their respective enrollments. Section 6 of the act of February 6, 1871, provided for the determination of the persons who were members of the Stockbridge and Munsee Tribe and their future relations to the Government. Two rolls were prepared, one containing Indians who it was thought desired to separate their relations from the tribe and become citizens, and the other those who desired to retain their tribal character and remain under the guardianship of the Government. It subsequently appeared that some of those Indians who were placed on the first roll did not desire to sever their relations with the tribe, and they were again enrolled under the provisions of the act of March 3, 1893 (37 Stat. L., 744-745).

No. 143. In order to train Indians in the use and handling of money, not exceeding \$25,000 of the appropriation allowed may be paid them per capita or deposited in some bank for their use and benefit under such rules as the department may prescribe.

No. 144. That no lands of the Menominee Indians in Wisconsin shall be cleared for agricultural purposes, excepting such lands as have been heretofore completely cut over.

No. 145. Amends the act of March 28, 1908, by permitting the Secretary of the Interior to sell lumber, laths, shingles, crating, ties, piles, poles, posts, bolts, logs, bark, pulp, and other materials under such rules as he may prescribe, and deposit the money in the Treasury for the benefit of the Menominee Indians in Wisconsin.

No. 148. Provides for the granting of flowage rights over unallotted Indian lands under rules and regulations prescribed by the Secretary of the Interior and consent of Indians, and the leasing of the allotted lands with consent of allottee for flowage and storage reservoir purposes, and allottee to determine, subject to approval of Secretary of the Interior, as to consideration therefor.

No. 150. A reimbursable appropriation of \$6,500 for the completion of a road on the Red Cliff Reservation in Wisconsin.

No. 151. Corrects section number.

No. 152. Reduces the appropriation 66 cents for repairs at the abandoned military post of Fort Washakie, Wyo.

No. 153. To enable the Secretary of the Interior to prepare and submit to Congress plans and estimates of cost for completing the irrigation of all irrigable lands in the Shoshone or Wind River Reservation in Wyoming, to also include in the estimates for the ceded lands within said reservations.

No. 154. Places the appropriation back to amount allowed by the House, to \$3,000.

No. 155. For payment of salary and expenses of Joseph H. Norris as supervisor of Indian schools from October 21 to November 11, 1912, \$257.

On the following amendments the House conferees receded with modifying or substitute amendments, to wit:

No. 2. Makes the provisions of sections 2140 and 2141, Revised Statutes, apply to beer as an intoxicating liquor, and the possession of intoxicating liquor in an Indian country *prima facie* evidence of unlawful introduction.

No. 7. Makes \$5,000 of the appropriation for maintenance of the sanatoria for the Choctaw and Chickasaw Indians immediately available.

No. 10. Provides that \$200,000 of the appropriation for day and industrial schools may be expended for tuition of Indian pupils in public schools.

No. 14. Provides for two permanent warehouses for use of Indian Service.

No. 26. Is an appropriation of \$100,000 to reimburse Indians for live stock that may be hereafter destroyed on account of dourine.

No. 34. For beginning the construction of a dam with bridge superstructure for diverting the water of the Gila River in Arizona for irrigating Indian lands on the Gila River Indian Reservation. Reduces appropriation from \$200,000 to \$75,000 and limits the cost of said work to \$200,000.

No. 35. For beginning the construction of a diversion dam and necessary canals in Pinal County, Ariz., at or near Florence, for irrigation of Indian lands. Reduces amount appropriated from \$175,000 to \$75,000 and limits cost of work to \$175,000.

No. 36. For extension of the Ganado irrigation project in Arizona, and makes it reimbursable.

No. 37. An appropriation of \$10,000 for the purpose of making investigation, survey, and cost of practicable means of holding the Gila River in its channel in Graham County, Ariz.

No. 41. Increases the number of pupils, also appropriation for care of said increase allowed, and permits the purchase of additional land for school farm at the Indian school in Greenville, Cal.

No. 42. Makes the appropriation for improvement and construction of roads on the Yuma Indian Reservation in California reimbursable.

No. 47. Authorizes the Secretary of the Interior to withdraw from the tribal funds on deposit in the Treasury to the credit of the Potawatomi Indians the sum of \$10,000 for the construction of a bridge across the Big and Little Soldier Creeks on their said reservation.

No. 55. Strikes from the bill the entire paragraph.

No. 57. Strikes from the bill the words "Keewaton Academy, Wisconsin."

No. 59. Makes the unexpended balance of \$3,436.03 available for payment of expenses incurred in preparing a roll of the Indians within the White Earth Reservation, Minn.

No. 72. Decreases the reimbursable appropriation for continuing construction of the irrigation system on the Blackfeet Indian Reservation, Mont., from \$50,000 to \$25,000.

No. 74. The work to be done on the irrigation projects on the Blackfeet, Flathead, and Fort Peck Indian Reservations, Mont., may be done by the Reclamation Service, with plans approved by Indian Bureau, and authority is also given that a limited amount of said appropriations may be used for purchase of motor vehicles, horses, and horse-drawn vehicles.

No. 75. That the Secretary of the Interior shall assess the charge for cost of irrigation projects as mentioned in amendment No. 74 against the persons who own the land and receiving benefit of said system.

No. 78. An appropriation of \$6,500 for repairs on the Government bridge across the Niobrara River in Nebraska.

No. 79. Corrects total.

No. 82. Increases the number of pupils at the Indian school, Carson City, Nev., and provides for their care.

No. 83. An appropriation of \$15,000 to purchase homes, farm sites, water rights, and aid to nonreservation Indians in Nevada; also provides that no part of said appropriation shall be used for payment of salaries, mileage, or expenses of employees.

No. 84. Strikes out the words "to remain available until expended" in the appropriation for support and civilization and purchase of land and water rights for the Washoe Indians in Nevada.

No. 87. Increases the amount for repairs and improvements and for the construction of an assembly hall at the Indian school, Santa Fe, N. Mex.

No. 95. Increases the number of pupils and provides for their care at the Wahpeton Indian School, Wahpeton, N. Dak.; decreases appropriation for repairs and improvements from \$8,000 to \$5,000; and provides for the construction of a new building to cost \$20,000.

No. 97. Makes an appropriation of \$1,500 to redeem a mortgage on the allotment selection of Starr McGillis, a Turtle Mountain Chippewa Indian.

No. 102. Making the unexpended balance of \$9,533.38 available for the purpose of continuing the relief of the Apache Indians and for the purchase of lands in Oklahoma.

No. 105. Authorizes the Secretary of the Interior to adjudicate and, if he deem it proper, to apply the per capita payment, or any part of the same herein authorized to be made, to John Calvin Gray, Williams T. Lancaster, Arthur Jennings, and Clyde Jennings, enrolled members of the Choctaw and Chicka-

saw Nations, in the settlement of attorney fees for services rendered said Indians in being restored to the rolls.

No. 110. An appropriation of \$15,000 for the salaries and the expenses of six oil and gas inspectors to supervise the oil, gas, and mining operations in the Five Civilized Tribes.

No. 113. Appropriates \$7,200 for the purchase and the installation of boilers at the Indian school at Salem, Oreg., and makes available an unexpended balance of \$9,830 and an additional amount of \$2,500 for an addition to the assembly hall.

No. 116. Permits the Secretary of the Interior to withdraw from the Treasury \$3,000 out of the tribal funds belonging to the Klamath Indians, in Oregon, to construct a bridge across the Williamson River.

No. 124. Corrects the total and also makes available an unexpended balance of \$1,670 out of a \$10,000 appropriation, approved August 1, 1914, for the installation of a water tank and the purchase of dairy cattle.

No. 127. Is an appropriation of \$1,000, and authorizes the Secretary of the Interior to make an investigation as to the school facilities among the different Sioux tribes of Indians and to report to Congress on or before January 1, 1917.

No. 129. Makes the appropriation of \$9,000 to pay a proportionate share for the construction of a highway or wagon road through the Kaibab Indian Reservation, Utah, reimbursable.

No. 132. Authorizes the Secretary of the Interior to withdraw \$1,000 from the tribal funds now in the Treasury to the credit of Indians in Utah and use the same to protect abutment of the bridge at Myton, Utah.

No. 137. Authorizes the Secretary of the Interior to sell not to exceed 20 acres of land on the north side and within the limits of the abandoned Fort Spokane Military Reservation, Wash., that will not be needed for hospital purposes and place the proceeds in the Treasury to the credit of the Spokane Indians.

No. 142. An appropriation of \$5,000 to purchase dairy cattle for the Indian school at Oneida, Wis.

No. 146. Provides that the Secretary of the Interior may sell the timber on the so-called "school lands" and "swamp lands" within the Bad River and Lac du Flambeau Indian Reservation in Wisconsin, and to which there is a disputed claim, and to hold the money derived therefrom until it is ascertained to whom it belongs.

No. 156. Requires the Secretary of the Interior to submit annually to Congress a certain detailed statement as to appropriations and disbursements of tribal funds belonging to Indians.

The following table shows the amounts carried in the bill as it passed the House and the Senate and as agreed to by your conferees, and is exclusive of amounts appropriated out of trust funds belonging to the Indians:

Item.	Passed House.	Passed Senate.	Agreed in conference.
Surveying and allotting Indian reservations, reimbursable.	\$100,000.00	\$100,000.00	\$100,000.00
Irrigation, Indian reservations, reimbursable.	244,700.00	244,700.00	244,700.00
Suppressing liquor traffic among Indians, gratuity.	150,000.00	150,000.00	150,000.00
Relieving distress and prevention of diseases, etc., gratuity.	350,000.00	400,000.00	350,000.00
Indian schools, support, gratuity.	1,550,000.00	1,550,000.00	1,550,000.00
Indian school and agency buildings, gratuity.	400,000.00	400,000.00	400,000.00
Indian school transportation, gratuity.	72,000.00	72,000.00	72,000.00
Industrial work and care of timber, gratuity.	425,000.00	500,000.00	425,000.00
Purchase and transportation of Indian supplies, gratuity.	300,000.00	300,000.00	300,000.00
Telegraphing and telephoning, Indian Service, gratuity.	10,000.00	10,000.00	10,000.00
Court costs, etc., gratuity.	1,000.00	1,000.00	1,000.00
Expenses, Board of Indian Commissioners, gratuity.	10,000.00	10,000.00	10,000.00
Pay of Indian police, gratuity.	200,000.00	200,000.00	200,000.00
Pay of judges, Indian courts, gratuity.	8,000.00	10,000.00	8,000.00
General expenses, Indian Service, gratuity.	135,000.00	135,000.00	135,000.00
Inspectors, Indian Service, gratuity.	30,000.00	30,000.00	30,000.00
Determining heirs of deceased Indian allottees, gratuity.	90,000.00	100,000.00	100,000.00
Industry among Indians, reimbursable.	300,000.00	400,000.00	300,000.00
Payment to heirs of Farmer John, gratuity.	20.00	20.00	20.00
Suppressing contagious diseases among live stock, gratuity.	100,000.00	100,000.00	
Payment to Charles J. Kappler, gratuity.	2,000.00	2,000.00	

#### ARIZONA AND NEW MEXICO.

Support of Indians in Arizona and New Mexico, gratuity.	330,000.00	330,000.00	330,000.00
Indian school, Fort Mojave, Ariz., gratuity.	42,900.00	42,900.00	42,900.00

Item.	Passed House.	Passed Senate.	Agreed in conference.
<b>ARIZONA AND NEW MEXICO—continued.</b>			
Indian school, Phoenix, Ariz., gratuity.	\$131,900.00	\$135,400.00	\$135,400.00
Indian school, Truxton Canyon, Ariz., gratuity.	21,200.00	21,200.00	21,200.00
Maintenance irrigation system, Pima Indian lands, reimbursable.	20,000.00	25,000.00	20,000.00
Irrigation system, Colorado River Reservation, reimbursable.	15,000.00	15,000.00	15,000.00
Water supply, Papago Indian villages, gratuity.	20,000.00	20,000.00	20,000.00
Fulfilling treaties with Navajos, schools, treaty.	100,000.00	100,000.00	100,000.00
Water supply, Navajo Indians, Arizona, reimbursable.	25,000.00	25,000.00	25,000.00
Construction dam, Gila River Reservation, reimbursable.	200,000.00	75,000.00	
Payment for water, Salt River allottees, reimbursable.	20,000.00	20,000.00	20,000.00
Construction diversion dam, Gila River Reservation, above Florence, Ariz., reimbursable.		175,000.00	75,000.00
Ganado irrigation project, reimbursable.	3,000.00	23,000.00	23,000.00
Investigation, Gila River, erosion, etc., gratuity.		15,000.00	10,000.00
Bridge across Little Colorado River, reimbursable.	15,000.00	15,000.00	15,000.00
Construction additional spans, Gila River, gratuity.	17,000.00	17,000.00	17,000.00
Preservation and repair, pueblo ruins, gratuity.		3,000.00	3,000.00
<b>CALIFORNIA.</b>			
Support of Indians in California, gratuity.	42,000.00	42,000.00	42,000.00
Purchase of lands for landless Indians, gratuity.	10,000.00	30,000.00	10,000.00
Indian school, Riverside, Cal., gratuity.	129,500.00	129,500.00	129,500.00
Irrigating allotments, Yuma Reservation, reimbursable.	10,000.00	10,000.00	10,000.00
Indian school, Fort Bidwell, Cal., gratuity.	21,800.00	21,800.00	21,800.00
Indian school, Greenville, Cal., gratuity.	21,630.00	34,400.00	26,400.00
Roads and bridges, Yuma Reservation, Cal., reimbursable.		10,000.00	10,000.00
<b>FLORIDA.</b>			
Support of Seminoles in Florida, reimbursable.	8,000.00	5,000.00	8,000.00
<b>IDAHO.</b>			
Support of Indians, Fort Hall Reservation, Idaho, gratuity.	30,000.00	30,000.00	30,000.00
Maintenance, etc., Fort Hall irrigation system, reimbursable.	25,000.00	35,000.00	25,000.00
Fulfilling treaties with Bannocks, Idaho, treaty.	5,000.00	5,000.00	5,000.00
Fulfilling treaties with Coeur d'Alenes, treaty.	3,000.00	3,000.00	3,000.00
<b>KANSAS.</b>			
Indian school, Lawrence, Kans., gratuity.	140,250.00	148,250.00	148,250.00
Indian school, Kickapoo Reservation, Kans., gratuity.	16,860.00	16,860.00	16,860.00
Bridges, Pottawatomie Reservation, Kans., gratuity.		10,000.00	(1)
<b>LOUISIANA.</b>			
Purchase of lands for Chettimanchi Indians, gratuity.	1,500.00	1,500.00	1,500.00
<b>MICHIGAN.</b>			
Indian school, Mount Pleasant, Mich., gratuity.	73,450.00	73,450.00	73,450.00
Reimbursement Joseph Bradley, gratuity.		250.00	250.00
<b>MINNESOTA.</b>			
Indian school, Pipestone, Minn., gratuity.	61,675.00	64,675.00	64,675.00
Support of Chippewas of the Mississippi, Minn., treaty.	4,000.00	4,000.00	4,000.00
Enrollment White Earth allottees, gratuity.		5,000.00	5,000.00
<b>MISSISSIPPI.</b>			
Investigation condition Mississippi Indians, gratuity.		1,000.00	1,000.00
<b>MONTANA.</b>			
Support of Indians of Fort Belknap Reservation, Mont., gratuity.	20,000.00	20,000.00	20,000.00
Support of Indians of Flathead Agency, Mont., gratuity.	14,000.00	20,000.00	20,000.00
Support of Indians of Fort Peck Agency, Mont., gratuity.	30,000.00	30,000.00	30,000.00
1 Paid out of tribal funds.			

Item.	Passed House.	Passed Senate.	Agreed in conference.	Item.	Passed House.	Passed Senate.	Agreed in conference.
<b>MONTANA—continued.</b>							
Support of Indians of Blackfeet Agency, Mont., gratuity.	\$25,000.00	\$25,000.00	\$25,000.00	Administration affairs of Five Civilized Tribes, gratuity.	\$175,000.00	\$185,000.00	\$185,000.00
Irrigation, Fort Belknap Reservation, reimbursable.	20,000.00	20,000.00	20,000.00	Probate attorneys, Five Civilized Tribes, gratuity.	85,000.00	85,000.00	85,000.00
Fulfilling treaties with Crows, Montana, treaty.	6,000.00	6,000.00	6,000.00	Cherokee Orphan Training School, gratuity.	40,000.00	40,000.00	40,000.00
Support of Northern Cheyennes and Arapahoes, treaty.	80,000.00	80,000.00	80,000.00	Indian schools, Five Civilized Tribes, gratuity.	275,000.00	275,000.00	275,000.00
Line riders, Northern Cheyenne Reservation, gratuity.	1,500.00	1,500.00	1,500.00	Fulfilling treaties with Choctaws, treaty.	10,520.00	10,520.00	10,520.00
Support Rocky Boys Band, gratuity.	5,000.00	10,000.00	5,000.00	Oil and gas inspectors, Five Civilized Tribes, gratuity.	25,000.00	15,000.00	15,000.00
Purchase of land, Flathead Agency, reimbursable.	320.00	320.00	320.00	Compromise suits, U. S. v. Dowden et al., reimbursable.	57,500.00	57,500.00	57,500.00
Irrigation system, Flathead Agency, Mont., reimbursable.	750,000.00	750,000.00		<b>OREGON.</b>			
Irrigation system, Fort Peck Agency, Mont., reimbursable.	100,000.00	100,000.00		Support of Indians, Klamath Agency, Oreg., gratuity.	6,000.00	6,000.00	6,000.00
Irrigation system, Blackfeet Agency, Mont., reimbursable.	50,000.00	25,000.00		Support of Indians, Warm Springs Agency, gratuity.	4,000.00	4,000.00	4,000.00
<b>NEBRASKA.</b>							
Indian school, Genoa, Nebr., gratuity.	84,600.00	103,100.00	91,100.00	Support of Indians, Umatilla Agency, gratuity.	3,000.00	3,000.00	3,000.00
Assessment Omaha and Winnebago allotments, reimbursable.		30,000.00	30,000.00	Indian school, Salem, Oreg., gratuity.	119,000.00	135,500.00	128,700.00
<b>NEVADA.</b>							
Support of Indians in Nevada, gratuity.	18,500.00	18,500.00	18,500.00	Support of Indians, Grande Ronde and Siletz Agencies, Oreg., gratuity.	4,000.00	4,000.00	4,000.00
Indian school, Carson City, Nev., gratuity.	60,760.00	89,100.00	62,430.00	Maintenance and operation Modoc Point irrigation system, reimbursable.	20,000.00	20,000.00	20,000.00
Home and farm sites, Nevada Indians, gratuity.		15,000.00	15,000.00	Bridges, Umatilla Reservation, reimbursable.	18,666.00	14,000.00	18,666.00
Irrigation, Pyramid Lake Reservation, reimbursable.	80,000.00	30,000.00	30,000.00	<b>PENNSYLVANIA.</b>			
Land and water rights, Washoe Indians, gratuity.	15,000.00	15,000.00	15,000.00	Indian school, Carlisle, Pa., gratuity.	152,000.00	152,000.00	152,000.00
<b>NEW MEXICO.</b>							
Indian school, Albuquerque, N. Mex., gratuity.	97,400.00	97,400.00	97,400.00	<b>SOUTH DAKOTA.</b>			
Indian school, Santa Fe, N. Mex., gratuity.	67,150.00	103,650.00	92,150.00	Indian school, Flandreau, S. Dak., gratuity.	67,500.00	68,955.00	67,500.00
Counsel for Pueblo Indians of New Mexico, gratuity.	2,000.00	2,000.00	2,000.00	Indian school, Pierre, S. Dak., gratuity.	55,750.00	60,750.00	60,750.00
Highway, Mesa Verde National Park to Gallup, N. Mex., gratuity.	15,000.00	54,000.00	15,000.00	Indian school, Rapid City, S. Dak., gratuity.	83,500.00	83,500.00	83,500.00
<b>NEW YORK.</b>				Support of Sioux of different tribes, etc., treaty.	307,000.00	307,000.00	307,000.00
Fulfilling treaties with Senecas, New York, treaty.	6,000.00	6,000.00	6,000.00	Education, Sioux Nation, treaty.	200,000.00	200,000.00	200,000.00
Fulfilling treaties with Six Nations, New York, treaty.	4,500.00	4,500.00	4,500.00	School facilities, Sioux Indian country, gratuity.		250,000.00	1,000.00
<b>NORTH CAROLINA.</b>				Support of Sioux, Yankton Tribe, gratuity.	14,000.00	14,000.00	14,000.00
Indian school, Cherokee, N. C., gratuity.	36,000.00	36,000.00	36,000.00	Asylum for insane Indians, Canton, S. Dak., gratuity.	45,000.00	45,000.00	45,000.00
Bridge, Oconee Lufty River, gratuity.		15,000.00	(1)	Highway, Standing Rock Reservation, reimbursable.	5,000.00	5,000.00	5,000.00
School for North Carolina Indians, gratuity.		50,000.00	(1)	<b>UTAH.</b>			
Maintenance, school for North Carolina Indians, gratuity.		10,000.00	(1)	Support of Confederated Bands of Utes, treaty.	53,740.00	53,740.00	53,740.00
<b>NORTH DAKOTA.</b>				Support of Indians in Utah, gratuity.	10,000.00	10,000.00	10,000.00
Support of Sioux of Devils Lake, N. Dak., gratuity.	5,000.00	5,000.00	5,000.00	Support of Confederated Bands of Utes, seeds and implements, treaty.	10,000.00	10,000.00	10,000.00
Support of Indians, Fort Berthold Agency, N. Dak., gratuity.	15,000.00	15,000.00	15,000.00	Highway, Kalbab Reservation, reimbursable.		9,000.00	9,000.00
Support of Chippewas, Turtle Mountain Band, gratuity.	11,000.00	11,000.00	11,000.00	Irrigation, Uintah Reservation, reimbursable.	40,000.00	40,000.00	40,000.00
Indian school, Bismarck, N. Dak., gratuity.	56,175.00	56,175.00	56,175.00	Reimbursement, Box Elder County, Utah, gratuity.		1,684.00	1,684.00
Indian school, Fort Totten, N. Dak., gratuity.	82,500.00	82,500.00	82,500.00	Education, Indian pupils, Washakie School, gratuity.		832.00	832.00
Indian school, Wahpeton, N. Dak., gratuity.	40,200.00	66,540.00	63,540.00	Protection bridge, Myton, Utah, gratuity.	1,000.00	(1)	
Redemption mortgage, Starr McGillis, reimbursable.		1,500.00	1,500.00	<b>WASHINGTON.</b>			
Reimbursing Benson County (insane Indians), gratuity.		1,407.44	1,407.44	Support of D'Wamish and other allied tribes, gratuity.	7,000.00	7,000.00	7,000.00
Headstone, Scarlet Crow, gratuity.		100.00	100.00	Support of Makahs, gratuity.	2,000.00	2,000.00	2,000.00
<b>OKLAHOMA.</b>				Support of Quinnaelts and Quillehutes, gratuity.	1,000.00	1,000.00	1,000.00
Support of Wichitas and affiliated bands, gratuity.	5,000.00	5,000.00	5,000.00	Support of Yakima Indians, gratuity.	3,000.00	3,000.00	3,000.00
Support of Cheyennes and Arapahoes, Oklahoma, gratuity.	35,000.00	35,000.00	35,000.00	Support of Colville and certain other Indians, gratuity.	13,000.00	15,000.00	13,000.00
Support of Kansas Indians, gratuity.	1,500.00	1,500.00	1,500.00	Support of Spokanes, treaty.	1,000.00	1,000.00	1,000.00
Support of Kickapoo Indians, gratuity.	2,000.00	2,000.00	2,000.00	Irrigation system, Yakima Reservation, reimbursable.	15,000.00	15,000.00	15,000.00
Support of Poncas, gratuity.	8,000.00	8,000.00	8,000.00	Indian school, Tacoma, Wash., gratuity.	50,000.00	50,000.00	50,000.00
Indian school, Chilocco, Okla., gratuity.	93,250.00	93,250.00	93,250.00	Dam across Yakima River, reimbursable.	200,000.00	200,000.00	200,000.00
Fulfilling treaties with Pawnees, treaty.	47,100.00	47,100.00	47,100.00	Payment third installment for water, Yakima, gratuity.		100,000.00	100,000.00
Support of Quapaws, treaty.	1,500.00	1,500.00	1,500.00	Acquisition water rights, Indians, Okanogan County, reimbursable.		95,000.00	95,000.00
Purchase land for Fort Sill Apaches, gratuity.		40,000.00	(2)	<b>WISCONSIN.</b>			
				Indian school, Hayward, Wis., gratuity.	51,550.00	51,550.00	51,550.00
				Indian school, Tomah, Wis., gratuity.	56,125.00	56,125.00	56,125.00
				Support of Chippewas of Lake Superior, Wis., gratuity.	7,000.00	7,000.00	7,000.00
				Support of Pottawatomi in Wisconsin, gratuity.	7,000.00	7,000.00	7,000.00
				Support to Stockbridge and Munsee Tribe, gratuity.		95,000.00	95,000.00
				Purchase of cattle, Oneida School, gratuity.		10,000.00	5,000.00
				Support of Wisconsin Band of Pottawatomies, Wisconsin and Michigan, reimbursable.	100,00.00	100,000.00	100,000.00

<sup>1</sup> Senate receded.<sup>2</sup> Unexpended balance made available.<sup>3</sup> Drawn from tribal funds.

Item.	Passed House.	Passed Senate.	Agreed in conference.
WISCONSIN—continued.			
Sidewalks, village of Odanah, Band River Reservation, reimbursable.....		\$1,000.00	(1)
Completion road, Red Cliff Reservation, reimbursable.....		6,500.00	\$6,500.00
WYOMING.			
Support of Shoshones in Wyoming, gratuity.....	\$15,000.00	15,000.00	15,000.00
Indian school, Shoshone Reservation, Wyo., gratuity.....	36,025.00	36,025.00	36,025.00
Support of Shoshones in Wyoming, treaty.....	6,000.00	6,000.00	6,000.00
Repairs, Fort Washakie, gratuity.....	1,721.66	1,721.00	1,721.00
Irrigation system, Wind River Reservation, reimbursable.....	50,000.00	50,000.00	50,000.00
Plans and estimates for completing irrigation, Shoshone or Wind River Reservation, gratuity.....	3,000.00	5,000.00	5,000.00
Roads and bridges, diminished Shoshone Reservation, reimbursable.....	25,000.00	25,000.00	25,000.00
Payment to Joseph H. Norris, gratuity.....		257.00	257.00
New bookkeeping system, Indian Bureau, gratuity.....		12,000.00	(1)
Total.....	8,961,437.66	11,993,796.44	10,966,037.44

<sup>1</sup> Senate receded.

C. D. CARTER,  
THOS. F. KONOP,  
CARL HAYDEN,  
P. P. CAMPBELL,  
P. D. NORTON,

Managers on the part of the House.

#### MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 4876) to provide for an increase in the number of cadets at the United States Military Academy.

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. 4760. An act to authorize the change of name of the steamer *Normania* to *William F. Stifel*.

The message also announced that the Senate had passed with amendment bill of the following title, in which the concurrence of the House of Representatives was requested:

H. R. 8067. An act to quiet the title to certain lands in possession of G. B. Dickson, and for other purposes.

#### ENROLLED BILLS AND JOINT RESOLUTION SIGNED.

The SPEAKER announced his signature to enrolled bills and joint resolution of the following titles:

S. 4876. An act to provide for an increase in the number of cadets at the United States Military Academy;

S. 3769. An act to amend section 3 of an act entitled "An act to promote the safety of employees and travelers upon railroads by limiting the hours of service of employees thereon," approved March 4, 1907;

S. 2290. An act authorizing the health officer of the District of Columbia to issue a permit for the removal of the remains of the late Elsie McCaulley from Glenwood Cemetery, District of Columbia, to Philadelphia, Pa.; and

S. J. Res. 63. Joint resolution authorizing the erection on the public grounds in the city of Washington, D. C., of a memorial fountain to Alfred Noble.

#### ENROLLED BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States, for his approval, the following bills and joint resolution:

H. R. 28. An act to amend an act entitled "An act granting to the city of Durango, in the State of Colorado, certain lands therein described for water reservoirs," approved March 1, 1907;

H. R. 177. An act authorizing the Secretary of the Interior to accept the relinquishment of the State of Wyoming to certain lands heretofore certified to said State, and the State of Wyoming to select other lands in lieu of the lands thus relinquished;

H. R. 384. An act to amend the act of June 23, 1910, entitled "An act providing that entrymen for homesteads within the reclamation projects may assign their entries upon satisfactory proof of residence, improvement, and cultivation for five years,

the same as though said entry had been made under the original homestead act";

H. R. 2235. An act for the relief of the widow and heirs at law of Patrick J. Fitzgerald, deceased;

H. R. 4746. An act granting to the city of Portland, Oreg., the right to purchase certain lands for public park purposes;

H. R. 4881. An act to reimburse the postmaster at Kegg, Pa., for money and stamps taken by burglars;

H. R. 6442. An act to provide for the exchange of the present Federal building site in Newark, Del.;

H. R. 7239. An act for the relief of Philip H. Heberer; and

H. J. Res. 79. Joint resolution authorizing the Secretary of Labor to permit the South Carolina Naval Militia to use the Charleston immigration station and dock connected therewith.

#### 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. 4760. An act to authorize the change of name of the steamer *Normania* to *William F. Stifel*; to the Committee on the Merchant Marine and Fisheries.

#### THE PHILIPPINES.

Mr. KITCHIN. Mr. Speaker, I ask unanimous consent that immediately after reading the Journal on Monday the Senate bill known as the Philippine bill be taken up and considered.

THE SPEAKER. The gentleman from North Carolina asks unanimous consent that next Monday, immediately after the reading of the Journal and clearing up of business on the Speaker's table, the Philippine bill be taken up for consideration. Is there objection?

Mr. MANN. Reserving the right to object, the gentleman from Iowa [Mr. TOWNER] this morning thought it ought not to be done by unanimous consent. Whether he has changed his mind or not I do not know. I do not see him present.

Mr. KITCHIN. I hope the gentleman has changed his mind, for if we take it up by unanimous consent it will save an hour discussing a rule, and I think we can finish it probably on Monday. Some Members on that side and some on this side would like to get away Tuesday in order to get to their conventions.

THE SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

#### RECLAMATION EXTENSION.

Mr. SMITH of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the House bill 6057, disagree to the Senate amendment, and ask for a conference.

Mr. MANN. What is the bill?

Mr. SMITH of Texas. Mr. Speaker, it is a bill to allow further time for settlers to accept the provisions of the reclamation act.

THE SPEAKER. The gentleman from Texas asks unanimous consent that the bill (H. R. 6057) to amend section 14 of the reclamation-extension act, approved August 13, 1904, be taken from the Speaker's table, the Senate amendments thereto disagreed to, and a conference asked. Is there objection?

There was no objection, and the Chair announced the following conferees: Mr. SMITH of Texas, Mr. TAYLOR of Colorado, and Mr. KINKAID.

G. B. DICKSON.

Mr. CARAWAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8067) to quiet title in G. B. Dickson, and concur in a Senate amendment thereto.

Mr. MANN. Oh, not to-night.

THE SPEAKER. The gentleman from Illinois objects.

#### NATIONAL DEFENSE.

Mr. DYER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of national defense.

THE SPEAKER. Is there objection?

There was no objection.

#### ADJOURNMENT.

Mr. KITCHIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 15 minutes p. m.) the House adjourned until Monday, May 1, 1916, at 11 o'clock a. m.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the chief clerk of the Court of Claims, transmitting a copy of the findings of the court in the case of Edward

J. Austin *v.* The United States (H. Doc. No. 1062); to the Committee on War Claims and ordered to be printed.

2. A letter from the chief clerk of the Court of Claims, transmitting a copy of the findings of the court in the case of Arthur M. Sherman *v.* The United States (H. Doc. No. 1063); to the Committee on War Claims and ordered to be printed.

3. A letter from the chief clerk of the Court of Claims, transmitting a copy of the findings of the court in the case of John J. Carter *v.* The United States (H. Doc. No. 1064); to the Committee on War Claims and ordered to be printed.

4. A letter from the chief clerk of the Court of Claims, transmitting a copy of the findings of the court in the case of William G. Drake *v.* The United States (H. Doc. No. 1065); to the Committee on War Claims and ordered to be printed.

5. A letter from the chief clerk of the Court of Claims, transmitting a copy of the findings of the court in the case of Samuel S. Irwin *v.* The United States (H. Doc. No. 1066); to the Committee on War Claims and ordered to be printed.

6. A letter from the chief clerk of the Court of Claims, transmitting a copy of the findings of the court in the case of William F. Ruby *v.* The United States (H. Doc. No. 1067); to the Committee on War Claims and ordered to be printed.

7. A letter from the chief clerk of the Court of Claims, transmitting a copy of the findings of the court in the case of Margaret Beamenderfer, widow of John H. Beamenderfer, *v.* The United States (H. Doc. No. 1068); to the Committee on War Claims and ordered to be printed.

8. A letter from the chief clerk of the Court of Claims, transmitting a copy of the findings of the court in the case of William J. Cameron *v.* The United States (H. Doc. No. 1069); to the Committee on War Claims and ordered to be printed.

9. A letter from the chief clerk of the Court of Claims, transmitting a copy of the findings of the court in the case of Ethel I. Corby, daughter of Wesley B. Corby, deceased, *v.* The United States (H. Doc. No. 1070); to the Committee on War Claims and ordered to be printed.

10. A letter from the chief clerk of the Court of Claims, transmitting a copy of the findings of the court in the case of Mary C. Huston, widow of Cunningham Huston, deceased, *v.* The United States (H. Doc. No. 1071); to the Committee on War Claims and ordered to be printed.

11. A letter from the chief clerk of the Court of Claims, transmitting a copy of the findings of the court in the case of James B. Jewett *v.* The United States (H. Doc. No. 1072); to the Committee on War Claims and ordered to be printed.

12. A letter from the chief clerk of the Court of Claims, transmitting a copy of the findings of the court in the case of Adolph Dobke, son of Adolphus Dobke, *v.* The United States (H. Doc. No. 1073); to the Committee on War Claims and ordered to be printed.

13. A letter from the chief clerk of the Court of Claims, transmitting a copy of the findings of the court in the case of Emma H. Fish, widow of Arthur H. Fish, *v.* The United States (H. Doc. No. 1074); to the Committee on War Claims and ordered to be printed.

14. A letter from the chief clerk of the Court of Claims, transmitting a copy of the findings of the court in the case of Isaac R. Sherwood *v.* The United States (H. Doc. No. 1075); to the Committee on War Claims and ordered to be printed.

15. A letter from the Acting Secretary of the Treasury, transmitting copy of a communication from the Postmaster General submitting estimates of appropriations for the service of the Post Office Department and for the Postal Service, payable from the postal revenues, being for the fiscal year ending June 30, 1916, and for prior years (H. Doc. No. 1076); to the Committee on Appropriations and ordered to be printed.

16. A letter from the chairman of the Public Utilities Commission of the District of Columbia, transmitting balance sheets of public-utilities corporations for the year ending December 31, 1915, which were received by the commission subsequent to February 1, 1916; also affidavits of the Washington & Maryland Railway Co. and the Washington Interurban Railway Co. certifying that they were unable to furnish the required report within the time fixed by law (H. Doc. No. 646); to the Committee on the District of Columbia and ordered to be printed.

17. A letter from the Secretary of Commerce, transmitting information regarding estimate of appropriations for the Coast and Geodetic Survey for the fiscal year ending June 30, 1917 (H. Doc. No. 1077); to the Committee on Appropriations and ordered to be printed.

18. A letter from the Acting Secretary of the Treasury, submitting a tentative draft of legislation, to enable the department to increase the limit of number of delivered sheets of customs stamps, checks, drafts, and miscellaneous work to be

executed by the Bureau of Engraving and Printing during the present fiscal year (H. Doc. No. 962, pt. 2); to the Committee on Appropriations and ordered to be printed.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. HUMPHREYS of Mississippi, from the Committee on Flood Control, to which was referred the bill (H. R. 14777) to provide for the control of the floods of the Mississippi River and of the Sacramento River, Cal., and for other purposes, reported the same without amendment, accompanied by a report (No. 616), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

#### CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 14386) granting an increase of pension to Mary R. Bacon, and the same was referred to the Committee on Invalid Pensions.

#### PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

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

By Mr. CLARK of Florida: A bill (H. R. 15194) to confer jurisdiction upon the Court of Claims to hear, try, and determine claims for the refund of money paid for taxes on cotton under the acts of Congress approved, respectively, on July 1, 1862; March 7, 1864; July 13, 1866; and March 2, 1867, and to grant to either party the right to enter appeal or prosecute writ of error to the Supreme Court of the United States from the decision of the said Court of Claims; to the Committee on War Claims.

By Mr. CARTER of Oklahoma: A bill (H. R. 15195) to create the joint commission to investigate Indian affairs; to the Committee on Indian Affairs.

By Mr. OVERMYER: A bill (H. R. 15196) to provide for the erection of a public building at Norwalk, Ohio; to the Committee on Public Buildings and Grounds.

By Mr. BROWNE: A bill (H. R. 15197) to establish a fish hatchery in the State of Wisconsin or the northern peninsula of Michigan; to the Committee on the Merchant Marine and Fisheries.

By Mr. HOUSTON: A bill (H. R. 15198) to confer additional authority upon the President of the United States in the construction and operation of the Alaskan Railroad, and for other purposes; to the Committee on the Territories.

#### PRIVATE BILLS AND RESOLUTIONS.

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

By Mr. ANTHONY: A bill (H. R. 15199) granting an increase of pension to Lilly Ann Newberry; to the Committee on Invalid Pensions.

By Mr. BARNHART: A bill (H. R. 15200) granting an increase of pension to John Shadiner; to the Committee on Invalid Pensions.

By Mr. BRUMBAUGH: A bill (H. R. 15201) granting an increase of pension to Elizabeth Botimer; to the Committee on Invalid Pensions.

By Mr. CONRY: A bill (H. R. 15202) granting a pension to James Shortell; to the Committee on Invalid Pensions.

By Mr. CRAMTON: A bill (H. R. 15203) granting an increase of pension to William F. Wolvin; to the Committee on Invalid Pensions.

By Mr. DILL: A bill (H. R. 15204) granting an increase of pension to Chancey A. Mead; to the Committee on Invalid Pensions.

By Mr. HAMLIN: A bill (H. R. 15205) granting an increase of pension to W. Epps; to the Committee on Invalid Pensions.

By Mr. HAUGEN: A bill (H. R. 15206) granting an increase of pension to John I. Bovee; to the Committee on Invalid Pensions.

By Mr. HELVERING: A bill (H. R. 15207) granting a pension to Asa C. Wood; to the Committee on Pensions.

By Mr. HILLIARD: A bill (H. R. 15208) for the relief of J. M. Essington; to the Committee on Military Affairs.

By Mr. LAZARO: A bill (H. R. 15209) for the relief of the heirs or legal representative of Eugene Sennette, deceased; to the Committee on War Claims.

By Mr. McCULLOCH: A bill (H. R. 15210) for the relief of David B. Turnipseed; to the Committee on Military Affairs.

By Mr. OAKLEY: A bill (H. R. 15211) granting an increase of pension to Eliza N. Oliver; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15212) granting an increase of pension to Mary A. Parsons; to the Committee on Invalid Pensions.

By Mr. POWERS: A bill (H. R. 15213) granting a pension to Mary Burkhardt; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15214) granting an increase of pension to Dillon Collett; to the Committee on Pensions.

Also, a bill (H. R. 15215) granting an increase of pension to Columbus C. Logan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15216) granting a pension to Walter G. Abner; to the Committee on Pensions.

Also, a bill (H. R. 15217) granting a pension to Stephen Standafer; to the Committee on Invalid Pensions.

By Mr. RAMSEYER: A bill (H. R. 15218) granting an increase of pension to Mary Chadwick; to the Committee on Invalid Pensions.

By Mr. REILLY: A bill (H. R. 15219) granting an increase in pension to Albert P. Jackson; to the Committee on Invalid Pensions.

By Mr. SEARS: A bill (H. R. 15220) granting an increase of pension to St. Clair Fechner; to the Committee on Invalid Pensions.

By Mr. SMALL: A bill (H. R. 15221) granting a pension to Samuel W. Williams; to the Committee on Pensions.

By Mr. SMITH of Idaho: A bill (H. R. 15222) granting an increase of pension to Patrick F. Corron; to the Committee on Invalid Pensions.

By Mr. TAVENNER: A bill (H. R. 15223) granting an increase of pension to Joseph Wardle; to the Committee on Invalid Pensions.

By Mr. TILLMAN: A bill (H. R. 15224) granting a pension to Clarence Matchett, alias Harry J. Reed; to the Committee on Pensions.

#### PETITIONS, ETC.

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

By the SPEAKER (by request): Memorial of Sons of the Revolution in the District of Columbia, favoring erection of building to hold archives of the Federal Government; to the Committee on Public Buildings and Grounds.

Also (by request), memorial of Commercial Club of Kansas City, favoring a permanent nonpartisan tariff commission; to the Committee on Ways and Means.

By Mr. ANTHONY: Letters signed by Rev. C. A. Aldeen, G. Lagerborg, C. G. Carlson, John Martinson, S. Olson, Fred Johnson, Fred Carlson, and J. A. Lundgren, all of Topeka, Kans, favoring an embargo on shipment of munitions to European belligerents; to the Committee on Foreign Affairs.

By Mr. BAILEY: Petitions from the following citizens of New York, Pennsylvania, Missouri, New Jersey, Connecticut, Delaware, and West Virginia: Herbert Quick, Berkeley Springs, W. Va.; P. J. Gernsey, 821 Melrose Avenue, Pittsburgh, Pa.; F. W. Schomacker, 3836 California Avenue, N. S.; P. R. Williams, 2128 Pierport Avenue, Pittsburgh, Pa.; John Salmon, 2502 East Erdman Avenue, Baltimore, Md.; Morris Shuger, 135 South Patterson Street, Baltimore, Md.; E. Wright Taylor, 709 Scarritt Building, Kansas City, Mo.; Joseph A. Trist, 709 Scarritt Building, Kansas City, Mo.; John P. Gilerm, 709 Scarritt Building, Kansas City, Mo.; C. Randall Sparks, 709 Scarritt Building, Kansas City, Mo.; William Troff, 709 Scarritt Building, Kansas City, Mo.; F. J. Engleman, 718 K. C. Life Building, Kansas City, Mo.; F. A. Smith, 821 Lathrop Building, Kansas City, Mo.; Benjamin Lubszec, 200 Reliance Building, Kansas City, Mo.; Charles A. Summer, 3110 Olive Street, Kansas City, Mo.; H. O. Learyond, 2600 Charlotte, Kansas City, Mo.; H. V. Dewee, Kansas City Star, Kansas City, Mo.; H. S. Haskell, Kansas City Star, Kansas City, Mo.; A. F. Wilcox, 502 Dwight Building, Kansas City, Mo.; Solomon Choen, 1525 Walnut Street, Philadelphia, Pa.; C. F. Taylor, 1520 Chestnut Street, Philadelphia, Pa.; Edwin F. Potter, Arden, Del.; Earl L. Broadbent, Arden, Del.; Mabel T. Priestman, Arden, Del.; Albert Priestman, Arden, Del.; Elnor G. Stevent, Arden, Del.; Cora L. Potter, Arden, Del.; Margaret Broadbent, Arden, Del.; L. B. Ware, Arden, Del.; L. S. Stephens, Arden, Del.; Percy Russell, Arden, Del.; H. M. Ware, Arden, Del.; Ferdinand Roth, 69 Wall Street, New York; Alfred Taylor, Mount Cuba, Del.; A. R. Taylor, 415 Shipley Street, Wilmington, Del.; B. du Pont, Greenville, Del.; F. Jay Manrada, 5214 Race, Phila-

delphia, Pa.; Ralph G. Miller, Audubon, N. J.; Edward F. Miller, Audubon, N. J.; R. Carl Aichl, 2960 Bailey Street, Philadelphia, Pa.; Horace D. Newson, 122 East Seventy-sixth Street, New York; George E. Mathews, 122 East Seventy-sixth Street, New York; J. L. Ward, 122 East Seventy-sixth Street, New York; B. S. Merrell, 118 Bryant Street, Rahway, N. J.; C. Lengel, 1356 University Avenue, city; Le Mayne F. Cox, 603 West One hundred and thirty-eighth Street, city; V. E. Williams, 501 West One hundred and twenty-fourth Street, city; J. V. B. Parkes, 117 Verona Avenue, Newark, N. J.; Frederick Sleaster, 60 Wall Street, New York; B. S. Williams Manufacturing Co., 118 South Sixth Street, Philadelphia, Pa.; F. G. Garrigues, 6806 West Eleventh Street, Philadelphia; and J. F. Hogeland, Wyndote, Pa., asking for the speedy passage of House bill 13281, which provides for amending the tariff so as to admit free the products of any American country which will admit our products free; to the Committee on Ways and Means.

By Mr. BURKE: Memorial of St. Paul's Church, of Elkhart Lake, and 80 citizens of Beechwood and Boltonville, Washington County, and citizens of Silver Creek, Sheboygan County, all in the State of Wisconsin, against United States entering the European war; to the Committee on Foreign Affairs.

By Mr. CHARLES: Petition of 1,160 citizens of the thirtieth New York congressional district upholding the policy of the President as set forth in his last note to Germany; to the Committee on Foreign Affairs.

Also, petitions of sundry citizens of the thirtieth district of New York against war with Germany on the submarine issue; to the Committee on Foreign Affairs.

By Mr. DALE of New York: Memorial of Friends of Peace of Essex County in re foreign relations; to the Committee on Foreign Affairs.

Also, memorial of Central Labor Union of Brooklyn, N. Y., indorsing Senate bill 3081 and House bill 6915; to the Committee on the Post Office and Post Roads.

Also, memorial of United Association of Plumbers and Steam Fitters in re labor conditions in the Canal Zone; to the Committee on Labor.

Also, memorial of "Plattdeutscher Volksfest-Verein" of New York, opposing war with Germany; to the Committee on Foreign Affairs.

By Mr. DAVIS of Texas: Memorial of the Progressive Farmer in re rural credits; to the Committee on Agriculture.

By Mr. ESCH: Petition of the Christ Congregation of Burr Oak and Fred E. Luetke and 85 others of Norwalk, Wis., protesting against a break in diplomatic relations with Germany; to the Committee on Foreign Affairs.

By Mr. FLYNN: Memorial of General Jacob H. Smith Post No. 83, Veterans of Foreign Wars of the United States, relative to salaries of headquarters and quartermaster clerks; to the Committee on Military Affairs.

By Mr. HILL: Memorial of board of education of New Haven, Conn., in favor of the Smith-Hughes vocational educational bill; to the Committee on Education.

By Mr. HILLIARD: Petition of Charles A. Jackson and 33 others of Denver, Colo., favoring preparedness; to the Committee on Military Affairs.

By Mr. KELLEY: Petition of sundry citizens and organizations of the State of Michigan, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of 327 citizens of the sixth congressional district of Michigan, favoring national prohibition; to the Committee on the Judiciary.

By Mr. LOUD: Petition of C. H. Anschutz and 26 other citizens of Tawas City, Mich., protesting against any declaration of war with Germany; to the Committee on Foreign Affairs.

By Mr. MAPES: Petitions of sundry citizens and organizations of the State of Michigan, favoring national prohibition; to the Committee on the Judiciary.

By Mr. MILLER of Pennsylvania: Petition of 57 citizens of Oil City, Pa., against passage of the juvenile court bill, House bill 13048; to the Committee on the District of Columbia.

By Mr. MORIN: Petition of Edward Ryneaison, of Pittsburgh, Pa., in favor of appropriation for United States Bureau of Education; to the Committee on Education.

Also, petition of John Grey Council, No. 249, O. of I. A., of Pittsburgh, Pa., in favor of increasing the strength of the Army and Navy; to the Committee on Military Affairs.

Also, petition of Herrmann, Aukam & Co., of Lebanon, Pa., opposed to congressional legislation for purpose of barring use of stop watches, etc., in Government plants and Government work; to the Committee on Labor.

Also, petition of Eugene S. Reilly, president Real Estate Board of Pittsburgh, Pa., in favor of reconsideration of bill

granting permission to build proposed power plant in close proximity to Mall, in the District of Columbia, and selection of a site having the approval of Fine Arts Commission; to the Committee on the District of Columbia.

Also, petition of Philanthropic Committee of Philadelphia Yearly Meeting of Friends, Philadelphia, Pa., protesting against any increase in the military and naval forces of the United States; to the Committee on Military Affairs.

Also, petition of Committee on Provision for the Feeble-Minded, Philadelphia, Pa., in favor of House bill 13666; to the Committee on the District of Columbia.

Also, petition of Union League Club, of Chicago, Ill., in favor of adequate preparedness of Army and Navy; to the Committee on Military Affairs.

Also, petition of Baird Holberstadt, of Pottsville, Pa., in favor of House bill 10615; to the Committee on Naval Affairs.

Also, petition of the International Council for Patriotic Service, New York City, favoring constitutional amendment forbidding polygamy in the States and Territories of the Union; to the Committee on the Judiciary.

By Mr. OAKLEY: Memorial of Sons of Veterans of United States Army in encampment September, 1915, indorsed by the C. A. Stedman Camp, of Hartford, Conn., favoring adequate national defense; to the Committee on Military Affairs.

Also (by request), memorial of District of Connecticut of the North American Gymnastic Union in annual convention, to preserve peace in United States; to the Committee on Foreign Affairs.

By Mr. OVERMYER: Petitions of 75 merchants of the thirteenth Ohio district, favoring bills taxing mail-order houses; to the Committee on Ways and Means.

By Mr. RAINHEY: Petition of F. J. Trunnells and others, of White Hall, Ill., relative to migratory-bird law; to the Committee on Agriculture.

Also, petition of Ellen L. Rupert and others, of Rockport, Ill., favoring national prohibition; to the Committee on the Judiciary.

Also, petition of W. F. Broeker and others, of Beardstown, Ill., against the Taylor system; to the Committee on Labor.

By Mr. RANDALL: Petition of Methodist Episcopal Church of Whittier, Cal., favoring national prohibition; to the Committee on the Judiciary.

By Mr. SLAYDEN: Petition of citizens of Texas, protesting against tendency to involve the United States in war; to the Committee on Foreign Affairs.

By Mr. SMALL: Petition of 33 people of Washington, Presbyterian Church of Washington, Ladies' Aid Society of Washington, and 33 people of Washington, favoring national prohibition; to the Committee on the Judiciary.

By Mr. SMITH of Idaho: Papers to accompany House bill 14902, to provide for the erection of a Federal building at Bonners Ferry, Idaho; to the Committee on Public Buildings and Grounds.

Also, papers to accompany House bill 15148, granting an increase of pension to Nelson Hart; to the Committee on Invalid Pensions.

By Mr. SMITH of Minnesota: Petition of Oliver & Leasure Lumber Co., H. W. Ross Lumber Co., Boyd Transfer & Storage Co., Morgan Gerrish Co., W. B. & W. G. Jordan Co., Hutchinson Dry Goods Co., S. G. Palmer Co., Northwestern Fur & Hide Co., and other leading business men, all of Minneapolis, Minn., urging equalization of postal rates; to the Committee on the Post Office and Post Roads.

By Mr. STINESS: Petition of Pomona Grange, of Washington County, R. I., favoring national prohibition; to the Committee on the Judiciary.

Also, petition of German-American Alliance of Rhode Island, favoring resolutions to compel right to send Red Cross supplies to belligerents; to the Committee on Foreign Affairs.

Also, petition of Pomona Grange, of Washington County, R. I., favoring Government ownership of telephone and radio means of communication; to the Committee on the Post Office and Post Roads.

By Mr. TILSON: Petition of the board of education of New Haven, Conn., urging passage of House bill 11250, vocational education bill; to the Committee on Education.

By Mr. TIMBERLAKE: Petition of citizens of Boulder County, Colo., against compulsory Sunday observance in the District of Columbia; to the Committee on the District of Columbia.

Also, petition of citizens of Boulder County, Colo., against certain bills pending before the Committee on the Post Office and Post Roads; to the Committee on the Post Office and Post Roads.

## SENATE.

MONDAY, May 1, 1916.

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we come to Thee as seekers after truth in the midst of a struggle for the supremacy of the truth. Thou hast put this passion within us, and Thy sanction makes it dearer to us than life itself. No institutions shall tempt us from this path. No lure of this world, whether it is voiced by expediency or otherwise, shall rob us of that oneness of purpose that looks for the establishment of truth on earth.

Our Lord, who is the Prince of Peace, is the King of Truth. We come to pray that Thou wilt increase within us ever this passion so that we may follow after God's great plan, knowing that at the end if we are true to the revelations of Thy changeless will we shall establish order and happiness and bring blessing to our fellow men. Help us in our divine enterprise. For Christ's sake. Amen.

The Journal of the proceedings of Saturday last was read and approved.

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

The VICE PRESIDENT. The Secretary will call the roll.

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

Ashurst	Gallinger	Nelson	Smoot
Bankhead	Gronna	Norris	Sterling
Beckham	Harding	Oliver	Stone
Brady	Hollis	Overman	Sutherland
Brandegee	Husting	Page	Swanson
Broussard	James	Pitman	Taggart
Chamberlain	Johnson, Me.	Poindexter	Tillman
Chilton	Johnson, S. Dak.	Pomerene	Underwood
Clapp	Jones	Ransdell	Vardaman
Clark, Wyo.	Kenyon	Robinson	Wadsworth
Colt	Kern	Saulsbury	Walsh
Culberson	Le Follette	Shafroth	Warren
Cummins	Lane	Sheppard	Williams
Curtis	Lee, Md.	Sherman	Works
Dillingham	Lodge	Simmons	
du Pont	Martine, N. J.	Smith, Ariz.	
Fall	Myers	Smith, Ga.	

Mr. SHAFROTH. I desire to announce the necessary absence to-day of my colleague [Mr. THOMAS].

Mr. CHILTON. I wish to announce the absence of my colleague [Mr. GOFF] on account of illness. I will let this announcement stand for the day.

Mr. MARTINE of New Jersey. I desire to announce the unavoidable absence on public business of my colleague [Mr. HUGHES], and also to announce the unavoidable absence of the Senator from Kansas [Mr. THOMPSON].

Mr. KERN. I wish to announce the unavoidable absence on official business of the senior Senator from Florida [Mr. FLETCHER], and also the unavoidable absence, on account of illness, of the junior Senator from Illinois [Mr. LEWIS]. This announcement may stand for the day.

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

## MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed the bill (S. 4856) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent relatives of such soldiers and sailors, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had passed a bill (H. R. 15048) 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, in which it requested the concurrence of the Senate.

## ENROLLED BILLS AND JOINT RESOLUTION SIGNED.

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

S. 2200. An act authorizing the health officer of the District of Columbia to issue a permit for the removal of the remains of the late Elsie McCaulley from Glenwood Cemetery, District of Columbia, to Philadelphia, Pa.;

S. 3769. An act to amend section 3 of an act entitled "An act to promote the safety of employees and travelers upon railroads by limiting the hours of service of employees thereon," approved March 4, 1907;

S. 4876. An act to provide for an increase in the number of cadets at the United States Military Academy; and