

copal Church, of Bridgeville; Women's Bible Class of the Ingram United Presbyterian Church, of Ingram; Men's Bible Class of the Hawthorne Avenue Presbyterian Church, of Crafton; Men's Bible Class of the Crafton Heights United Presbyterian Church; Federated Temperance Committee of Allegheny County, representing a mass meeting attended by 2,000 citizens; Pittsburgh Coal Producers' Association, Pittsburgh; Rotary Club, Pittsburgh; and members of the staff of the Allegheny County Hospital for the Insane and Tuberculosis Sanatorium, Woodville, all in the State of Pennsylvania, favoring prohibition during the war; to the Committee on the Judiciary.

Also, petitions of James L. McKee, Castle Shannon; Grant Dodds, Duquesne; William G. Thompson, and Miss Helen R. Pershing, both of Pittsburgh; Dr. F. R. McGrew, Carnegie; Mrs. Amanda Vierheller and John M. Beatty, both of Pittsburgh; Amos F. Ohl, Crafton; sundry citizens of Clinton; G. Francis Gray, Albert M. Travis, Alex. Black Coal Co., A. O. Myers & Co., and Buse & Caldwell, all of Pittsburgh, in the State of Pennsylvania, favoring prohibition during the war; to the Committee on the Judiciary.

Also, petitions of Pittsburgh-Des Moines Steel Co., McClintic-Marshall Construction Co., Peerless Biscuit Co., West Virginia Lumber Co., Lockhart Iron & Steel Co., Haller Baking Co., Harry H. Willock, J. W. Alexander, Mrs. Bertha H. Acheson, Harry F. McNutt, Samuel G. Sheriff, Samuel W. Callen, George W. Link, A. M. Phillips, Oliver Atkinson, all of Pittsburgh, in the State of Pennsylvania; and Westinghouse Electric & Manufacturing Co., New York, N. Y., favoring prohibition during the war; to the Committee on the Judiciary.

By Mr. COOPER of Wisconsin: Petition of the Rock County Dry League, of Wisconsin, urging the abolition of the liquor traffic as a war measure; to the Committee on Agriculture.

By Mr. DALE of New York: Memorial of National Association of Fisheries Commissioners, Providence, R. I., favoring regulation of use of streams and tidal waters; to the Committee on the Merchant Marine and Fisheries.

By Mr. DYER: Petition of the members of the First Christian Church of St. Louis, Mo., urging the absolute prohibition of the manufacture and sale of all alcoholic beverages during the present war; to the Committee on Agriculture.

Also, petition of the Tenth Ward Improvement Association, the Manufacturers' Association of St. Louis, the Central Civic Council, representing 18 improvement associations, with a total of 11,000 members, protesting against the attempt to prohibit the manufacture of beer and wines upon the alleged ground of conserving the grain product of the country; to the Committee on Agriculture.

Also, petition of Corporal William L. White Camp, United States Spanish War Veterans, St. Louis, Mo., protesting because colored men are denied enlistment in the Army, Navy, and Marine Corps; to the Committee on Military Affairs.

By Mr. GLYNN: Petition of Rev. Charles N. Fitch, Cornwall, Conn., favoring national prohibition; to the Committee on the Judiciary.

By Mr. HILL: Petition of the Immanuel Lutheran Church of Danbury, Conn., protesting against the act of March 3, 1917, in so far as it applies to the matter of wines for the sacrament; to the Committee on the Judiciary.

By Mr. LINTHICUM: Petition of the Rice & Hutchins Baltimore Co., Baltimore, Md., urging the enactment of a law restricting the killing of cattle and prohibiting the killing of calves, kids, etc., before they arrive at a reasonable age; to the Committee on Agriculture.

Also, petition of S. Halle Sons, Baltimore, Md., protesting against any increase in letter postage without a liberal advance in second-class rate; to the Committee on Ways and Means.

Also, petition of Becker Bro. & Son, Baltimore, Md., protesting against the inclusion of beer and wine in the law prohibiting the use of grain for beverages; to the Committee on Agriculture.

Also, petition of Guy K. Mitchell, Baltimore, Md., protesting against the passage of prohibition under the plea of food control; to the Committee on Agriculture.

Also, petition of M. Samuels & Co.; Sylvan, Hayes & Lauchheimer; J. Engel & Co.; and Albert W. Rayner, all of Baltimore, Md., favoring the passage of the Hollis and Myers amendments to the war-revenue bill; to the Committee on Ways and Means.

By Mr. McCLINTIC: Petition of Henry C. Gilliland, Jackson County, Okla., signing for 17 companies of United Confederate Veterans in southwest Oklahoma, in favor of the division of the "cotton-tax money" among the Confederate soldiers and their wives; to the Committee on War Claims.

By Mr. MAGEE: Petition of Mr. E. B. Van Riper and other citizens of the city of Syracuse, N. Y., favoring national prohibition; to the Committee on the Judiciary.

By Mr. RAKER: Memorial of Navy League of Riverside, Cal., in re establishment of effective zones about military camps; to the Committee on Military Affairs.

Also, petition of California Wet Federation, San Francisco, Cal., against prohibition legislation; to the Committee on the Judiciary.

Also, memorial of brotherhood and members of Methodist Church of Eureka, Cal., favoring prohibition as war measure; to the Committee on the Judiciary.

Also, petition of T. C. Wilson, of San Francisco, Cal., in re letter postage; to the Committee on the Post Office and Post Roads.

Also, petition of State Council of Defense, Indianapolis, Ind., in re fixing price of coal and control over its distribution; to the Committee on Agriculture.

By Mr. RANDALL: Petition of 56 citizens of Los Angeles, Cal., praying immediate enactment of prohibition of manufacture of alcoholic liquors as a measure of food conservation, etc.; to the Committee on the Judiciary.

By Mr. REED: Petition of Miss Linnie Pierpoint, president; Mr. J. Cecil Cottrill, secretary; and the members of the Christian Endeavor Society of the Methodist Protestant Church of Harrisville, W. Va., urging the passage of the "bone-dry" amendment to the food-control bill; to the Committee on Agriculture.

By Mr. TAGUE: Petition of Boot and Shoe Workers' Union, Boston, Mass., favoring bill calling for conscription of aliens; to the Committee on Military Affairs.

By Mr. TAYLOR of Colorado: Memorial of Weld County (Colo.) Commercial Clubs, urging exemption of farm labor from military duty; to the Committee on Military Affairs.

By Mr. TEMPLE: Petition of St. Peter's Evangelical Lutheran Church, Knob, Beaver County, Pa., and Trinity Evangelical Lutheran Church, Freedom, Pa., requesting such modification of act of March 3, 1917, as will make it lawful for churches in dry States covered by this act to secure sacramental wines; to the Committee on the Judiciary.

By Mr. WALDOW: Petition of Polish citizens of Buffalo, N. Y., declaring for an independent Poland, including Polish Provinces in Germany and Austria, and pledging their loyalty and devotion to the United States; to the Committee on Foreign Affairs.

Also, petition of citizens of Buffalo, N. Y., favoring prohibition; to the Committee on the Judiciary.

By Mr. WINGO: Petition of citizens of Waldron, Ark., favoring prohibition during the war; to the Committee on the Judiciary.

By Mr. ZIHLMAN: Memorial of the Society of Friends at Sandy Spring, Md., for national prohibition; to the Committee on the Judiciary.

Also, petition of the Enterprise Farmers' Club, of Montgomery County, Md., for national prohibition; to the Committee on the Judiciary.

Also, memorial of the Allegany Trades Council, urging such steps as may be necessary to eliminate all sources of profit in production, transportation, and distribution of the food supply; to the Committee on Agriculture.

SENATE.

THURSDAY, July 12, 1917.

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we thank Thee that Thou hast enabled us to unite in the maintenance of spiritual ideals, that we have been enabled to demonstrate to the world that we are inspired not by the material but by the spiritual. We thank Thee for the unity of effort of Thy people in this great land, and for our ability to follow those great lines of human conduct that have their birth in the revelations of Thy will to men. We pray Thee to look upon us with Thy fatherly care and love this day. Fill us more and more with the unity of spirit and purpose which comes out of the ministries of Thy grace. Give to us success in our enterprises. We ask for Christ's sake. Amen.

The Secretary proceeded to read the Journal of the proceedings of the legislative day of Monday, July 9, 1917, when, on request of Mr. JAMES and by unanimous consent, the further reading was dispensed with and the Journal was approved.

RECENT DISTURBANCES IN EAST ST. LOUIS, ILL.

The VICE PRESIDENT. The Chair was waited upon by a delegation of citizens this morning who presented a memorial to the Senate of the United States. It has to do with the recent loss of life and destruction of property in the State of Illinois.

These citizens are of colored birth, and headed by Rev. Dr. Waldron, of this city, breathed such a spirit of loyalty and devotion to the Republic that the Chair instructs that the petitions be inserted in full in the RECORD and that they be referred to the Committee on Privileges and Elections. The Chair thinks that is the appropriate place for the petitions to go.

The petitions were referred to the Committee on Privileges and Elections, as follows:

WASHINGTON, July 11, 1917.

To the Senate of the United States,
Vice President THOMAS R. MARSHALL, President:

Your petitioners, citizens of the United States and residents of Maryland, Virginia, District of Columbia, Pennsylvania, and other States, respectfully represent that the Constitution of the United States guarantees to every American citizen the safety of life, liberty, property, and equal protection of the laws; and that the citizens of each State shall be entitled to all privileges and immunities of the citizens of the several States; and that the people of the United States shall be secure in their persons, houses, papers, and effects against unreasonable searches and seizures; and that no person in the United States shall be held to answer for a capital or otherwise infamous crime unless on the presentment or indictment of a grand jury, except in cases arising in land or naval forces or in the militia when in actual service in time of war or in public danger; and that every American citizen before being condemned or executed shall be entitled to a fair and impartial trial by an impartial jury of the State and district wherein the crime shall have been committed. Your petitioners respectfully represent to you that the above-mentioned provisions of the Constitution of the United States have been flagrantly violated by several of the States of the United States, notably Tennessee in its recent lynchings and burning of American citizens at Memphis, and Illinois in its more recent wholesale lynchings, murders, and burnings of citizens of the United States at East St. Louis; and your petitioners request that the United States Senate and the United States House of Representatives appoint at once a joint commission empowered, authorized, and instructed to investigate thoroughly and well the violations of the United States Constitution referred to above and to discover their causes and the reasons why the authorities of the State of Tennessee and the city of Memphis, and the authorities of the State of Illinois and the city of East St. Louis failed to enforce the constitutions of their States and the Constitution of the United States, and to ascertain whether Tennessee and Illinois are in the possession of a republican form of government.

Your petitioners are of the opinion that the outrages committed upon colored American citizens in East St. Louis, Ill., are a part of a deep-laid conspiracy by the enemies of the United States to promote strife, bloodshed, and revolution in the many communities North and West into which colored American citizens from the South have recently settled in large numbers, in order to make it impossible for our country to send to Europe the men, material, and munitions necessary to subdue Germany and her allies. By reason of the strong race prejudice and the animosity of foreign and organized labor against the colored people which prevail in the northern and western communities to which colored American citizens have recently migrated in large numbers, it is comparatively easy for the foes of our country to arouse these said communities to deeds of violence, murder, and conflagration. For these reasons we appeal to the honorable Senate of the United States to exercise the power vested in her by the Constitution and enact immediately such legislation that will prevent the recurrence of such crimes as were committed in Memphis, Tenn., and in East St. Louis, Ill., recently.

And we will ever pray, etc.

The Committee of 100 Colored Citizens on the War, J. Milton Waldron, president; Chas. M. Thomas, secretary; and delegates from religious, civic, and business organizations of colored citizens in Maryland, Virginia, District of Columbia, Pennsylvania, and other States, William Pickens (Maryland delegation), chairman, Jennie H. Ross (Maryland), clerk.

JULY 12, 1917.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

More persons have suffered death by mob violence than were killed in the Spanish-American War.

Just about ten times as many Americans have lost their lives by mobs—in violation of the law—as have become victims of German submarines.

According to the records, which have been kept consecutively since 1885, 3,373 American citizens have been hanged, burned, or otherwise unlawfully done to death. This large number of men and women have not found democracy in our country safe, and have been lynched without warning.

This last outbreak in East St. Louis came on the eve of the Fourth of July celebration, and at a time when to our positive knowledge colored Americans were in hearty accord with the President in this war crisis, standing ready and willing to do service in any capacity.

Thirty-seven persons are thus known to have lost their lives, not strike breakers only but old men, women, and children. Alleged causes of the riot conflict. This much is certain: It began as a labor disturbance, and ended as a race riot.

Two points stand out clearly:

1. The local police were unable to handle the situation.
2. The State militia disarmed the blacks and provided arms and ammunition for the whites.

The lynching records show that every mob that has committed violence has been strong enough to prevent conviction of its members in the local courts. So long as the Federal Government stands aloof mob law may feel encouraged, not discouraged.

The citizens of Baltimore urge the President and Members of Congress to act immediately upon the Dyer resolution (known as H. J. Res. 118), which urges—

The appointment of a congressional committee to study and report upon the riot in East St. Louis.

The discovery of what laws, if any, are needed to prevent like occurrences in Illinois or any other State.

WM. PICKENS,
Mrs. JENNIE H. ROSS,
BESSIE COLEMAN,
JUNIEL GRAY,
CARL J. MURPHY, Editor Afro-American,
Committee.

MESSAGE FROM THE HOUSE.

A message from the House, by J. C. South, its Chief Clerk, announced that the House had passed a bill (H. R. 4960) to define, regulate, and punish trading with the enemy, and for other purposes, in which it requested the concurrence of the Senate.

PETITIONS AND MEMORIALS.

The VICE PRESIDENT presented a memorial of Frederick Stearns & Co., of Detroit, Mich., remonstrating against a tax being placed on gross sales, which was referred to the Committee on Finance.

He also presented a resolution adopted by the General Synod of the Reformed Church in America in session at Asbury Park, N. J., favoring national prohibition, which was ordered to lie on the table.

Mr. MYERS. I present a joint memorial of the Legislature of the State of Montana for the submission of a constitutional amendment for national prohibition. I ask that the memorial be printed in the RECORD.

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

House joint memorial 5.

Memorial to Congress of the United States to pass an amendment to the Federal Constitution and submit the same to the several States for ratification prohibiting the manufacture and sale of intoxicating liquors for use as a beverage.

To the Honorable Senate and House of Representatives in Congress of the United States of America:

Your memorialists, the members of the Fifteenth Legislative Assembly of the State of Montana, the senate and house concurring, respectfully represent:

Whereas it appears that a majority of the people of the United States are in favor of prohibiting the manufacture and sale of intoxicating liquors for use as a beverage; and

Whereas there is now pending before Congress of the United States a measure proposing an amendment to the Federal Constitution designed to effect such prohibition: Now, therefore, be it

Resolved by the house (the senate concurring), That we, the members of the Fifteenth Legislative Assembly of the State of Montana, do hereby petition and earnestly pray the Congress of the United States that such measure proposing an amendment to the Federal Constitution so prohibiting the manufacture and sale of intoxicating liquors be passed and submitted to the several States for ratification; and

Resolved further, That a copy of this memorial be forwarded by the secretary of state of Montana to the Senate and to the House of Representatives of the United States, and that copies hereof be transmitted by the secretary of state of Montana to the Senators and Representatives of Montana in Congress.

JAS. F. O'CONNOR,
Speaker of the House.
W. W. McDOWELL,
President of the Senate.

Approved February 13, 1917.

S. V. STEWART, Governor.

Mr. MYERS presented a petition of Butte Local No. 1, Socialist Party of the United States, of Butte, Mont., praying for, the submission of the selective-draft law to a vote of the people, which was ordered to lie on the table.

He also presented a petition of the Yellowstone Association of Congregational Churches, of Montana, praying for national prohibition, which was ordered to lie on the table.

Mr. NELSON presented petitions of the congregations of the Highland Park Presbyterian Church, of Minneapolis, of the Christian Endeavor Society of Minneapolis, of the congregation of the Methodist Episcopal Church of Fosston, of sundry citizens of St. Paul, and of the combined congregations of the churches of Hutchinson, all in the State of Minnesota, praying for national prohibition as a war measure, which were ordered to lie on the table.

Mr. SHEPPARD presented petitions of the Woman's Missionary Societies of the Methodist Episcopal Church South, of Winnsboro, and of the Bonham Street Methodist Episcopal Church South, of Paris, in the State of Texas, praying for national prohibition as a war measure, which were ordered to lie on the table.

Mr. ASHURST. I present a petition signed by a number of citizens of Miami, Ariz., which I ask may be printed in the RECORD and referred to the Committee on Military Affairs.

There being no objection, the petition was referred to the Committee on Military Affairs and ordered to be printed in the RECORD, as follows:

MIAMI, ARIZ., July 6, 1917.

Hon. HENRY ASHURST,
Senate, Washington, D. C.

DEAR SIR: We, the undersigned, take this means of expressing to you our earnest desire that you give your unremittent support to the Chamberlain bill for universal military training.

Yours, truly,

C. E. ARNOLD
(And others).

Mr. GRONNA. I ask unanimous consent to have printed in the RECORD a petition of certain citizens of Englevale, N. Dak., and that one of the names be printed with the petition.

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

United States Senate,
Care of Mr. GRONNA:

The undersigned urge conservation of foodstuffs used in making intoxicating beverages and passage of all prohibition measures, also urge that no added tax be placed on liquors.

Mrs. W. W. ANDERSON
(And 38 others).

POEM BY ALBERT T. LEHMANN.

Mr. GRONNA. I ask to have printed in the RECORD, without reading, a song poem written by Albert T. Lehmann, entitled "Hurrah for the U. S. A.!" It is a beautiful and patriotic poem, and I am sure that it will be an inspiration to those who may read it. Mr. Lehmann is a young man living in the State which I have the honor in part to represent.

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

HURRAH FOR THE U. S. A. !
In days gone by, Old Glory, boys,
Has always won the day;
She's fought for freedom's right, boys,
In the good old U. S. A.

CHORUS.
Hurrah! Hurrah! Fall in, boys;
Hurrah for the U. S. A. !
She's going in to win, boys,
The world's democracy.
When we'll see Old Glory waving
In the midst of the densest fray
Then we'll shout with all our might, boys,
"Hurrah for the U. S. A. !"

Our fathers fought and died, boys,
To win democracy;
Like them we'll gladly die, boys,
For a free humanity.

DEVELOPMENT OF WATER POWER.

Mr. SHIELDS. I am directed by the Committee on Commerce, to which was referred the bill (S. 1419) to amend an act entitled "An act to regulate the construction of dams across navigable waters," approved June 21, 1906, as amended by the act approved June 23, 1910, and to provide for the improvement and development of waterways for the uses of interstate and foreign commerce, to report it without amendment. I give notice that I will submit a report to accompany the bill at a later day.

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

MILITARY SERVICE ACTS OF GREAT BRITAIN (S. DOC. NO. 62).

Mr. SMITH of Arizona. From the Committee on Printing I report a resolution providing for the printing of the manuscript submitted by the Senator from Wisconsin [Mr. LA FOLLETTE] on Tribunals and Certificates of Exemption Under the Military Service Acts of Great Britain. The estimated cost is about \$87. I ask unanimous consent for the present consideration of the resolution.

The resolution (S. Res. 102) was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the manuscript submitted by the Senator from Wisconsin [Mr. LA FOLLETTE] on May 18, 1917, entitled "Tribunals and Certificates of Exemption Under the Military Service Acts of Great Britain," be printed as a Senate document.

BILLS INTRODUCED.

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

By Mr. CHAMBERLAIN:

A bill (S. 2632) for the relief of Charles Leon, to the Committee on Claims.

By Mr. McCUMBER:

A bill (S. 2633) to reinstate John K. Thompson as a gunner in the United States Navy, to the Committee on Naval Affairs.

By Mr. SHAFROTH:

A bill (S. 2634) to construct a bridge across the Arkansas River at or near the United States Naval Hospital in Bent County, Colo., so as to facilitate the transportation of supplies to said hospital.

Mr. SHAFROTH. The bill relates to the naval hospital. I thought at first it should go to the Committee on Appropriations, but on reflection I ask that it be referred to the Committee on Naval Affairs.

The VICE PRESIDENT. Does the bill provide for a bridge over a navigable river?

Mr. SHAFROTH. No; it is not over a navigable stream; it is over a nonnavigable stream, and is to be constructed for taking supplies to the naval hospital. The hospital is under the jurisdiction of the Navy Department, and it is for the use of the Navy that the bill is introduced. On that account it seems that the Committee on Naval Affairs would be the proper committee to which it should be referred.

The VICE PRESIDENT. The bill is not to authorize the construction of a bridge; it makes an appropriation for that purpose, but it will go to the Committee on Naval Affairs.

Mr. OVERMAN. If the bill provides for an appropriation it ought to go to the Committee on Appropriations.

Mr. SHAFROTH. I have no objection. I first marked it to go to the Committee on Appropriations, and then thought that being for the use of the naval hospital it should go to the Committee on Naval Affairs.

The VICE PRESIDENT. Being an appropriation for naval affairs, the bill will be referred to the Committee on Naval Affairs.

By Mr. SHAFROTH:

A bill (S. 2635) granting a pension to Nelson E. Bucknam;
A bill (S. 2636) granting an increase of pension to Thomas J. Hargrave;

A bill (S. 2637) granting a pension to John D. Harkless; and
A bill (S. 2638) granting a pension to William G. Neeley; to the Committee on Pensions.

By Mr. JONES of New Mexico:

A bill (S. 2639) to amend the act approved June 12, 1917, entitled "An act making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1918, and for other purposes"; to the Committee on Appropriations.

A bill (S. 2640) for the relief of Sara H. Mitchell; and

A bill (S. 2641) granting to the State of New Mexico 300,000 acres of land in said State for the use and benefit of the military institutions of New Mexico; to the Committee on Military Affairs.

A bill (S. 2642) for the relief of Nicolas Gallegos; to the Committee on Claims.

By Mr. NELSON:

A bill (S. 2643) authorizing the appointment of Morten R. Brock as a captain in the United States Army, and providing for his retirement; to the Committee on Military Affairs.

A bill (S. 2644) granting a pension to W. H. Johnston; to the Committee on Pensions.

By Mr. BRANDEGEE:

A bill (S. 2645) providing for the issuance of a special Red Cross stamp and fixing a rate for the transmission of first-class mail matter by the American Red Cross, its chapters, and the auxiliaries thereof; to the Committee on Post Offices and Post Roads.

A bill (S. 2646) for the relief of Edward W. Whitaker (with accompanying papers); to the Committee on Military Affairs.

RIVER AND HARBOR APPROPRIATIONS (H. R. 4285).

Mr. McCUMBER submitted an amendment intended to be proposed by him to the river and harbor appropriation bill, which was ordered to lie on the table and be printed.

Mr. SHIELDS submitted an amendment intended to be proposed by him to the river and harbor appropriation bill, which was ordered to lie on the table and be printed.

THE COMMITTEE ON PATENTS.

Mr. JAMES submitted the following resolution (S. Res. 103), which was read and referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Patents or any subcommittee thereof be, and hereby is, authorized during the Sixty-fifth Congress to send for persons, books, and papers; to administer oaths and to employ a stenographer, at a cost not exceeding \$1 per printed page, to report such hearings as may be had in connection with any subject which may be pending before said committee, the expenses thereof to be paid out of the contingent fund of the Senate, and that the committee or any subcommittee thereof may sit during the sessions or recess of the Senate.

Mr. THOMPSON subsequently, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred the foregoing resolution, reported it favorably without amendment, and it was considered by unanimous consent and agreed to.

PRICES OF COAL.

Mr. FLETCHER. I ask to have read a letter which I have received bearing on matters under consideration. It is brief, and I think it is important.

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

The Secretary read as follows:

BUILDING OWNERS AND MANAGERS ASSOCIATION,
Cincinnati, Ohio, July 3, 1917.

Chairman COMMERCE COMMITTEE,
United States Senate, Washington, D. C.

DEAR SIR: As secretary of the Building Owners and Managers Association of Cincinnati, I have been instructed to address you in behalf of the members of our association, and ask you to further consider the price of coal at the mines.

Our association considers the price of \$3 or \$3.50 per ton for coal at the mines exorbitant. One year ago we were buying coal at 90 cents per ton at the mines. Labor and other conditions have not advanced sufficiently enough to charge anything near these prices.

A little investigation as to the cost and profit for operating coal at the mines will readily place before you the right figures to be charged, which will not be anything like \$3 and \$3.50.

Our association stands ready to cooperate with you in every way possible.

Respectfully, yours, M. W. McINTYRE, Secretary.

Mr. SHERMAN. I present a communication from the Independent Harvester Co., of Plano, Ill., on the price of bituminous coal. I ask that it be read.

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

The Secretary read as follows:

THE INDEPENDENT HARVESTER CO. (Inc.),
Plano, Ill., July 9, 1917.

HON. LAWRENCE Y. SHERMAN,
United States Senate, Washington, D. C.

MY DEAR SENATOR: We have been recently reading of some activity on the part of the Government in an attempt to control or regulate the price of bituminous coal to the consumer, and it occurs to me that our experience of the past 60 days might prove interesting.

We have been endeavoring to contract for our coal requirements for the coming year, but so far without success. Last year we contracted for 2,500 tons at a price of \$1.35 per ton at the mines. Of the 2,500 tons we consumed 96 per cent, which I believe is strong evidence that we did not overestimate our needs or store the coal. This year we require approximately the same quantity as last year and July 5 we were quoted a price of \$3.50 per ton at the mines, and further informed on July 6 that there undoubtedly would be no further reduction during the year from the price quoted. The quotation of \$3.50 submitted July 5 was the price we were paying during May and June, or before the recent agitation and conference, and it would seem that in spite of the discussion and widely heralded reduction in price the tangible results do not justify the statement that coal will cost the consumer less. Trusting the above may prove interesting to you, I am,

Very truly, yours, W. D. STEWARD.

DEMOCRACIES AGAINST AUTOCRACIES.

Mr. FLETCHER. I submit a paper prepared by Mr. David Lubin, delegate of the United States International Institute of Agriculture at Rome, on the subject of Democracies against Autocracies. I ask to have it referred to the Committee on Printing with a view to having it printed as a document.

The VICE PRESIDENT. That action will be taken.

PROFITS ON WHEAT.

Mr. STERLING. Mr. President, I have here an article taken from the New York Journal of Commerce of July 9, written by Mr. J. J. Slechta, a frequent contributor to that paper on economic and commercial subjects. The article relates to the claim that \$250,000,000 were made in profits by wheat merchants during the last few months. Mr. Slechta discusses that question in this article, and I ask unanimous consent that it may be printed in the RECORD.

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

SEES NO EXTREMELY HIGH CROP PRICES—J. J. SLECHTA TELLS OF THE 1916 WHEAT AND FLOUR PRODUCTION—DECLARES THAT TO HAVE MADE A PROFIT OF \$250,000,000, AS ALLEGED IN RECENT CHARGES, WHEAT MERCHANTS AND MILLERS MUST HAVE NECESSARILY CLEARED ABOUT A DOLLAR PER BUSHEL—GIVES STATISTICS TO REFUTE CLAIMS.

EDITOR OF THE JOURNAL OF COMMERCE:

Discussions and various recommendations concerning the necessity for food control have operated to obscure some of the most salient facts relating to the production, distribution, and consumption of American wheat and flour. It has been alleged in press organs, without indication of serious effort to consider the fundamental facts, that the American people have paid a profit of \$250,000,000 during the last five months of the crop year (February-June) in the excess of flour cost to consumer over the price received for the wheat by the farmer producing it. Merely in the interest of accuracy I have compiled some statistics the consideration of which is indispensable if an impartial inquiry into the accuracy of such a statement as above mentioned is to be made.

The agricultural reports of the Crop Bureau have placed the 1916 wheat crop of the United States at about 640,000,000 bushels. A profit of \$250,000,000 would amount to slightly over 40 cents per bushel on the whole crop, whereas fully 60 per cent of the crop had already been exported or sold for consumption, if not already consumed. A careful tabulation of the figures for the movement of grain at primary points by months during the past 10 years shows conclusively that approximately 60 per cent of every wheat crop leaves the farmers' hands during the first six months of the crop year. On February 1, 1916, certainly not more than 250,000,000 bushels of the 1916 crop remained unsold to consumers. To have resulted in a profit of \$250,000,000 wheat merchants and millers must have necessarily cleared about a dollar per bushel. Let us examine the facts so far as they bear upon this question. It should not be difficult to show the source of so unusual a profit, if it existed.

It has also been stated that the average price received by the farmer for the 1916 crop did not exceed \$1.50 per bushel. This statement I am not prepared to dispute, but that it should be taken as the measure of the farmer's remuneration, in contradistinction to the highest market price in New York and Chicago, at a time when conditions closely resembling an absolute corner were brought about by the excessive buying of options on futures by the European Government buyers, is hardly short of ridiculous. This will be clear to anyone who cares to consider carefully the following figures:

	Wheat.	
	Farm price per bushel (Government report).	Chicago cash prices, No. 2 hard winter.
1916.		
July 1.....	\$0.929	\$1.04
Aug. 1.....	1.071	1.22
Sept. 1.....	1.312	1.45
Oct. 1.....	1.363	1.55
Nov. 1.....	1.584	1.82
Dec. 1.....	1.603	1.71
1917.		
Jan. 2.....	1.503	1.88
Feb. 1.....	1.648	1.67
Mar. 1.....	1.648	1.90
Apr. 2.....	1.80	2.09
May 1.....	2.459	2.98
June 1.....	2.485	\$2.61-2.71

	Wheat—Chicago option prices, No. 2 hard winter.	Flour—Average New York prices, Kansas, Strt. bags, 196 lbs.
1916.		
July.....	\$1.03	\$5.33
September.....	1.24	5.74
Do.....	1.41	7.56
December.....	1.56	8.36
Do.....	1.82	9.15
Do.....	1.67	8.45
1917.		
May.....	1.80	8.65
Do.....	1.63	8.20
Do.....	1.82	8.85
Do.....	1.99	9.45
Do.....	2.57	\$13.50-13.70
July.....	1.98	12.50-13.75

I do not believe that a great deal of confidence can be placed in the Government's reports of farm wheat prices. These figures must, by the very nature of things, be more or less rough estimates. It is manifestly impossible for any bureau to get an accurate estimate of the actual average price which the farmer receives for his wheat on a given day. The price varies in almost every primary market in every wheat-producing State in the Union. It is very doubtful whether the farmer received a price as high as that indicated in the Government reports, but, on the other hand, it is certainly true that a not inconsiderable portion of the crop was marketed at prices very close to the cash prices. This is particularly true of wheat in the soft winter sections, which is sold in a larger proportion direct to the millers, or at least for immediate local consumption. The writer knows of instances where mills have purchased wheat for cash at prices which were actually higher than the cash prices on the Chicago market.

But taking the Government's figure at their face value, let us analyze them in comparison with market prices. Take the price on July 1—92.9 cents per bushel. It must be obvious even to the man on the street, who knows anything at all about the machinery of modern American business, that this price of 92.9 cents was determined largely by the quotations in the large distributing markets, such as Chicago, Minneapolis, Omaha, or Toledo. On that same day the price of No. 2 hard winter was \$1.04, delivered on the tracks. Bear in mind that the average of the crop is not equal in quality to No. 2 hard, or anywhere near it. Prices at this period of the crop year were steadily mounting, yet the largest profit which might have been realized was 12 cents per bushel, from which must be deducted the cost of handling several times, rail freight, insurance, shrinkage in weight, etc. Note the comparison with flour prices. A barrel of flour sold in New York at \$5.33, requiring 4 1/2 bushels of wheat, represents a value in wheat of about \$1.20 per bushel. Probably the average price paid by millers for wheat bought and delivered in July did not much exceed the price on July 1, \$1.04, which indicates a comfortable margin of profit. But the universal milling practice is to sell options against wheat stock bought for milling to avoid risk of a fall in price; hence, the profit realized by increased price for flour is offset by loss on sale of option. The profit was probably realized by the speculator or by the purchaser for export, who bought in the miller's options to provide cargoes for future shipment.

Confused thinking on matters of this kind results inevitably from inability to visualize exactly what happens in a given transaction. I was much interested in Senator REED's effort, during the examination of Mr. Hoover before the committee, to get such a visualization of a certain farmer's crop of a thousand bushels, sold to an elevator at Fargo, N. Dak. So far as could be learned from the report of the hearing, that thousand bushels was lost in transit. Let us see what actually does happen to a similar thousand bushels.

The farmer probably gets a postcard bid from one or more elevators, or he may call up on the rural telephone. Let us suppose that he has his first thrashing ready on September 1. The Fargo elevator offers him \$1.31 per bushel and he sends in his wagons. Some of it he may deliver at once, but he has sold it all and may not deliver it for two weeks. The elevator is in touch by wire with Minneapolis. If he is a close and careful trader, he is sure to sell each day as much as he has contracted for with farmers, to be delivered on board cars within a specified date. He cleans it, weighs it a second time, grades it, and puts it into freight cars. He may succeed in keeping as much as a

cent and a half a bushel after paying his expenses. If he takes chances on a rising market he may make more, but more probably the elevator man takes no chances when wheat is \$1 a bushel, and is lucky if he can turn over the season's crop at a net profit of a half cent per bushel. The man who bought the 1,000 bushels from the country elevator is probably a wheat commission dealer, acting for a big Minneapolis miller or for a wheat buyer in Chicago. He has orders to buy at a maximum price given him. Probably a quarter of a cent per bushel is his reward. The commission man's principal miller or wheat merchant is now in legal possession of the 1,000 bushels of wheat, though it has not yet left the farm near Fargo.

At this stage of the proceedings, during which it may be that not over 24 hours have elapsed from the time the farmer agreed on a price with the country elevator until the same identical wheat is sold either to the miller or to a wheat merchant at a central market, the next series of transfers is entered upon in the course of getting the wheat to the consumer. If a miller of flour is the purchaser, the price which he has paid forms the basis upon which he fixes his price of flour. Perhaps the farmer's 1,000 bushels is part of a month's requirements, which the miller now offers for sale for delivery from 30 to 90 days later. These transactions follow each other so closely that thus far, even in a market with the price rising abruptly, there is little opportunity for any party to any one transaction to abstract more than a nominal profit. In fact, the more uncertainty there is in market indications the greater is the promptness with which each transfer takes place. If the miller sells the product of the 1,000 bushels of wheat to an exporter, there appears the widest variation in the amount of profit possible. If the exporter is doing a straight commission business, his margin is always the same, but if he act as exporting merchant his risks necessitate taking all the profit he can get. Should the mill sell for domestic consumption, sale may be made either direct to bakers in consuming centers, through its own representative, or to flour merchants or middlemen. Contrary to common belief, the flour dealer has little opportunity for speculation. Only a very small minority of such merchants have storage facilities for flour. They sell, in most cases, ex cars. They base their sale prices on the price of the miller, and if the baker is not too close a buyer they may extract as much as 50 cents per barrel, or they may get only 10 cents per barrel. If the market price has slumped in the meantime, they run a very large risk of having the flour rejected upon arrival and sell it at a loss. Probably it is fair to say that the retailer, either large or small, has the best opportunity to make large profits when the prices are consistently rising. He has no opportunity to make hedge sales, as he sells only in small quantities. The rule which the retailer invariably follows is to fix a price based on what it costs him to replace his stock, and it must be admitted that year in and year out this is the only safe and business-like course to pursue.

Comparison will show that the farm price is never long in narrowing the margin which may appear when cash prices at leading markets take a sudden rise. Very frequently a considerable disparity in prices is due to purely physical conditions, as, for example, the unparalleled railroad congestion made it all but impossible to move grain promptly at the end of 1916. Wheat was much less valuable on the farm than at a point of consumption, as is indicated in the prices.

Special attention is called to the option prices, for the reason that millers, being inclined to make prices on flour on a basis which will enable them to replace the wheat already milled, naturally base their calculations on the option market. It will be noted that the options on nearby futures of wheat deliveries invariably follow the farm values much more closely than do cash quotations. An exception is indicated in the figures for June 1, when the closing of the option markets on new trading made futures merely nominal.

If we now compare the foregoing table of prices with the actual record of wheat deliveries at the 11 principal river and lake ports, which must be taken as a fair guide to the movement of the crop from the farms, it will be seen how impossible of verification are the assertions made concerning excessive profits to grain merchants and flour millers:

Monthly arrivals at 11 principal western points (approximate.)	
	1916.
	Bushels.
July	28,730,000
August	48,475,000
September	52,000,000
October	42,000,000
November	40,000,000
December	45,000,000
1917	
January	21,000,000
February	23,000,000
March	20,000,000
April	26,000,000
May	22,000,000
June (estimated)	15,000,000

Arrivals at these 11 ports account for 60 per cent of the entire crop, and must be fairly indicative of the entire crop movement. Note that two-thirds of the deliveries were made in the first six months of the crop year. Nevertheless, according to the estimates of the Department of Agriculture, there was still 15.8 per cent of the crop in farmers' hands on March 1, after which the highest farm prices were paid. The significance of the comparatively heavy arrivals after March 31, when the prices first touched the \$2 mark, should also be noted.

It is not my purpose to dispute any statement to the effect that prices to the consumer could be reduced by a socialization of the wheat and flour merchandising, but it would seem that the figures herewith quoted are ample refutation of the extreme statements accredited to Mr. Hoover and others, regarding the amount of the return to the producer, as compared to the price paid by the consumer. What the result would be upon production and upon distributive factors in the course of a season or two, should the laws of supply and demand be wholly eliminated from the process which determines prices, and *ipso facto*, the amount of production, is a wholly different matter, not within the scope of this article.

JOSEPH J. SLECHTA.

ADDRESS BY THE PRESIDENT OF THE UNITED STATES.

Mr. SMITH of Georgia. Every true American must have been delighted this morning when he read the powerful call by the President to the business interest to substitute patriotism for profits. His language is so clear and so thrilling, so ex-

pressive of the great burden which he carries, and yet so inspiring to others to carry their share, I believe the response he has a right to expect will be made to the call.

The call of the President is not alone to the business interests; it is an appeal to every man to stand by the President's side and do his part. I wish that the appeal should have the most general circulation, and ask that it be printed in the Record.

There being no objection, the President's address was ordered to be inserted in the RECORD, as follows:

"My fellow countrymen, the Government is about to attempt to determine the prices at which it will ask you henceforth to furnish various supplies which are necessary for the prosecution of the war and various materials which will be needed in the industries by which the war must be sustained.

"We shall, of course, try to determine them justly and to the best advantage of the Nation as a whole; but justice is easier to speak of than to arrive at, and there are some considerations which I hope we shall all keep steadily in mind while this particular problem of justice is being worked out. I therefore take the liberty of stating very candidly my own view of the situation and of the principles which should guide both the Government and mine owners and manufacturers of the country in this difficult matter.

"A just price must, of course, be paid for everything the Government buys. By a just price I mean a price which will sustain the industries concerned in a high state of efficiency, provide a living for those who conduct them, enable them to pay good wages, and make possible expansions of their enterprises which will from time to time become necessary as the stupendous undertakings of this great war develop.

"We could not wisely or reasonably do less than pay such prices. They are necessary for the maintenance and development of industry; and the maintenance and development of industry are necessary for the great task we have in hand. But I trust that we shall not surround the matter with a mist of sentiment. Facts are our masters now. We ought not to put the acceptance of such prices on the ground of patriotism.

"Patriotism has nothing to do with profits in a case like this. Patriotism and profits ought never in the present circumstances to be mentioned together.

"It is perfectly proper to discuss profits as a matter of business, with a view to maintaining the integrity of capital and the efficiency of labor in these tragical months when the liberty of free men everywhere and of industry itself trembles in the balance; but it would be absurd to discuss them as a motive for helping to serve and save our country. Patriotism leaves profits out of the question.

"In these days of our supreme trial, when we are sending hundreds of thousands of our young men across the seas to serve a great cause, no true man who stays behind to work for them and sustain them by his labor will ask himself what he is personally going to make out of that labor.

"No true patriot will permit himself to take toll of their heroism in money or seek to grow rich by the shedding of their blood. He will give as freely and with as unstinted self-sacrifice as they. When they are giving their lives will he not give at least his money?

"I hear it insisted that more than a just price, more than a price that will sustain our industries, must be paid; that it is necessary to pay very liberal and unusual profits in order to 'stimulate' production; that nothing but pecuniary rewards will do it—rewards paid in money, not in the mere liberation of the world.

"I take it for granted that those who argue thus do not stop to think what that means. Do they mean that you must be paid, must be bribed, to make your contribution, a contribution that costs you neither a drop of blood nor a tear, when the whole world is in travail and men everywhere depend upon and call to you to bring them out of bondage and make the world a fit place to live in again, amidst peace and justice?

"Do they mean that you will exact a price, drive a bargain, with the men who are enduring the agony of this war on the battle field, in the trenches, amidst the lurking dangers of the sea, or with the bereaved women and the pitiful children, before you will come forward to do your duty and give some part of your life, in easy, peaceful fashion, for the things we are fighting for, the things we have pledged our fortunes, our lives, our sacred honor to vindicate and defend—liberty and justice and fair dealing and the peace of nations? Of course you will not.

"It is inconceivable. Your patriotism is of the same self-denying stuff as the patriotism of the men dead or maimed on the fields of France, or else it is no patriotism at all.

"Let us never speak, then, of profits and of patriotism in the same sentence, but face facts and meet them.

"Let us do sound business, but not in the midst of a mist. Many a grievous burden of taxation will be laid on this Nation, in this generation and in the next, to pay for this war. Let us see to it that for every dollar that is taken from the people's pockets it shall be possible to obtain a dollar's worth of the sound stuffs they need.

"Let me turn for a moment to the shipowners of the United States, and the other ocean carriers whose example they have followed, and ask them if they realize what obstacles, what almost insuperable obstacles, they have been putting in the way of the successful prosecution of this war by the ocean freight rates they have been exacting.

"They are doing everything that high freight charges can do to make the war a failure, to make it impossible. I do not say that they realize this or intend it.

"The thing has happened naturally enough, because the commercial processes which we are content to see operate in ordinary times have without sufficient thought been continued into a period where they have no proper place.

"I am not questioning motives. I am merely stating a fact, and stating it in order that attention may be fixed upon it. The fact is that those who have fixed war freight rates have taken the most effective means in their power to defeat the armies engaged against Germany.

"When they realize this we may, I take it for granted, count upon them to reconsider the whole matter. It is high time. Their extra hazards are covered by war-risk insurance.

"I know and you know what response to this great challenge of duty and of opportunity the Nation will expect of you; and I know what response you will make.

"Those who do not respond, who do not respond in the spirit of those who have gone to give their lives for us on bloody fields far away, may safely be left to be dealt with by opinion and the law, for the law must, of course, command these things.

"I am dealing with the matter thus publicly and frankly, not because I have any doubt or fear as to the result, but only in order that in all our thinking and in all our dealings with one another we may move in a perfectly clear air of mutual understanding.

"And there is something more that we must add to our thinking. The public is now as much part of the Government as are the Army and Navy themselves; the whole people in all their activities are now mobilized and in service for the accomplishment of the Nation's task in this war; it is in such circumstances impossible justly to distinguish between industrial purchases made by the Government and industrial purchases made by the managers of individual industries; and it is just as much our duty to sustain the industries of the country, all the industries that contribute to its life, as it is to sustain our forces in the field and on sea.

"We must make the prices to the public the same as the prices to the Government. Prices mean the same thing everywhere now; they mean the efficiency or the inefficiency of the Nation, whether it is the Government that pays them or not. They mean victory or defeat.

"They mean that America will win her place once for all among the foremost free nations of the world or that she will sink to defeat and become a second-rate power alike in thought and in action. This is a day of her reckoning, and every man amongst us must personally face that reckoning along with her.

"The case needs no arguing. I assume that I am only expressing your own thoughts—what must be in the mind of every true man when he faces the tragedy and the solemn glory of the present war for the emancipation of mankind.

"I summon you to a great duty, a great privilege, a shining dignity and distinction.

"I shall expect every man who is not a slacker to be at my side throughout this great enterprise. In it no man can win honor who thinks of himself."

ADDRESS BY WILLIAM S. CULBERTSON.

Mr. CURTIS. I have copies of two addresses by William S. Culbertson, member of the United States Tariff Board, which I desire to have printed as public documents. I ask that the addresses be referred to the Committee on Printing for action.

The VICE PRESIDENT. The matter will be referred to the Committee on Printing.

MEDALS OF HONOR.

The VICE PRESIDENT. The morning business is closed.

Mr. WARREN. I ask unanimous consent to call up the bill (S. 1720) to provide for the award of medals of honor and distinguished-service medals.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Military Affairs with amendments.

The amendments were, on page 2, line 3, after the word "officers," to insert the words "but not"; on page 2, line 7, to strike out "has distinguished himself or" and after the word "himself" at the end of the line to insert the words "or within three years prior to the approval of this act has distinguished himself"; on page 2, line 22, to strike out "section 1216 of the Revised Statutes" and insert "previously existing law"; on page 3, line 1, to strike out "authorized by section 1285, Revised Statutes" and insert "heretofore authorized by law"; on page 4, line 8, strike out "Act" and insert "act"; on page 4, line 21, strike out "representatives" and insert "representative"; and on page 5, line 12, after the word "proviso," to insert a comma and the words "but all consideration of and action upon any of said cases shall be based exclusively upon official records now on file in the War Department," so as to make the bill read:

Be it enacted, etc., That the provisions of existing law relating to the award of medals of honor to officers, noncommissioned officers, and privates of the Army be, and they are hereby, amended so as to authorize the President to present, in the name of the Congress, a medal of honor only to each person who, while an officer or enlisted man of the Army, shall hereafter, in action involving actual conflict with an enemy, distinguish himself conspicuously by gallantry and intrepidity at the risk of his life above and beyond the call of duty.

That for especially distinguished service not sufficient to justify the award of the medal of honor the President may, on the recommendation of the proper commanding officer, but not in the name of Congress, award a distinguished-service medal of appropriate design and a ribbon, with a rosette or other device to be worn in lieu thereof, to any person who while an officer or enlisted man of the Army shall hereafter distinguish himself, or within three years prior to the approval of this act has distinguished himself, by exceptionally meritorious service to the Government in a duty of great responsibility or by extraordinary heroism in the line of his profession, and the award of such medal shall entitle an enlisted man of the Army to additional pay at the rate of \$2 per month from the date on which he distinguished himself, and said additional pay shall continue throughout his active service, notwithstanding the fact that the service may not be continuous.

That the distinguished-service medal shall be issued to all enlisted men of the Army to whom the certificate of merit has been granted up to and including the date of the passage of this act under the provisions of previously existing law in lieu of such certificate of merit, and after the passage of this act the award of the certificate of merit for distinguished service shall cease. The additional pay heretofore authorized by law for holders of the certificate of merit shall not be paid to them, an equal payment being provided for them as holders of the distinguished-service medal by the last preceding paragraph of this act.

That no more than one medal of honor or one distinguished-service medal shall be issued to any one person; but for each succeeding deed of gallantry in action sufficient to justify the award of a medal of honor, and for each succeeding act of distinguished service sufficient to justify the award of a distinguished-service medal, such act being performed by an officer or enlisted man of the Army who shall have received one such medal, the President may award a suitable bar in lieu of another medal, and each bar in lieu of a distinguished-service medal received by an enlisted man shall entitle him to further additional pay of \$2 per month from the date of the distinguished service for which the bar was awarded.

That the Secretary of War is hereby authorized to expend from the appropriations for contingent expenses of his department so much as may be necessary to defray the cost of the medals of honor, distinguished-service medals, bars, rosettes, and other devices hereinbefore provided for.

That whenever a medal, bar, ribbon, rosette, or other device presented under the provisions of this act shall have been lost, destroyed, or rendered unfit for use, without fault or neglect on the part of the person to whom it was awarded, such medal, bar, ribbon, rosette, or device shall be replaced without charge therefor.

That, except as otherwise prescribed herein, no medal of honor, distinguished-service medal, or bar in lieu of either of said medals, shall be issued to any person after more than three years from the date of the act justifying the award of said medal or bar, nor unless a specific statement or report distinctly setting forth the distinguished service and suggesting or recommending official recognition thereof shall have been made at the time of the distinguished service or within two years thereafter, nor unless it shall appear from the official records in the War Department that the officer or enlisted man, as the case may be, has so distinguished himself as to entitle him to the medal or bar:

Provided, That in case an individual who shall distinguish himself becomes separated from the military service or dies before the award of the medal or bar to which he may be entitled, the award may nevertheless be made and the medal or bar presented within three years from the date of the act justifying the award of the medal or bar, to such person if living, or if he be dead, delivered to such representative of the deceased as the President may designate: *Provided further,* That no medal or bar shall be awarded or presented to any individual whose entire service subsequently to the time he distinguished himself shall not have been honorable: *And provided further,* That in cases of officers and enlisted men now in the Army for whom the award of the medal of honor has been recommended in full compliance with then existing regulations but on account of services which, though insufficient fully to justify the award of the medal of honor, appear to have been such as to justify the award of the distinguished-service medal hereinbefore provided for, such cases may be considered and acted upon under the provisions of this act authorizing the award of the distinguished-service medal, notwithstanding that said services may have been rendered more than three years before said cases shall have been considered as authorized by this proviso, but all consideration of and action upon any of said cases shall be based exclusively upon official records now on file in the War Department.

That the provisions of this act and other acts hereafter enacted for the award of campaign or service medals or badges shall apply to officers and enlisted men of all classes of troops hereafter in the military service of the United States.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DAVID L. BRAINARD.

Mr. CALDER. I ask unanimous consent for the present consideration of the bill (S. 979) for the promotion and retirement of Col. David L. Brainard, Quartermaster Corps, United States Army.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill. It proposes in view of the conspicuous service in the Arctic of Col. David L. Brainard, Quartermaster Corps, United States Army, he being one of the seven survivors of the original 25 members of the Greely Expedition, and of the injury to his eyesight resulting from exposure while in said service, which injury will necessitate his early retirement from active service, that the President be authorized to place that officer on the retired list of the Army, after over 40 years' active service, as a brigadier general, with the pay and emoluments of a retired officer of that grade, and to grant him a commission in accordance with such advanced rank.

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

NATIONAL PROHIBITION.

Mr. SHEPPARD. I ask unanimous consent for the present consideration of the joint resolution (S. J. Res. 17) proposing an amendment to the Constitution of the United States.

The VICE PRESIDENT. Is there objection?

Mr. PENROSE. Mr. President, I have just returned to the Chamber. What is the request of the Senator from Texas?

Mr. SHEPPARD. I have asked unanimous consent to take up the Senate joint resolution providing for Nation-wide prohibition, with a view of determining whether a date might not be agreed upon for a vote.

Mr. PENROSE. Does the Senator expect a vote on the joint resolution this morning?

Mr. SHEPPARD. I do not, but I wish to see if we can not agree on a date for a vote at some future time.

Mr. PENROSE. Does the Senator want to discuss the joint resolution this morning?

Mr. SHEPPARD. I do not.

Mr. PENROSE. As I understand, the joint resolution is simply brought up with the desire of the Senator to have a unanimous-consent agreement as to a date to vote on the measure?

Mr. SHEPPARD. That is true.

Mr. PENROSE. Well, Mr. President, I do not know but that the Senator from Texas may be able to obtain that agreement a little later, but I do not think he can do so this morning. We have one unanimous agreement now, and I do not think there are very many precedents for piling up unanimous-consent agreements. Later on, when the pending bill is disposed of, I want to assure the Senator that, so far as I am personally concerned, I shall not have any very strong disposition to create any permanent obstacle in the way of disposing of this measure, but I can not consent to it this morning.

Mr. SHEPPARD. Very well, Mr. President.

Mr. SHAFROTH. Would the Senator from Pennsylvania object to making this joint resolution the special order for a night session?

Mr. PENROSE. Mr. President, I do not think we have reached a point where we need to have a night session. We are all working very hard, and many of us are working overtime.

Mr. SHAFROTH. I do not believe there will be any lengthy discussion upon it. For that reason we could dispose of it in one or two evening sessions.

Mr. PENROSE. I do not think there will be any very long discussion on the joint resolution, but I think there will be some very serious discussion of it.

Mr. SHEPPARD. In view of the statements of the Senator from Pennsylvania, I withdraw my request for the present.

ACTIVITIES OF COMMITTEE ON PUBLIC INFORMATION.

Mr. PENROSE. Mr. President, I rise to state that I had intended calling up a resolution offered by me to investigate the activities and authority of the so-called public information committee, more particularly relating to an embellished story of an alleged encounter with submarines, but the junior Senator from Virginia [Mr. SWANSON] was compelled to leave Washington last night on account of sickness in his family, and he made a special request that I should not call up the resolution until his return to Washington in the course of a few days. In deference to his request, I shall not call up the resolution this morning but shall await his return.

CONSERVATION OF FOOD AND FUEL.

Mr. CHAMBERLAIN. Mr. President, I move that the unfinished business be laid before the Senate, if the morning business has been concluded.

The VICE PRESIDENT. It has been concluded.

Mr. SMITH of Michigan. Mr. President—

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Michigan?

Mr. SMITH of Michigan. I desire to make an inquiry regarding a conference report pending between the two Houses. The Senator from Oklahoma [Mr. GORE], I believe, is chairman of the conference committee on the part of the Senate.

Mr. CHAMBERLAIN. May I interrupt the Senator to have the motion I have made disposed of, and then I will yield for that purpose?

Mr. SMITH of Michigan. Certainly.

Mr. CHAMBERLAIN. I renew my motion that the Senate proceed to the consideration of the unfinished business.

The VICE PRESIDENT. The question is on the motion of the Senator from Oregon that the Senate proceed to the consideration of the unfinished business.

The motion was agreed to; and the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 4961) to provide further for the national security and defense by encouraging the production, conserving the supply, and controlling the distribution of food products and fuel.

Mr. SMITH of Michigan. Mr. President, I desire to ask the Senator from Oklahoma [Mr. GORE] if any progress is being made by the conferees on House bill 4188, making it a crime to store or to corner food products? Some of us are very much interested in that bill and regard it as of the highest importance. We think it reaches a situation that should be controlled, and that an agreement between the two Houses upon this bill, which passed the Senate with practical unanimity, ought to be facilitated. I desire to ask the Senator whether any progress is being made?

Mr. GORE. Mr. President, in answer to the Senator's inquiry, I will say that the bill to which he refers passed the Senate on June 1. The conferees were appointed by the House, I think, on June 28 or 29. Since the appointment of the conferees on behalf of the House there have been several meetings of the conferees of the two bodies. We have, however, been unable to agree. The Senate conferees are insisting that the so-called Poindexter-Walsh amendment be retained in the bill; also that the Nelson amendment in regard to boards of trade be retained in the bill, and also several amendments in regard to the arid lands in the West.

The Senate conferees, representing the wishes of the Senate, have felt obliged to insist upon the retention of those amendments which passed the Senate, as suggested by the Senator from Michigan, by practically a unanimous vote. The House conferees have not seen proper to recede from their disagreement to those amendments. The result is that we have not as yet been able to reach an agreement, although we have had several conferences. I can not venture a prediction as to when an agreement will be reached.

Mr. SMITH of Michigan. Mr. President, I should like to ask the Senator if, in his opinion, this is not a very important bill, having for its purpose the conservation of our food supply?

Mr. GORE. I share that opinion; and I was led to believe that the desire to pass it was urgent on the part of the Department of Agriculture, which was to administer the bill.

Mr. SMITH of Michigan. May I ask the Senator whether he is at liberty to state what influences, if any, are at work to prevent Congress from disposing of this bill which originated in the House and passed the Senate unanimously?

Mr. GORE. Mr. President, I do not believe that I would feel at liberty to answer the Senator's question. I believe other Senators have suggested from time to time perhaps the reason for the delay as to that measure in conference, but I feel obliged to state that we have not been able to agree. Of course, if the Senate conferees would recede on the amendments to which I have referred, the bill would probably come out; but we have not felt at liberty to recede, certainly not up to this time.

Mr. SMITH of Michigan. I will ask the Senator a further question. I ask whether or not the failure to pass this bill and make it a law does not afford latitude for the widest kind of speculation in foodstuffs, and whether there is any restraining hand to-day upon those who attempt to corner foodstuffs in the absence of this legislation?

Mr. GORE. I will say that whatever restraining power was intended to be conveyed by the Nelson amendment and the Poindexter-Walsh amendment, and whatever virtue they pos-

sess, are being withheld from the country in consequence of this delay; but if the Senate conferees should recede from those amendments the country would still be deprived of whatever advantage might come from those two amendments, and we have not felt justified, as representing our own views and as representing the views of the Senate, in surrendering those amendments.

Mr. SMITH of Michigan. Mr. President, if those amendments, those wholesome amendments, adopted by the Senate were to be stricken from the bill, it would practically resolve itself into a seed-regulation measure, and would not have the effect or the importance which the bill now possesses. Would the Senator be willing to say whether the opposition of the House conferees is directed against the Senate amendments?

Mr. GORE. Of course, the House opposition is addressed to the Senate amendments, because the conferees have virtually reached an agreement as to the other amendments to the bill as it came over from the other House, relating to the amount of the appropriation, the seed provisions, and so forth. The disagreement is respecting the Nelson amendment, which undertakes to control or regulate the boards of trade, and the Walsh-Poindexter amendment, which undertakes to penalize cornering, holding, and monopolizing of foodstuffs and speculation in foodstuffs—

Mr. SMITH of Michigan. And gambling in foodstuffs.

Mr. GORE. Yes, sir; and certain arid-land amendments. Those provisions were placed in the bill by the Senate. The Senate conferees are insisting upon their acceptance, and the House conferees are holding out against them and persisting in their disagreement—and I use the word "persisting" in no offensive sense.

Mr. KENYON. Mr. President, I should like to add a word to what the Senator from Oklahoma has said. The Senator from Michigan will observe, if he will examine the bill, that a number of sections were added by the Senate on many different subjects that had nothing whatever to do with the real subject at issue in the bill. That is customary in the Senate. Section 11, which caused a good deal of delay, is a public-land question, and really has nothing whatever to do with this bill. Under that section the conferees have practically heard testimony and arguments of Senators at some length, which has tended to delay the bill.

The Senator will also observe, in going through the bill, that there are a number of public-land questions and reclamation questions involved, which have nothing whatever to do with the bill. I think that this should be added to the statement of the chairman of the committee as one of the causes for the delay.

Mr. GORE. I included in the suggestion the statement that those amendments have been the points of dispute.

Mr. SMITH of Michigan. The title of the act as it came from the House of Representatives was "An act to provide further for the national security and defense by stimulating agriculture and facilitating the distribution of agricultural products." I assume that "facilitating the distribution of agricultural products" means that they shall not be cornered; that they shall not be monopolized for undue profit; and that their distribution among consumers shall be facilitated.

So far as the Nelson amendment is concerned, which deals directly with the regulation of boards of trade, it is very properly a part of this bill; it is a very wholesome provision; it met the unanimous approval of the Senate, and I can not understand why a measure of such transcendent importance should not be passed.

Mr. KENYON. Mr. President, I think possibly the Senator would have a remedy in moving the discharge of the conferees and the appointment of others. I am one of the conferees myself, and I should be very glad to have the Senator do that.

Mr. SMITH of Michigan. I do not think the Senate could be represented in any more efficient way than it is represented by the Senate conferees. That is the remotest thing from my mind. Nevertheless it must be a very strange thing to the conferees on the part of the Senate that action can not be obtained; that no consideration was given for weeks to a measure of such transcendent importance as this. Except for the fuel provisions of the bill that is now the unfinished business, I regard that measure as of more importance than the one we are now considering.

Mr. GORE. Mr. President, perhaps I ought to say on behalf of the House conferees that they are of opinion that the section in the pending bill relating to boards of trade is preferable to the Nelson amendment, and that the section in the pending bill in regard to holding is better than the Walsh-Poindexter amendment to the bill in conference, and that perhaps is a restraining influence on them. I feel that we ought to say that in justice to the House conferees.

Mr. President, I desire to offer a substitute for the pending bill. I may say that it is an amendment in the nature of a substitute, striking out all after the enacting clause and substituting the substitute which I had printed on yesterday. Senators will find this substitute on their desks, excepting that section 1 has been changed, in the copy which I shall have read, to meet certain contingencies that were unprovided for in the bill as printed on yesterday. There is only one other slight amendment.

I ask that the substitute be read down to and including section 9. I shall not ask that section 10 be read, because it is a literal transcript of the Nelson amendment in regard to boards of trade heretofore adopted. I shall not ask to have section 11 read, because it is a literal transcript of the Poindexter-Walsh amendment heretofore agreed to by the Senate and bearing the stamp of the Senate's approval. I have merely added one sentence, providing that it shall not be construed to repeal the Sherman antitrust law. I shall not ask to have read the sections of the substitute following section 11, because they are substantial copies of the sections of the pending bill.

The VICE PRESIDENT. The substitute is not in order at the present time, as there is an amendment pending that has not been disposed of.

Mr. GORE. I was not aware of that.

The VICE PRESIDENT. Therefore the substitute is out of order at this time.

Mr. GORE. Very well. Then I will not prefer the request at this time. I was not so advised.

Mr. THOMAS. Mr. President, President Wilson's first administration was a brilliant record of things accomplished. From its commencement to its close he was buttressed by a safe and reliable majority in both Houses of the Congress. Between the Executive and that majority was a common purpose, outlined in the Democratic platform of 1912. To the due performance of that purpose both were solemnly committed. Their responsibility to the country was mutual. It was effectively discharged through close and constant cooperation of the Executive and the Senate and the House, upon planes of procedure comprehended and accepted by them all. This presupposed conference and discussion, through which differences were composed or eliminated, objections recognized or discarded, and contentions accepted or abandoned. Conferences were in turn the offspring of organized efforts and our legislative majorities became efficient through the cohesion of their units, who after full and unlimited discussion among themselves voiced their conclusions through the machinery of the caucus. Teamwork was both watchword and byword of Democratic procedure.

Through the systematized processes of political strategy and tactics, Democracy then proved fully equal to the burden of its self-assumed task; it kept the faith it had pledged to the people; the fruitage of its labors became the harbinger of a second and greater triumph; its deeds were catalogued in the platform of 1916 and emphasized as a guaranty of kindred performances yet to be achieved; and the people in generous response to the fidelity of its chosen representatives gave its President the largest vote of confidence ever cast in the annals of the Republic.

During the eventful sessions of the last two Congresses, when reform after reform was enacted into law and abuse after abuse was successfully assailed, when Democratic trenches were always held and Democratic drives were always successful, our opponents sought to weaken our assaults and undermine our strength by attacking the caucus system. They denounced it by day and by night, in season and out of season. It was undemocratic, tyrannical, enslaving. It suppressed conviction, deprived its Members of all initiative, destroyed individuality, and substituted the majority of the majority for Senate and House. It was the stronghold of national abuses, the citadel of legislative despotism. He who entered its circle surrendered his opinions, abandoned his independence, stifled his conscience, lost his self-respect, and ceased to be a public representative. This chorus was sung in many keys. It was voiced in countless changes of expression by progressive, by reactionary, and by independent, but it was always the same refrain. We were warned of the coming of a day of wrath, when the people, waxing indignant over Democratic indifference to these remonstrances, would overflow its restraints and bury us under the overwhelming flood of its disapproval. We were making a travesty of self-government by exalting the prerogative of "King Caucus." We had created a Frankenstein which had bound us with cords. We had become its puppets and registered its decrees as it demanded.

But we were not the sole offenders. The President, it was said, had sinned and was sinning as grievously. He had with sinister presumption assumed the leadership of the Nation. He did not advise legislation but commanded it. He trans-

gressed the proprieties by frequently visiting the Capitol and conferring with party leaders. He urged support for administration measures. He had invaded the province of legislation. He had arrogated many of its functions to himself. He was a flagrant usurper. He was an Executive meddler in things that were designed for other spheres of action. He was disturbing, if not seriously disarranging, the distribution of constitutional powers. He menaced the equilibrium of coordinated authority. He was degrading the powers and the dignity of the Congress. This conduct, too, was said to be under the angry scrutiny of a jealous electorate, outraged by Executive usurpations, and impatient for the arrival of the hour when it could launch its thunderbolt of disapproval; but the work of constructive legislation continued its course, and when the hour came the work and the workmen received the approval of the people; the work had been performed as the workmen selected had promised; results had been demanded; when achieved, they became the silent but eloquent advocates of the methods which wrought them.

We were returned to power charged with the completion of an unfinished task of constructive legislation. Under normal conditions we should have continued that task as we had conducted it; but our entrance into the great war has turned us away from it. Economic and social problems, however compelling and insistent, have been thrust aside by the tremendous demands of the hour. They have been shelved until peace shall have returned to the nations. Party lines have been obscured by the fervent heat of a common patriotism. Ancient and ineradicable party differences have for the time been forgotten. Congress has responded with alacrity until now to the President's call for support. We have declared war, enacted universal conscription, voted vast supplies, increased the personnel of the Army and Navy, and equipped the President with unlimited powers of espionage on land and sea, and we have assumed a common responsibility in committee work and in conforming to the recommendations of the departments. This would be commendable if it were not the obvious course for freemen in a time of crisis. Would that it might continue.

But, Mr. President, time is passing. As we recede from the supreme moment when the die was cast and the Nation's decision declared our zeal for cooperation seems to be declining. We are becoming less compliant with the demands of the administration, more critical of its policies, more apprehensive of its possible misuse of undue and enlarged authority. The concerns of business and the profit mongerer are becoming more obtrusive. The vast opportunities for gain which a great war creates and the limitations upon them which the Executive may impose through bills like that under consideration are crystallizing into vigorous opposition. Reformers are perceiving the opportunity to accomplish their objects by short cuts in legislation through amendments to war measures. Ambition whispers loudly and yet more loudly, in ears accustomed to her voice, of the harvest that may be reaped from seed now wisely sown; and some good men, wise men, honest, patriotic men, are beginning to shrink from a task whose performance is imperative if we are to triumph, lest mistakes occur and disaster come to men and to occupations through laws seemingly required for the commonweal.

I reflect upon the motive of no man when I assert that the plight of the pending bill is due to the operation of all these influences and to the absence of any organized support behind it. It has been set upon by almost everyone. Friend and foe have sought to improve or mutilate it. Both have partially succeeded. What it will resemble when it passes through yonder door on its lame and reluctant journey to the conference chamber omniscience alone can tell. And what it will resemble when it returns from that perilous journey is mercifully hidden from its sponsors by the impenetrable curtain of the future.

Mr. President, the injection of prohibition into this measure under the guise of food conservation, albeit well intended, has proven unfortunate for the country, for the bill, and for the cause. I will not say that it was not germane, for under our system of legislation all things are germane to a measure for a designated object "and for other purposes." A bill introduced to regulate the Papago Indians may emerge from this Chamber as an act to provide penalties for transporting onions by mail, or a bill to encourage enlistments in the Army may be readily transformed into an act providing pensions for deserters. But the proposal to enforce prohibition by drastic methods, by the confiscation of property, and by providing for its summary operation is unprecedented. It arouses controversy too deep, too widespread, and too far-reaching to make possible its speedy enactment. Moreover, its hasty and passionate consideration necessitates a result which satisfies no one.

Section 13 of the bill as it passed in committee of the whole on Saturday last may well claim consideration as the most unique, the most absurd, the most serious, the most expensive, and the most revolutionary, half-baked, ill-considered specimen of compromise legislation to be found in the records of an English-speaking lawmaking body of any country at any time in any age. It is a reflection upon our intelligence and a libel upon our common sense. It can only serve to humiliate us at home and abroad, if, indeed, it does not engender a grave doubt of our capacity to confront and dispose of crises as they shall develop during the progress of the war.

The section passed the House in intelligent form. It prohibited the use of foodstuffs for the distillation or fermentation of beverages during the war period. I did not indorse it. It was simple, but drastic. Here it has been bombed and gassed and shelled into linguistic fragments. It successively encountered contention, controversy, and chaos. In so far as it admits of construction, it seems to require that the President shall purchase all distilled liquors held in bond when the act goes into effect at their actual cost plus 10 per cent. To do this he must be equipped with from \$400,000,000 to \$500,000,000 for the investment, and this at a time when we are straining every nerve to secure revenue for national needs of the most insistent description. He will be the most colossal owner of distilled liquor the world ever saw, but he can not dispose of his wares except as we may hereafter direct. Presumably this is to be done in the cause of prohibition, and also to guard the owner against confiscation of his wares.

Apart from our obvious constitutional inability to take the property of the citizen at a rate of compensation fixed by legislative enactment, it is apparent that this prohibitory process will not prohibit. On the contrary, it will for the time being increase the consumption of distilled liquors. These will be taken out of bond in prodigious quantities in anticipation of our final action. Once removed they must find a market. They will be made attractive to consumers, who will, in turn, lay in as large a store as possible against the dread day when moisture is no longer a fact but a sweet and lingering reminiscence.

Moreover, the crisis of the distiller will be the opportunity of the rectifier. The latter has no liquors in bond. I wonder if the Senator from Iowa knew this when on Friday last he presented his amendment forbidding the withdrawal of distilled liquors from bond during the war. He stated his purpose in offering it with his customary clearness and candor. He wanted to wage the war with a sober Nation. But this commendable purpose could not be accomplished by a policy which restrains the traffic of one class of liquor manufacturers only. It merely gives a monopoly to the other class, which will naturally make hay while the sun shines. I have no wish to misrepresent anyone here, not even the rectifier. I hope I do him no injustice in saying that of all offenders against national sobriety he is the most reprehensible. He does not offer his patrons the "liquid hell," so repellant to the perfervid Senator from Illinois, but something "just as good." He needs neither distillery nor bonded warehouse for his production. All he requires is a lot of neutral spirits commonly known as alcohol, a supply of water reasonably free from impurities, a little bead oil, and a variety of flavoring extracts. From these he compounds a perfect imitation of any distilled beverage known to the trade. He will run the gamut from a mild distillate designed to inspire genial conviviality to a mixture two fingers of which would start a Quaker on the warpath, and his output is whisky. A President of the United States has so decided.

Section 13 as we have amended it does not require the President to buy this sort of merchandise, nor yet prohibit its manufacture. No foodstuffs are needed to produce it, and nothing short of national prohibition can eliminate it. Until that great object can be effected what a boon to the rectifier will section 12 become when written upon the statute books of the country. He will doubtless, like the bootlegger, become for commercial reasons an advocate of war-prohibition measures.

This section adds fully half a billion dollars to the total of our annual expenditure, if we may assume it to be proof against constitutional objections. To my mind that assumption is a most violent one. The Supreme Court, however, has quite recently destroyed the State's essential powers of eminent domain over the domain within its boundaries not actually used by the Federal Government for its own purposes; so I am finally prepared to concede that law is law, save as that omniscient tribunal shall otherwise declare. To add this vast sum to the enormous burden under which we are now staggering is excusable only by the stress of a dire necessity which can not be avoided. Who will pretend the existence of such a necessity?

If any such there be, let me ask him to suggest the rock from which this treasure may be still supplied, and the Moses who can strike it with his rod and compel its streams of revenue to gush forth.

Not only do we impose this new expense upon the people, we deprive them of one of their largest and most reliable sources of revenue, a source from which half our supplies have been obtained for more than a generation. I am perfectly familiar with the attitude of the prohibitionist toward it, and I am unreservedly committed to his proposed elimination of it by constitutional amendment. But I am opposed to its arbitrary elimination by statutory process, which substitutes nothing for it and which leaves us groping blindly and against the bitter opposition of taxpayers for something else as a base of revenue for the pressing needs of a distressed Government. Indeed, I am frankly amazed that the Senate of the United States, sometimes regarded as the greatest deliberative body in the world, ostensibly comprising men of experience in affairs of state, reasonably familiar with national needs and with the capacity to provide for them, should have done this thing. I fully understand and appreciate the motive which led it to vote for purchase as a sole alternative to confiscation when that seemed inevitable, and I should have so voted at that juncture had I been in my seat; but I can account for the final acceptance of section 13, as it passed on Saturday afternoon, upon no hypothesis of a national character. It is a farrago of nonassimilable elements, the net result of a rough-and-tumble fight between elemental forces conducted without rules, without reason, and without an umpire. Neither side prevailed, nor either yet unhorsed. But the prestige of the Senate has suffered, and the prospect of an adjournment before the snows of November has gone with the breeze of yesterday.

What other casualties this bill may encounter before a final vote is reached may not be wholly foreseen. That it will confront a number is inevitable. And I fear the same may be prophesied of every war measure which from now on we shall be required to consider. That they should be discussed and analyzed is obvious. Such is our duty. But that they are to become the vehicles for divers schemes of legislation not germane to the needs and crisis of war is neither obvious nor desirable. Yet it seems inevitable unless the party here dominant shall assert its authority and hold our procedure to the needs which summoned us in extraordinary session. Mr. President, order and system are the binding forces of community life. They are essential to human progress. They are merely other names for modern civilization. Action is possible only when they prevail. Inaction and disintegration assume the reins when they disappear. They are as necessary in legislative bodies as in the courts of justice or the currents of trade. Without them responsibility can not be centralized.

To secure them in free Government political parties are essential—one to rule, the other to criticize. The people choose between them, and their choice is final until it is changed. But we are now trying to legislate here without regard to fundamentals. Ordinary methods are suspended. Party organization is nominal. Responsibility is neither felt nor recognized. Every man acts for himself. Each is an independent. Cohesion is either absent or is accidental. Groups form to aid or to obstruct through personal or local considerations, and section 13 is a natural, albeit an extreme, specimen of their handiwork.

Neither the caucus nor the rule of the individual can be reproached by such offspring. Better the caucus as pictured in the lurid background of Republican imagery; better Aldrichism, more baleful than ever described by the genius of Democracy; better a continuation of both at this hour of the Nation's destiny than a chamber of deputies animated by lofty purposes but without the mechanism to accomplish them. A babel of tongues is not more barren than a confusion of methods.

Mr. President, this Nation has successfully waged four great wars. For the prosecution of each the party then in power was justly held responsible. Each had the cooperation of all good citizens without regard to party. To each was awarded the full meed of praise that goes with victory. It could not be otherwise. We are now in the opening stages of a fifth great war, the greatest of them all. The crisis came with the re-inauguration of a Democratic President, whose hands are upheld and whose action is supported by the entire Nation, the devotion of whose representatives knows neither party nor section. As they have begun so may they continue. The voice of the President is the voice of America.

But, Mr. President, war legislation is not and will not be unanimous. It should not be. War policies, however capable and efficient, are not perfect. They can not be. Both will provoke comment, and frequently bitter criticism. They should do so. Both will provoke opposition. That is inevitable. Free

government will disappear when such conditions disappear. By such methods errors are corrected, mistakes are rectified, evil or mistaken policies eliminated, inefficient men retired, and capable leadership and service secured. It follows that in war intelligent opposition is more necessary, more useful, nay, more indispensable than ever. Healthy, conscientious, and vigorous criticism at all times, and opposition when required, is consistent with the loftiest and most disinterested patriotism.

It must come from the party in opposition. It will be directed against the party in power. That party must yield to it or overcome it. It should yield when conditions justify it, and overcome it when they do not. Hence, Democratic responsibility for the successful prosecution of this war is as obvious as will be the same responsibility for defeat, should that be the end of the conflict.

This is not to assert that we are waging a Democratic war. It is the Nation's war, in the conduct of which both great parties have their parts to play. They are in concert as to the Nation and its needs. They may be in dissent as to details and prosecution. And this will become more extensive as events are unfolded by the future.

Hence we must and should answer for all that goes wrong in the tremendous drama now staged across the world. And hence the greater need for wise and mature legislation, for the union of heads and of hearts for the better service of our country and ourselves.

My fellow Democratic Senators, we are at least morally responsible for section 13, and for the fate of this bill, for we are in control of the Senate. It behooves us to make due compliance with administration requests for needed war legislation by supporting them whenever we can and by promoting their speedy disposition whether we can or not. If we are to do this effectively, we must again resort to teamwork. I do not counsel the indorsement of war bills as party measures, nor yet their previous consideration apart from our associates across the aisle. But I do urge that when any bill reaches or threatens to reach an impasse like that now confronting us we should discharge our duty as the dominant force in this body, and relieve ourselves from the reproach of incompetency by counseling together and outlining an effective method for the speedy disposition of the pending business. This will relieve, if it does not satisfy, our Republican colleagues. It will receive the indorsement of public opinion, and it will vindicate our asserted capacity for managing the affairs of the Nation, and aiding the administration to conduct the affairs of the war to a successful issue. Unless we do this we shall make slow headway in sorely needed legislation. Bills for revenue, for trading with the enemy, to promote our export trade, practically all the so-called war measures in contemplation are apt otherwise to go awry. They will be amended, as doubtless they should be; but they should pass under the control and be guided by the intelligent organism of a majority when in their progress they threaten to become waterlogged. Either this or they will drift like rudderless vessels subject alike to the influence of every storm and every vagrant breeze. They may reach a harbor some time, somewhere, but far more apt to become submerged in a Sargasso Sea of senatorial controversy.

Mr. POMERENE. I ask leave to submit an amendment to the pending bill and that it may lie on the table and be printed.

The PRESIDING OFFICER (Mr. JONES of New Mexico in the chair). It is so ordered.

Mr. CHAMBERLAIN. I ask that the pending amendment may be submitted to the Senate.

The PRESIDING OFFICER. The pending amendment will be read by the Secretary.

The SECRETARY. The Senator from Oregon [Mr. CHAMBERLAIN], on behalf of the Committee on Agriculture and Forestry, offers the following amendment:

On page 16, at the end of line 2, in the original print of the bill, insert the following proviso:

"Provided, That such operations, practices, and transactions, at, on, or in, or under the rules of any exchange, board of trade, or other similar institution or place of business, as are not prohibited by the regulations made by the President, pursuant to the provisions of this section, shall not be deemed to be within the intent and meaning of section 6 of this act."

Mr. SMOOT. The Senator from North Dakota [Mr. McCUMBER] is interested in this amendment and he temporarily stepped out of the Chamber.

Mr. HARDWICK. I was about to take the floor.

Mr. SMOOT. If the Senator from Georgia, however, desires to take the floor I shall not suggest the absence of a quorum, as I intended to do for the reason stated.

Mr. HARDWICK. Mr. President, I do not care to detain the Senate very long, certainly not at all upon the pending amendment. I have not yet had time to determine what its exact

effect will be. But there are some brief observations which I wish to make with respect to the bill and the situation we are in with respect to it, if we may believe current newspaper reports and current gossip in the Senate itself. It seems that the Committee on Agriculture and Forestry is preparing a substitute for the bill, or has prepared such a substitute—

Mr. CHAMBERLAIN. Let me correct the Senator.

Mr. HARDWICK. I shall be glad to have the Senator do so.

Mr. CHAMBERLAIN. The committee had under consideration the proposed substitute of the Senator from Oklahoma [Mr. GORE] and the committee concluded not to report it as a committee amendment, so it has been presented this morning as the Gore substitute and will be treated as an individual proposition.

Mr. SMOOT. Mr. President, as discussion has begun on the bill, there are so few Senators present that I suggest the absence of a quorum, so that those who are interested may hear the discussion.

The PRESIDING OFFICER (Mr. KING in the chair). The Secretary will call the roll.

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

Bankhead	Gronna	McKellar	Simmons
Beckham	Hale	McNary	Smith, Ariz.
Borah	Harding	Martin	Smith, Md.
Brandegee	Hardwick	New	Smith, Mich.
Broussard	Hollis	Newlands	Smoot
Calder	Husting	Norris	Sterling
Chamberlain	James	Overman	Sutherland
Culberson	Johnson, S. Dak.	Page	Thomas
Curtis	Jones, N. Mex.	Poindexter	Tillman
Dillingham	Jones, Wash.	Pomerene	Townsend
Fernald	Kellogg	Ransdell	Trammell
Fletcher	Kendrick	Reed	Wadsworth
France	Kenyon	Shafroth	Warren
Frelinghuysen	King	Sheppard	Watson
Gerry	Knox	Sherman	Weeks
Gore	La Follette	Shields	Williams

Mr. SUTHERLAND. I desire to announce that my colleague, the senior Senator from West Virginia [Mr. GOFF], is absent on account of illness. I ask that this announcement may stand for the day.

Mr. POMERENE. I desire to announce that the senior Senator from Delaware [Mr. SAULSBURY] is detained on account of important business. I ask that this announcement may stand for the day.

Mr. TRAMMELL. I wish to announce the unavoidable absence on public business of the junior Senator from Arkansas [Mr. KIRBY].

Mr. HOLLIS. I desire to announce that the senior Senator from Arkansas [Mr. ROBINSON] is detained on public business.

Mr. GERRY. The senior Senator from Illinois [Mr. LEWIS] and the senior Senator from California [Mr. PHELAN] are absent on official business.

The PRESIDING OFFICER. Sixty-four Senators have answered to their names. There is a quorum present. The Senator from Georgia will proceed.

Mr. HARDWICK. Mr. President, as I was remarking, it seems to be reasonably true that no matter whether formal action by the committee is officially taken or not a majority—a very great majority—of the Committee on Agriculture has succeeded in framing and agreeing upon a substitute for this measure, which, to my mind, would greatly improve it and would render its passage at an early date a practical certainty. Let me say, before I pass from that, that I have had some little opportunity to examine the substitute, and while I would not vote for the bill even if the substitute were adopted, because I am utterly opposed to the basic principles that underlie all of this legislation, yet, in my judgment, the substitute would be much better than the bill itself and I shall, therefore, vote for the substitute, although I am opposed to the main proposition. If we could get a vote on the substitute, and it should have the strength in the Senate that its friends believe it has, and should be adopted by the Senate, I think we can settle this controversy without any considerable delay and send this entire matter to conference where it must be finally thrashed out anyway, no matter what we send there. I hope we will take a test of the sentiment of the Senate at an early day on that question, because if that is the true situation we have a quick way out of the present difficulty. It seems to me as though the Senate in the consideration of this bill has muddled the waters every time it touched it. It has got it so now that I believe most of its friends are afraid to vote for it or, at least, they are not eager to do so. It has got it in such shape that even its most ardent advocates look at it with coy shyness, and are not certain whether they are ruining or helping the country when they vote to pass it.

Of course, a situation like that is somewhat amusing to a man in my position, who does not believe in any of it and who is perfectly willing to vote against all of it. The only thing that

I covet, so far as my personal record is concerned, is an opportunity to vote against it. However, I think it is my duty as a Member of the Senate to help the Senate perfect the proposition, if such a proposition as this can be perfected, or, if according to my viewpoint it can not be perfected, to make it as little injurious as possible. I am willing to discharge that function whenever I have an opportunity to do so.

While on this subject, Mr. President, I want to suggest to the Senate that there is a provision in this bill totally disconnected with the basic principles which are supposed to underlie and, which, to my mind, is the only good proposition in it; and that is the proposition in section 3, in the original print, preventing these patriots who are serving the country without compensation on these various advisory commissions which we have from coupling their patriotism and their profits in selling from their own private concerns, or the concerns with which they are associated, to the Government which they are supposed to represent. I earnestly hope that the new draft, for which I hope to be able to vote, will not omit that very wise and salutary provision.

Mr. President, I do not agree, as every Member of this body knows, blindly with everything that the President of the United States says; in fact, I disagree with him so frequently that it is a matter of pleasure to me to have him say something once in a while that I can agree to. I want to express my hearty concurrence in one sentiment which he expressed this morning. The President of the United States said, in an interview published in the newspapers this morning—I am not attempting to quote literally—that it was infamous for people to undertake to couple their profits and their patriotism. Well, so I say it is; and for the first time in my life I have heard it suggested among honorable men that it is something that Congress ought to be censured for, because we object to men posing as patriots and serving the Government without compensation, selling with their left hand and buying with their right hand, because we are opposed to any set of men representing the Government and turning around and buying from themselves or the concerns in which they are pecuniarily interested. I do not intend to reflect, of course, upon the opinion or view of any Senator who may entertain a contrary view, but it always looked to me as though such line of conduct was in direct opposition to the elementary propositions of common honesty in all public dealings. In the smallest town or village—

Mr. BRANDEGEE. Mr. President—

Mr. HARDWICK. If the Senator from Connecticut will pardon me just a moment, I will yield to him. In the smallest town or village in my State it is an unthinkable thing, and one punishable by law, that a member of a council should buy supplies for the public, for the city, from any concern in which he is pecuniarily interested. So it is an unthinkable thing in the county that the county commissioners—and you must remember the members of the council in most of the little towns in this Republic serve entirely without compensation—the county commissioners of the several counties of the Commonwealth in which I reside should buy for the county from any concern in which they are pecuniarily interested. So it is with State officers, and so it ought to be as to one of the highest tribunals and commissions in this land. With all respect to any Senator who may take a different position, or who may entertain a different opinion, I can only say that it is incomprehensible to my mind that it should be seriously insisted that these men ought to represent the Government in a fiduciary capacity—whether with or without compensation is utterly immaterial—in a capacity which gives their recommendation the virtual force and effect of law, and then turn around and buy from the concerns in which they are pecuniarily interested. I think the Senate ought to stop it. If it is not stopped, it is liable to cause a public scandal. If not, the lid will blow off, and that without very much longer delay.

During a temporary absence from the Senate I was shocked and astonished to see that members of this advisory committee had the temerity to rush into print to defend their right to do that sort of thing and to assail and assault the Senate of the United States because it had the manhood and the honesty to put into the law the express provision that this sort of thing should not be allowed; that if they desire to sell to the Government, they must not buy for the Government, even in a position that carries no salary with it. The President is right. Let us separate patriotism and profits; they do not go hand in hand; they have no real connection, and they should not be connected even in these advisory committees, in my opinion.

Therefore I express the hope, Mr. President, that whatever form this measure takes, whether the Senate shall agree to the amendment to be proposed by the distinguished Senator from Oklahoma [Mr. GORE], the chairman of the Committee on Agriculture and Forestry, or not, that, whatever proposition we

finally adopt, the language contained in the section originally reported in the bill by the Senate committee prohibiting transactions of the kind I have complained of should be retained.

I have no feeling against these gentlemen; I do not know any of them; I have no desire to do any one of them the slightest injustice. It is simply incomprehensible to me that they could seriously insist that they have any such right as Mr. Rosenwald asserted in a published statement. If they want to serve the Government, they must get rid of their private interests, if those interests are to sell to the Government, or, at least, must sever their connection with them; or certainly, if they want to serve the Government, they must not buy from concerns in which they hold and have a pecuniary interest.

Mr. President, the Senator from Connecticut [Mr. BRANDEGEE] wanted to interrupt me. Does he still desire to do so?

Mr. BRANDEGEE. I was either going to put it in the form of a question or a suggestion. I do not understand that the members of this advisory council of the Council of National Defense are buying from themselves.

Mr. HARDWICK. Well, they buy from the concerns in which they are interested.

Mr. BRANDEGEE. No; I do not understand that they are buying at all. I can not speak by the card about it; I have had no communication with any of these gentlemen; and I do not know any of them. I am in that respect in the same situation as is the Senator from Georgia. I do not think enough is known by the public about the methods which they have adopted; but, so far as I have any idea about it, it is this—that they do advise when certain supplies shall be bought—

Mr. HARDWICK. From whom?

Mr. BRANDEGEE. And say what in their judgment would be a fair price. They take the bids that are made and advise the department whether the bids—

Mr. HARDWICK. Will the Senator—

Mr. BRANDEGEE. Just a moment, please—whether the bids offer a fair price or not.

Mr. HARDWICK. I want to correct the Senator. I happen to have accurate knowledge, and I do speak by the card on that question. I can tell the Senator exactly what they do, because we had that question before the Appropriations Committee.

Mr. BRANDEGEE. I did not suppose that they bought of themselves or that they made any contract in behalf of the Government or that they had any authority to make contracts in behalf of the Government. Of course, if they do, I would not approve of that at all. Has the Senator any knowledge that they have authority to make contracts?

Mr. HARDWICK. I am going to tell the Senator exactly how it is done, because it was told by a Cabinet officer at the head of it—I refer to the Secretary of War—to a subcommittee of the Appropriations Committee on which I was serving. The law, the Senator will remember, simply authorizes these gentlemen to investigate facts and to report their conclusions to the Council of National Defense, but the actual practice has been, unless it has been changed since Secretary Baker gave his testimony before the Senate Committee on Appropriations—and I see several Senators here who were associated with me in that work, and I hope, if I do not state it with absolute accuracy, that they will correct me; I am stating my recollection but think I am right—the practice has been that the War Department would want to buy blankets for instance, and the War Department officials would say, "We are going to buy blankets according to the recommendations of the Council of National Defense," and the Council of National Defense would recommend not only the price they ought to pay but from whom the Government ought to buy. The War Department and every other department of the Government have taken the position that they were absolutely going to follow the recommendations of this committee. I will ask the Senator from Utah if that is not his understanding of it?

Mr. SMOOT. I did not follow the Senator.

Mr. HARDWICK. I think that is right. I should like to be corrected if it is not. That is the impression that was made upon my mind at least.

Mr. BRANDEGEE. Suppose that is so, the heads of the departments are responsible.

Mr. HARDWICK. That is true, if the Senator please; but, after all, under the policy adopted and the practice, these men are really buying, for every department is buying according to the recommendations of these men.

Mr. BRANDEGEE. Now, if that is so, why should criticism be directed against these men? It seems to me that, even if this advisory council were abolished, if the head of the War Department or of the Navy Department or of any other department of the Government needing supplies is responsible, he ought to make due inquiry and find out, from consultation, not

only with bidders but from the best information he can get all over the country, whether or not he ought to accept a certain price.

Mr. HARDWICK. I agree to that.

Mr. BRANDEGEE. If there were no Council of National Defense at all and the department chief was thrown upon his own resources to go out and consult the experts of the country, he would not consider that he was bound to take the advice of a certain expert or a certain set of experts. It seems to me that the criticism ought to be directed at the heads of the departments.

Now, while I am on my feet, I simply desire to say that I have been told—and I am not sure about it—that in England they have a similar council—

Mr. HARDWICK. I presume they have; and probably that is the reason we have it here.

Mr. BRANDEGEE. Composed of men who are interested in companies, which, when the contracts are awarded, participate in the sale of the product under the contract to the Government; but it is required that whenever one of the members of the council is interested in any company which may furnish a part of the supplies, he shall file a written declaration to that effect in advance—

Mr. HARDWICK. And retire.

Mr. BRANDEGEE. And shall not participate in advising about that product.

Mr. HARDWICK. That is all in the world that this statute would require.

Mr. BRANDEGEE. All in the world what statute would require?

Mr. HARDWICK. The provision of this bill, which I am urging shall be kept in it.

Mr. BRANDEGEE. I was directing my remarks not so much to the suggestion of the Senator about this particular amendment, but to the remarks that were made on the floor the other day by the Senator from Tennessee [Mr. MCKELLAR] and the Senator from Missouri [Mr. REED], that this advisory commission itself was at fault and ought to be abolished and superseded by a purchasing board of supplies or something of that kind.

Mr. REED. No, Mr. President—

Mr. HARDWICK. I yield to the Senator from Missouri.

Mr. REED. The Senator from Connecticut has inadvertently misquoted me. I dealt with the proposition of men dealing with themselves, and I mentioned a concrete case. I protested against the proposition as a matter of principle. I did not say that the board ought to be abolished. Some people have said that if the rule of equity, the rule of the statute, and the rule of conscience, as it is expressed in this amendment, were applied, the board would have to go out of business; but I never said that.

Mr. BRANDEGEE. I do not mean that the Senator from Missouri and the Senator from Tennessee agreed entirely in their remarks, but the Senator from Tennessee certainly introduced an amendment here, which is now pending, to create a purchasing board of supplies and food, or something of that kind.

Mr. HARDWICK. Mr. President, I have about concluded what I have to say. The Senator from Connecticut makes a suggestion that I think comes squarely within the language, and certainly within the purpose, of this amendment reported by the committee. If anyone of these men is interested in the question, of course he ought not to be allowed to advise the Government, and the law will not permit him to advise it if this section is adopted. I think we ought to stick to it, and I think the Senate will agree with me.

Now, I quite agree that the heads of the executive departments of this Government ought not to permit this thing to be done, and to a certain extent, if what we are being informed is accurate, I think the Secretaries themselves could correct it; but the principle—

Mr. BRANDEGEE. Will the Senator permit me there

Mr. HARDWICK. Yes.

Mr. BRANDEGEE. Here is what is lying in my mind: The Government needs steel in great quantities, of course.

Mr. HARDWICK. Yes.

Mr. BRANDEGEE. If it is so that no governmental department can send for an official of the Steel Corporation, which perhaps produces 60 per cent of the product of the country, and ask him anything about steel, or get his expert opinion, without depriving the Government of using any product made by the great subsidiaries of the Steel Corporation, it would seem to me to be an absurd proposition.

Mr. HARDWICK. I quite agree with the Senator, and I for one moment would not favor that; but I do say that if that man is representing the man who is going to sell, he ought not to stand behind the buyers' counter. Let us confer with him and

get all the information and all the help that his patriotism will permit him or will induce him to give to the Government, but frankly—

Mr. BRANDEGEE. I agree to that.

Mr. HARDWICK. Yes.

Mr. BRANDEGEE. But I am simply so amazed that I can not give credulity to the assertion or the suggestion made by the Senator from Georgia that these departments absolutely duck the responsibility, that they are simply rubber stamps of the advisory council and have to order whatever the council suggest.

Mr. HARDWICK. The Senator from Georgia thinks he is right about it; that is the impression the Secretary's statement made on his mind; but if he is not right, he not only challenges, but invites, any Senator here to correct him.

Mr. NEWLANDS. Mr. President—

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

Mr. HARDWICK. Yes.

Mr. NEWLANDS. Is the Senator from Georgia correct in his assumption as to the relations of the advisory commission to the Council of National Defense? I am aware that there is a great deal of misunderstanding regarding those relations; or, rather, there is a lack of certainty of knowledge upon the subject.

Mr. HARDWICK. I agree with the Senator about that.

Mr. NEWLANDS. And I think the matter might well be cleared up by some clear and definite statement from the Council of National Defense; but, if the Senator will permit me for just a moment—

Mr. HARDWICK. Yes; I yield willingly to the Senator.

Mr. NEWLANDS. I will give my view of what those relations are.

As I understand, the Council of National Defense and the advisory commission were both authorized by law, and Congress, of course, is responsible for that, though it was probably done at the suggestion of the administration. Now, as I understand, the purpose of the Council of National Defense is to bring a number of Cabinet officials into coordination—

Mr. HARDWICK. The Senator is right.

Mr. NEWLANDS. So that they can form a united judgment upon information regarding matters of importance relating to the national defense. I understand that the advisory commission was organized—perhaps it is a misnomer to term it an advisory commission—for the purpose of mobilizing, in some definite form, the various industries of the country, so that these industries which must furnish materials for the war would have committees composed of the most capable and efficient men in those various industries, regarded as the chiefs of these industries—captains of industries, if we may so term them—with whom the Council of National Defense could advise; and the assumption was that these men, having the information, would not lack the patriotism and the sense of duty that is essential in the discharge of the duties that belong to that position.

I do not understand that the members of the advisory commission have anything to do with the fixing of prices. On the contrary, I understand that they are there frankly as sellers. The very purpose of the legislation was to mobilize the sellers, through their responsible heads, so that they could aid the Government itself in this business of furnishing supplies to the Army and Navy. Thus we have in the advisory commission the sellers of transportation, a committee representing the railroad companies; we have the sellers of steel products, represented by Mr. Gary and others who are at the head of the steel industry; we have the sellers of coal, represented by Mr. Peabody and others who represent the great coal industry. They are there frankly as sellers, and I do not understand that there is any concealment about it.

Mr. HARDWICK. If the Senator from Nevada were right about that, there would not be a single excuse in the world for this section that the committee reported, and not a single reason to take that sort of action. Unfortunately, however, I think he is wrong, and if the Senator will read the statement of Secretary Baker before the Senate Committee on Appropriations, when its subcommittee was considering this great \$3,000,000,000 appropriation bill, I think he will find that it is not the way it works out in practice.

Mr. NEWLANDS. I shall be glad to read that, because I can not believe that men as capable as these men who constitute the Council of National Defense would turn over to these committees that are frankly committees of sellers, organized for the purpose of giving information, any part of the purchasing power of the Government.

Mr. HARDWICK. If the Senator will let me conclude, I think, if the Senator pleases, that the thing has been a little

twisted from the way it started. I expect that the idea to start on was as now suggested by the Senator from Nevada, but unless I am misinformed—and I certainly do not want to do anyone injustice—it has worked out in this way: Your committee of "advisors"—frankly, sellers, you say—have become a committee of buyers, because whatever they recommend as to price and as to the person from whom the purchase is to be made is adopted and agreed to by everybody in the several executive departments.

Mr. NEWLANDS. Will the Senator let me give one illustration of what was done?

Mr. HARDWICK. Yes.

Mr. NEWLANDS. As I understand, the building of cantonments came up—these structures that are intended for our soldiers. It is said that these structures composed of wood are much cheaper than tents if they are to be used longer than six months; and the Council of National Defense got into communication with a committee of the advisory commission representing all the lumber operators of the country, and wished them to mobilize that industry, to see to it that the Government could get an ample supply of lumber at every point desired within a reasonable time, so that these structures could be quickly put up.

Mr. McKELLAR. Mr. President, will the Senator yield to me?

Mr. NEWLANDS. Certainly.

Mr. HARDWICK. I yield to the Senator from Tennessee.

Mr. McKELLAR. I just wanted to make this suggestion: They certainly did not undertake to mobilize all the lumber industry. I happen to come from a city which is one of the largest lumber markets in the world, and I believe the largest in this country at the present time; and no lumber merchant from my city was permitted to be either on the Council of National Defense or on the inside circle, as it is called. Surely there could not have been a mobilization of the lumber industry of the country without including Memphis.

Mr. NEWLANDS. Of course I know nothing of that particular instance; and, understand me, I do not claim accurate knowledge about the subject. I am stating what I—

Mr. HARDWICK. The Senator is stating what he thought they would do.

Mr. NEWLANDS. Yes. Now, then, what I heard was done—and it seemed to me a rather reasonable thing—

Mr. HARDWICK. Well, it would be reasonable if it worked that way.

Mr. NEWLANDS. It was very obvious that if they put out immediately public bids for lumber all over the country at specified prices, this extraordinary demand, precipitated upon perhaps a limited supply, would result probably in very excessive prices being charged by all the bidders.

Mr. HARDWICK. Competition would make that?

Mr. NEWLANDS. Yes. I think myself that the beneficial features of the law of supply and demand are almost paralyzed now in this country, owing to the extraordinary demands caused by the war, and that if you rely upon the law of supply and demand the necessary result of this enormous demand, precipitated upon a moderate supply, will be an enormous increase of prices.

Mr. HARDWICK. If the Senator will pardon me, I believe I would rather let him take the floor in his own right later on. I want to finish. I am almost through.

The PRESIDING OFFICER. The Senator from Georgia declines to yield further.

Mr. NEWLANDS. I was only going to add another statement.

Mr. HARDWICK. I yield to the Senator, then, of course.

Mr. NEWLANDS. I will simply state that they appealed to these men to confer throughout the country with reference to a reasonable price and immediate delivery, and that the statement was made that they would furnish lumber everywhere at the uniform price of seventeen dollars and a half per thousand. With my limited knowledge of such matters, I should regard that as a reasonable price, and probably a much more reasonable price than would have been secured by public bidding, and certainly the speed of delivery was much promoted by this method, as probably the railroad committee and the lumber committee of the advisory commission cooperated to that end.

Mr. HARDWICK. Of course, if the thing had been done in the way the Senator thinks it ought to have been done and thought it was to be done, I do not think there would be any necessity for this section. On the other hand, if it has not been done in any way except the way the Senator thinks it ought to be done and thought it had been done, the section will not hurt anybody; because the section referred to, which is carried in both propositions—both the pending bill and the substitute

proposal of the Senator from Oklahoma [Mr. GORE]—reads in this way:

That it is hereby declared unlawful for any person acting either as a voluntary or paid agent or employee of the Government in any capacity, including an advisory capacity to any commission, board, or council of the Government, to procure, attempt to procure, or make any contract for the purchase of any supplies for the use of the Government either from himself, from any firm of which he is a member, or corporation of which he is an officer or stockholder, or in which he has any financial interest.

Mr. MCKELLAR. Mr. President, will the Senator yield to me?

Mr. HARDWICK. Not just for the moment. Now, if he does not do those things, the statute will not do him any harm. If he does do those things, the statute ought to prevent it and punish him. It will not have any effect on people who are only doing what the Senator from Nevada thinks ought to be done—and he is right about it—and no more; but if they do undertake to do more, then the law itself must enforce this rule of honesty and morality upon them. So it seems to me that the Senator from Nevada would be perfectly willing, as I have no doubt he will be, to strike hands with those of us who say that this ought to be the declared law of the land, as well as one of the first and soundest rules of morals and honesty.

Mr. KENYON. Mr. President—

Mr. HARDWICK. These men, of course, if they come together in the frank capacity of sellers, to give the Government in a patriotic way the benefit of whatever information or ability they have in their respective lines of business, are doing the country a great patriotic service; but they must not put themselves in the position of acting for the Government and determining that contracts are to be given to firms in which they have an interest, either direct or indirect. The Secretary of War stated plainly to the Committee on Appropriations, unless my memory is woefully inaccurate, that the Council of National Defense said to the different departments of the Government, acting on information and advice given to them by these auxiliary committees: "You can get shoes from Thomas Cook; you had best get blankets for each one of your departments from John Jones." Then he went on to say that all the executive departments carried out those instructions. Now, if that is not these men determining in a practical way where the Government shall buy, from whom it shall purchase, and at what price, I do not know what it is or ought to be called.

Mr. KENYON. Mr. President—

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

Mr. HARDWICK. Will the Senator pardon me? I want first to yield to the Senator from Tennessee, who asked me to yield some time ago.

Mr. MCKELLAR. I want to make this suggestion as to the statement of the Senator from Nevada that these men are all sellers.

In the first place, if they are all sellers, I do not know why Congress should have been called upon to appropriate \$500,000 to help these sellers organize to sell to the Government, or to form an arrangement by which they could sell to the Government, to the exclusion of others. In the next place, if they are nothing but sellers—if the Senator is correct in the statement that this is an organization of sellers mobilized here—then the prohibition offered in this amendment can not possibly affect them, and I do not see why any of them should object.

Mr. HARDWICK. Exactly. It will not do any harm at all, if they are only doing what the Senator from Nevada suggests, to adopt this amendment.

Mr. MCKELLAR. None whatever.

Mr. HARDWICK. And if they are doing more it ought to do it.

Mr. NEWLANDS. Mr. President, I will state to the Senator that I have not examined the language to which he refers. I was not speaking with reference to that. All of my remarks were directed toward a proper understanding—

Mr. HARDWICK. Of what was transpiring.

Mr. NEWLANDS (continuing). Of the advisory commission.

Mr. HARDWICK. Now I yield to the Senator from Iowa.

Mr. KENYON. Mr. President, I wanted to suggest to the Senator from Georgia that when this amendment was before the committee Judge Lindsey, who was Mr. Hoover's legal adviser, suggested the proviso which is found in the bill, which reads as follows:

Provided, That this section shall not be construed to prevent any such agent or employee of the Government, or any person acting in an advisory capacity, from rendering services and advice on any matter not connected with such purchase of supplies.

The committee did not want to do anything that would prevent these great business men from rendering service to the Government. It was realized that it must have their advice,

and in order that there might be no question about that this proviso, out of an abundance of caution, was placed in this section. So that it leaves it, as the Senator from Georgia has so well said, that unless these men are making contracts or procuring contracts or attempting to procure contracts, this section does not affect them at all.

I do not believe anybody wants to deprive the Government of the services of these business men, whose services it must have in this time of crisis; but it is simply the common, honest proposition of not having men contract with themselves. Of course, most of these men who have been called here are honest men, and a provision of that sort ought not to injure them. It ought to protect them against the few there may be who want to combine patriotism and profit.

Mr. HARDWICK. Precisely; and therefore it was with utter astonishment that I read that some of the leading members of this commission very seriously objected to this provision. If they do object, that is all the more reason why we had better be sure to enact it.

Mr. NORRIS. Mr. President, some of the provisions of this bill—in fact, most of them—are astounding; but they are intended to meet an astounding and remarkable situation, one that has never presented itself to the country or to the world before.

It is not remarkable under these conditions that honest men, wise men, patriotic men, should disagree as to what is the best thing to do. We are traveling along a road where there are no landmarks to guide our steps. There are no blazed trees in this wilderness to tell us which way to go. There never has been a condition in the world before, for instance, where the man between the plowhandles was of equal importance with the man who carried the gun or served in the trenches. There never has been a war before where more than 30,000,000 people have left the producing ranks and have gone into the business of destroying property as well as life. So we have no precedent to guide us.

While in the main I have favored this legislation and this bill, I have realized that there was much weight in the arguments of those who are opposing it, and particularly in the arguments of those who are opposing portions of it. We are all trying to arrive at the same goal, to accomplish the same object. There are two important things we want to do. We want to increase production, and we want to control distribution. We want to give a sufficient reward to the man who produces food, and we want to prevent the manipulation of the market so that the consumer will not have to pay an exorbitant price. The war is dependent upon the production of food, and under the peculiar condition of things our own country must bear the great bulk of the burden of the production of those foods. It is not remarkable, therefore, that we should find under those conditions that the old law of supply and demand to a great extent has been repealed. It will do no good, Mr. President, for us to denounce the food speculator unless we take some action to prevent him from carrying on his nefarious business in these critical times. The objects the framers of this bill had in mind, I think, was to stimulate production and to provide for fair distribution. We must do those two things. In order to do them we must take some extraordinary steps, steps that no legislature has ever taken before.

I confess that under any ordinary conditions there is very little in this bill that would meet with my approval. It may be that mistakes have been made; the legislation to a great extent is experimental; but we must meet a condition, and it seems to me that we are called upon to do something that will remedy that situation.

Now, it is thought best, in order to stimulate production, for instance, to provide that there shall be power given by which a minimum price shall be fixed and guaranteed by the Government to those who produce food. The people of the country, in the main, are patriotic. All classes of our people desire that we should be successful in the war, however much they may have regretted that we went into it or opposed our going into it. But when we call upon the farmers of the country to raise an extraordinary crop to meet an extraordinary condition under circumstances that make it expensive and very difficult for them to increase the operations on account of the increased cost of the things that they must buy and the lack of labor that the very war itself makes imminent, so that they can not avoid it, it is but fair that we should say to these people that we will guarantee to you, if you will produce abundantly, a certain price. That price ought to be large enough to cover all possible costs of production, together with a reasonable profit. The farmer ought not to be compelled to go to an extraordinary length, because he does not know but that by the sudden ending of the war or other causes he may produce an abundant crop that will not pay for the expense and the labor of producing it.

On the other hand, Mr. President, when we do that we are bound, I think, to take into consideration the interest of the consumer. We must see that he is not compelled to pay a price that is exorbitant for the things that he has to eat and the things that he has to wear and for the fuel that keeps him warm.

We have found some astounding conditions existing, and I want to call the attention of the Senate to some of them briefly, some conditions that are remarkable when it comes to the high cost of living. It is getting now to be the wonder of the day how millions of our people live. Men who a few years ago were receiving a salary that was almost a luxury are now practically paupers, unable to support themselves and those dependent upon them. We can not win this war if our people are suffering from hunger and shivering with cold. We must provide some method by which the bulk and mass of the great common people will be protected from these exorbitant prices.

I do not believe it is necessary to produce evidence to convince anybody that a condition exists which, as the Senator from Nevada [Mr. NEWLANDS] said, has practically paralyzed the ancient law of supply and demand. People must have food. It is useless to talk about the cause, the reason why they are hungry and do not have enough to eat, if the fact is that they do not have enough to eat. It is useless to say that this or that is to blame for the high cost of clothing if the people are unable to buy clothing. We must bring about a condition that will make this suffering impossible. To do that it will be necessary to take extraordinary measures, as this bill does.

I read a dispatch from a Chicago paper of the 25th of May. This is what the mayor of Chicago said:

UNDERFED DIE IN CHICAGO—MAYOR BLAMES HIGH PRICES OF NECESSARIES FOR 1,500 DEATHS.

CHICAGO, May 25.

More than 1,500 died in Chicago this year because they were "undernourished and underclothed," declared Mayor Thompson to-day. "Prices have been so high that people have been denying themselves the necessities of life."

Mr. SHERMAN. Mr. President—

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

Mr. NORRIS. I yield.

Mr. SHERMAN. Is there a further statement about the comparative quantity of garbage cans?

Mr. NORRIS. No; I read all that is contained in the dispatch.

Mr. SHERMAN. It is the same interview I have, and it contains also the reason why he thinks there is undernourishment and more deaths, because there were 500 tons of garbage in a preceding period and only 300 tons in the latter period, and he inferred that the people have been eating 200 tons of garbage. That is in the same interview. I have the entire interview. He inferred that they died by consuming garbage, it seems.

Mr. NORRIS. I presume that the best of food if not consumed and kept will become garbage. In fact, one of the things that the bill undertakes, at least indirectly, to do is to prevent good food from becoming garbage. In other words, the people must be taught and must learn and must practice economy in everything pertaining to food. There is enough garbage thrown out from some of the homes to feed thousands of children and poor people in other homes, and feed them in the best possible manner.

I notice an article of July 2, taken from a Washington paper, which has this heading:

CORNER CANNED GOODS—"MIDDLEMEN" EARNING A PROFIT OF 100 PER CENT. DATA SHOWS—PRICES DOUBLE IN SIX MONTHS—OBTAIN MORE THAN DO PRODUCERS AND THE RETAILERS COMBINED—CONDITION EXISTS, UNITED STATES FIGURES DISCLOSE, WHILE CROP IS ABOVE NORMAL—TABLES OF WASHINGTON HOMES SUFFER.

Facts and figures which are easily accessible to Herbert Hoover, national food administrator, or to any other Government official, show that the so-called "middle man" who in this instance is apparently the wholesale grocer, is exacting a profit of 100 per cent on the canned vegetables that are eaten in the homes of Washington.

The wholesaler's profit, the figures demonstrate, on canned tomatoes, corn, peas, and other staples more than equals the combined compensation and profits of the producer of the vegetables, the manufacturer who cans them, and the grocer who retails them to the consumers.

PRICES HAVE BEEN DOUBLED.

This condition is permitted to exist, too, when this season's supply of these vegetables is above normal and when fresh vegetables are as abundant for table use as in any recent previous year.

Within six months the retail price of vegetables in cans has more than doubled.

Recently some significant information was obtained by the Federal Trade Commission. It made an investigation as to prices received by 2,000 canners throughout the United States.

FIGURES OBTAINED SURPRISE.

The results of the investigation, when compared to the price lists of wholesale grocers in this city, are of the nature of an astonishing revelation.

It is shown, for instance, that quart cans of tomatoes and peas, which have been sold by the canner to the wholesaler at a rate of \$1.10 a dozen, are sold by the wholesaler to the retailer at \$2.26 a dozen. The wholesaler's profit, less transportation charges, is \$1.16.

CONTRACT FOR WHOLE OUTPUT.

Practically the entire output of the canning factories of the United States for this year's pack, the trade commission ascertained through its inquiry, has been contracted for by the wholesalers.

The contract price for tomatoes and peas is \$1.10 a dozen cans and for corn it is 90 cents a dozen cans.

The commission discovered also that a large part of the canned goods now being sold at elevated prices is last year's pack, and was sold by the canners at considerably lower prices than now prevail under the new contract.

HAS FIGURES FOR HOOVER.

All of this information is available to the Government authorities. The Federal Trade Commission has a mass of facts and figures which it is anxious to turn over to Mr. Hoover at the asking.

It would be a simple matter for the officers of the Government to obtain the price lists of wholesale grocers and jobbers. Also, it would not be difficult to obtain figures as to transportation from the Interstate Commerce Commission.

WHERE THE BLAME LIES.

Experts who have studied the high cost of living problem traced the trouble partially to the transportation system. But it is considered by them that it is unthinkable that a 100 per cent profit on canned goods could be absorbed to any great extent by transportation.

Mr. President, right on that point as applying to the Capital City here, I wish to read an article I clipped from a paper to-day in which these remarkable statements are made:

Gamblers' grip on Center Market—

That is the principal market, as we all know, in the city of Washington—

GAMBLERS' GRIP ON CENTER MARKET—FOOD PRICES FIXED BY MANIPULATORS WHO ARE KNOWN AS FARMERS' AGENTS—"EARLY BIRDS" THEY ARE CALLED, AND METHOD IS TO "CORNER" PRODUCE AS IT ARRIVES—VIRTUALLY DICTATE TO RETAILERS, WHO IN TURN MAKE PUBLIC PAY—OPERATE WITHOUT LICENSE—PRODUCERS AT A DISADVANTAGE.

Gamblers and manipulators, who conduct their operations daily in the vicinity of the Center Market, practically control the fresh vegetable situation in Washington. Performing no economic service to the public, fearless of the law, for they think there is no law that can touch them, these men in many cases actually dictate the prices that shall be paid by the consumers in this city of farm products brought here for marketing.

Some of these men call themselves farmers' agents. A few are licensed commission men, but in reality are only produce merchants, for they buy and sell outright with no pretense at assessing a commission. Their profits are said to be unreasonable in comparison with the profits made by the producer and the retailer.

OPERATE WITHOUT LICENSE.

The so-called farmers' agents operate without license from the District. They are unidentified in many instances. They make it a practice of arriving early at the market, about the time the shipments from the farms begin to arrive. "Early birds," they are called. They make a survey of the produce arrivals and then proceed to institute a kind of monopoly on anything in which there appears to be a shortage.

With the entire supply in their hands when the retail dealers reach the market, the farmers' agents are in a position to abrogate the law of supply and demand and exact a price which, in their judgment, is the limit the market will stand.

When all kinds of farm produce is plentiful these men find the market "poor picking." But on days when there is a scarcity of produce they make a "killing."

I ask leave to insert the balance of the article without reading as a part of my remarks.

The PRESIDING OFFICER (Mr. POMERENE in the chair). Without objection it is so ordered.

The matter referred to is as follows:

WATCH THEIR CHANCE TO "CORNER."

If, for instance, 50 crates of cultivated blackberries and 50 crates of raspberries constitute the entire supply of those fruits brought to the market on a single morning, the farmers' agents quickly buy it all.

"Why, it is all bought up before 4 o'clock in the morning," said a retail merchant yesterday. "And this happens with anything that is scarce."

The retail merchants and the commission merchants, too, then must buy from the agents, and at the agents' prices.

The Washington market for fresh farm products is a very fluctuating market. The speculators and manipulators have taken advantage of this condition. It furnishes a field for their operations that would not be possible in a well-stocked and steady market.

Washington has a population of 360,000 persons. It is not a manufacturing city. Baltimore, a near neighbor, has a population twice that of Washington. Baltimore is a manufacturing center. Wholesalers, jobbers, and commission merchants in this city are careful not to buy a larger stock of perishable foodstuffs than the trade will readily consume. If they did, they soon would find themselves at big financial loss through the condemnation of goods that have become unfit for consumption. Baltimore, on the other hand, has a market handy for all the surplus stock of its wholesalers, jobbers, and commission merchants. The factories buy the surplus, at a slightly lower figure probably than the current wholesale price, and it is put up in cans and soon is ready again for the retail trade.

It is these conditions, say local market experts, that have given rise to the scheme of market speculation that has Washington in its grasp.

WHOLESALE METHODS PUZZLE FARMERS.

Then, too, it is pointed out by the experts, there is a slipshod method of wholesaling in vogue in Washington. It is a method that is never the same on two successive days. The farmers who have products to market here are mystified by it. Through experience they are dissatisfied to come here. And here, again, has Baltimore profited.

The shippers, knowing that the Baltimore market is steady and regular, have diverted their shipments to that city.

A market, therefore, which by circumstances and by mismanagement has curtailed the field from which it must draw the foodstuffs that are its stock in trade, has become a Mecca for small speculators and manipulators—for the "early birds."

One farmer decided to try the experiment of selling direct to the retail grocer. He found that the grocer, when in need of any of the products the farmer had on his wagon, was glad to take advantage of the lower prices that could be obtained in this way. But the farmer was not always successful in disposing of all the vegetables he had brought to town. Sometimes he found the market glutted. So he gave up the plan and went back to the commission merchant.

REJECTED BY COMMISSION MEN.

"Oh, no," the commission merchant told him, "you can't sell to us while you are selling also to the retail trade. You must bring all of your stuff here or else none of it."

Talk to the retail men in Center Market and they will admit that on many of the foodstuffs they sell to the public the prices are high, out of all proportion. Few of them, however, care to furnish an analysis of the situation, though when pressed they will say that somewhere between the producer and themselves a big profit is being made by a "middleman."

"It is difficult to say who is getting the larger share of the profits," said a retailer yesterday. "But one thing is certain, the retail men are not making any money."

They shake their heads doubtfully when the suggestion is made that a remedy might be found in a municipal wholesale market for foodstuffs. It would not be practicable for the Government to conduct a business of that character, they say.

High officials in the District government are of the opinion that the solution of the problem is in a wholesale market, and it is probable that Congress will receive a recommendation along that line soon.

Mr. KING. Mr. President—

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

Mr. NORRIS. I yield.

Mr. KING. I wish to state to the Senator, apropos of what he has just read, that I have had some investigations recently made in the city of Washington with a view to determining whether or not there is a monopoly or trust controlling the retailers in the disposition of farm products. I introduced a few days ago a resolution calling for an investigation and for the restoration to the Government, if possible, of the market now occupied by a large number of retailers. From what I can learn it has been held by a corporation which claim title, and many of the people of the District labor under the impression that this market is controlled by the Government, and wonder why it is that such extortionate prices are permitted to be charged in a market which they suppose is owned by the District. I wish to say to the Senator that if the District Committee can be induced to act upon the resolution an investigation soon will be made with respect to the causes of the extortion practiced in this city upon the part of the retailers.

Mr. NORRIS. I sincerely trust the committee may act in accordance with the suggestion of the Senator from Utah.

Mr. JONES of Washington. Mr. President—

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

Mr. JONES of Washington. I do not know whether this is apropos to what the Senator is talking about or not, but it occurred to me while he has been talking that there ought to be some pretty reliable information available to the Senate especially. As I understand it, the Senate is running the restaurant downstairs here, and it seems to me that the committee having charge of it ought to be able to furnish us some very valuable information with reference to wholesale prices and retail prices and all the elements that make up the ultimate cost to the consumer. I was wondering whether the Senator had made any inquiries of the Committee on Rules, or whatever committee is in charge of the restaurant?

Mr. NORRIS. No; I have not.

Mr. JONES of Washington. Does it not occur to the Senator that that committee ought to be able to furnish us some pretty valuable information touching the question of the cost of living?

Mr. NORRIS. It had not occurred to me before. It may be that that suggestion is worthy of consideration.

Mr. JONES of Washington. Just as one illustration, I notice that we can get one roasting ear for 15 cents down here in the restaurant.

Mr. NORRIS. It would be interesting to know how much the farmer who brought it in got for the roasting ear?

Mr. JONES of Washington. I take it that they buy the corn at wholesale prices. I would like to know how many transactions there are before we have to pay 15 cents, and the various increases along to make it up. It seems to me that we might get some very valuable information, something that would be rather authoritative.

Mr. NORRIS. Mr. President, while a large number of the people called the middle class and down are suffering severely from conditions, and naturally are made discontented, there are other classes of our people who are making more money than they have ever made. Such a condition brings dissatisfaction.

Such a condition is the very worst that could possibly be in existence when we are fighting a war and want our people to be united.

Here is an editorial I have clipped from one of the leading newspapers. It reads as follows:

That the people may have a better idea of these things—

Which it had been considering, the profits of large corporations—

we call attention to the fact that the net profits of the Armour Packing Co. rose between 1913 and 1916 from \$6,000,000 to \$20,000,000.

That is a company engaged in supplying food to the people of the United States. Every family practically in the United States has to pay tribute to that institution.

Then make note of the fact that the Swift Packing Co.'s—

Another one engaged in the same kind of business—

Then make note of the fact that the Swift Packing Co.'s profit in the same time rose from \$9,000,000 to \$20,000,000—

Everybody must contribute to that, the poor as well as the rich.

The Central Leather Co.'s from \$4,000,000 to \$15,000,000—

Another one.

The United Fruit Co.'s from \$5,000,000 to \$11,000,000—

Another company engaged in the food business.

And those of the United States Steel Corporation from \$81,000,000 to \$271,000,000.

That certainly was bad enough up to 1916, but all the above corporations are making larger profits in 1917 than ever before.

If the American people are going to stand for dividends all the way from 50 to 200 per cent, then they should not complain about the high cost of living.

Mr. KENDRICK. Mr. President—

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

Mr. NORRIS. I yield to the Senator.

Mr. KENDRICK. I should like to ask the Senator if he knows that many of the companies which he has enumerated are only subsidiary companies of the packing interest and are under the direction of those companies? Those parent institutions are in control of nearly every other line of industry that is at all incidental to that line.

Mr. NORRIS. I thank the Senator.

Mr. President, all these companies, either directly or indirectly, are supplying products that practically all the people of the United States have to pay for and have to use in their business; they can not live without them. Under the stress of war conditions, with the ordinary rule of supply and demand abandoned, it is necessary, in my judgment—and I think that is one of the main objects of this bill—that the Government should put its strong hand upon every man, every firm, and every corporation engaged in handling food and see that robbery is not committed. It seems to me these figures practically demonstrate that between the time the food leaves the producer and the time it reaches the consumer there have been too many men who have taken a large and unreasonable profit as the produce passes along its road.

Mr. McCUMBER. Does it not apply to everything just the same?

Mr. NORRIS. I think it does, but particularly to the people interested in the things they must eat and in the things they must wear.

Mr. CALDER. Mr. President—

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

Mr. NORRIS. I yield.

Mr. CALDER. Has the Senator had an estimate made of the increase in the cost of living this year as compared with last year?

Mr. NORRIS. No; I have seen an estimate; I can not give it from memory.

Mr. CALDER. The Department of Labor estimates that between April this year and April last year there has been an increase of about 25 per cent. I inquired of them what the increase of wages amounted to, and they said approximately 15 per cent. So the cost of living has increased on an average 25 per cent and of wages approximately 15 per cent.

Mr. NORRIS. I thank the Senator.

Now, Mr. Vrooman, I want to read briefly from a statement made by Mr. Vrooman, Assistant Secretary of Agriculture. I take it from a Washington newspaper of some time ago. In part the article reads as follows:

Assistant Secretary Vrooman, of the Department of Agriculture, who has just returned from a tour on which he observed the food situation, declared in a statement last night he had seen much hardship and suffering, especially among the poor, because of the "crime being perpetrated against the American people by the control of food prices by disloyal food pirates."

"Everywhere I have found a growing feeling that there must soon come a reckoning with these manipulators of the Nation's food supply," said he—

And so on.

Mr. President, I have two articles here clipped from newspapers showing where the Chicago Board of Trade themselves took occasion to limit the maximum price of corn on the Chicago Board of Trade. I ask that they be printed as a part of my remarks without reading.

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

The matter referred to is as follows:

MAXIMUM CORN PRICE FIXED TO PREVENT SPECULATION.

Fearing a repetition of the wild upturns in prices that characterized the wheat market before maximum value was fixed, directors of the board of trade yesterday decided to limit the corn market in about the same way.

At a special meeting it was decided to fix a maximum price on all deliveries of corn at \$1.65, and it will be considered a grave offense for any member to make any contracts in excess of that figure. The decision was reached after a long discussion.

WARN AGAINST OFFENSE.

The directors adopted the following resolution:

"Resolved, That on and after Wednesday, June 6, 1917, until further notice, members of this board, in making contracts for the purchase or for the sale, by grade alone, of corn to be delivered in store, either for immediate or future delivery, shall not, in entering into such contracts, exceed the price of \$1.65; be it further

"Resolved, That any member trading in violation of the foregoing shall be deemed to have committed a grave offense against the good name of the institution."

SUPPORT WILSON POLICY.

"I wish to announce that the directors were prompted in taking the action they did by purely preventive reasons," said J. P. Griffin, president of the board of trade, last night. "While it is a fact that governments and consumers are liberal buyers of corn for present and future delivery, there is no indication that this buying has reached proportions that might result in unduly enhancing values.

"It is the policy of the administration at Washington to prevent the price of foodstuffs reaching an abnormally high level. The action of our directorate to-day is simply in support of the policy of President Wilson and his advisers."

July corn sold at \$1.50 yesterday, an advance of about 14 cents from the extreme low price reached a few days ago, while September touched \$1.37. Both months reacted sharply on the announcement the directors were to consider establishing a maximum price.

STOCKS NOW ARE SMALL.

Stocks of corn in store at Chicago and at other points are extremely small, and with the car supply limited, cash corn handlers do not look for enough corn to come in to make any appreciable supply available for delivery on contracts. As a result, July shorts at least were in about the same position as were the shorts in wheat.

Traders were of the opinion that big advances were possible in case of a general stampede of the shorts.

Wheat futures advanced sharply. July wheat closed 9 cents higher, while September was up 4 cents.

[From the Washington Post, July 12, 1917.]

CHICAGO PUTS CURB ON PRICE OF CORN—LIMIT OF \$1.28 SET FOR DECEMBER AND MAY DELIVERIES.

Directors of the Chicago Board of Trade this afternoon fixed a maximum price of \$1.28 for the December and May, 1918, deliveries of corn. No action was taken as to September corn.

In taking such a measure the directors were said to feel that more drastic steps were averted, including the possible closing of the board of trade. It was said that, owing to the smallness of stocks of corn at present and the unlikelihood that any large accumulations would be available for a long time to come, the trade in future options had much less substantial basis than under normal conditions, so that dangers of sudden wild inflations of value had to be taken into account.

Only the options of the new 1917 crop were dealt with in to-day's action of the Chicago Board of Trade directors. A maximum price of \$1.65 for the September delivery here and for all other old crop future was already in effect and was not disturbed, as the value of old corn for immediate delivery was now much in excess of that limit and had to-day touched the highest figures ever known for Chicago—\$1.91½ a bushel for ordinary No. 2 white.

KANSAS CITY, Mo., July 11.

Trading in September corn by members of the Kansas City Board of Trade is discontinued, except to close existing contracts, according to a resolution announced to-day by the board of directors. No change is made in the maximum price of \$1.62 previously established.

ST. LOUIS, Mo., July 11.

The directors of the St. Louis Merchants' Exchange to-day declared all trading in September corn off except where necessary to close contracts. The maximum price at which contracts are to be closed was fixed at \$1.67. The directors also fixed the value of June corn at \$1.70.

Mr. NORRIS. It seems to me this demonstrates that even those who are in the business see the necessity of taking some steps which shall prevent speculation in food products. Is it any worse that the Government itself should take a hand, either in fixing a minimum price or in a regulation that would prevent those who have gotten hold of the food products from demanding of the consumer too much, than it is to permit the people themselves who are speculating and dealing in those food products to fix a price proposed for their own protection, for fear that they might be put out of business if they did not? I wish to refer briefly again to the canned-goods situation.

Mr. McCUMBER. Mr. President—

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

Mr. NORRIS. I yield.

Mr. McCUMBER. Before the Senator leaves that branch I should like to ask him if he has made any comparison between the advance in the price of food products compared with the advance in the price of ordinary clothing and products of every kind? I refer now to the retail price. I have not examined it within the last few months, but up to within a few months ago the retail prices of clothing of all character had advanced far in excess of the advance in the retail cost of food products. So if those who produce these food products are receiving more than ordinary profit, it must be remembered that they are paying more for the things that they purchase. I have looked to find out where the particular poor class the Senator speaks of are located. I find among the classes in our great cities that are regarded and very generally referred to as the poor class have a greater amount of money to their credit in the savings banks to-day than they ever had before; and if you attempted to hire one of those people to do a little work you would be surprised to ascertain the fact that they do not care very much whether they work or not, because they can get all the work they wish at very high prices.

But there is one class, if the Senator will allow me, that I think are feeling the pinch of the high prices of both food products and clothing, and those are the clerks throughout all the departments and in every line of business. Their wages have not gone up to compare either with the laborers' wages that produce the things they must purchase nor have their wages gone up to meet the demand of the higher prices for food products.

Mr. NORRIS. Mr. President, in the last statement the Senator has made I agree with him fully.

There are, however, in addition to that class, millions of people who are beginning to feel and who have for some time felt the burdens of the high cost of living. I do not have the testimony here, because I did not anticipate going into the subject, but I have listened to the testimony of men who have been investigating, and the testimony has been most remarkably startling, where we had the bread riot in New York and the bread riot in Philadelphia.

I refer to the men who are getting salaries now, for instance, in Philadelphia. While I can not give the figures, I remember the testimony of one of the professors of the University of Pennsylvania, who was appointed by the mayor of Philadelphia to make the investigation. He gave us some remarkable facts showing that people there—the poorer class of people—had formed a sort of a mob and made an attack on some of the grocery stores, taking food by force. The commission appointed by the mayor made an investigation which showed the per cent the cost of living in Philadelphia had risen during the year; how much increase there had been in the wages of the various classes of the people—clerks, laborers, and so forth—and it was a remarkable thing that, while the cost of labor had gone up, while the men who were working in the various mills and factories were receiving higher wages, the increase had not gone up nearly as rapidly as had the cost of living. So it was almost impossible for men getting salaries from \$50 to \$150 a month, with the ordinary family of wife and children to support, to make both ends meet.

I think we can observe that as a matter of our own knowledge. I know I am acquainted with a great many cases, where men are getting salaries of from \$100 to \$200 a month, who would be absolutely put in the poorhouse if sickness occurred in their families.

I want to read from the report of the committee on the high cost of living in the District of Columbia which was made last January or February, and which was put into the Record by the Senator from Iowa [Mr. KENYON]. I want to repeat just a little of what he then read. I now read from the report of the committee:

Interesting figures were obtained from the proprietors of some of the smaller stores, whose business is with the poorer people. They show clearly that the poor have been compelled to resort to the strictest economy in order to provide food, on account of high prices. Their purchases are of the cheapest possible articles and in smaller quantities than heretofore. The sale of ordinary cuts of meat in this class of stores seems to have been discontinued, and the meat now purchased consists of hog livers, hog kidneys, neck bones, hog faces, etc.

Further on the committee says:

In the opinion of the committee the element of speculation in food products has been one of the potent factors in the enormous increase in prices which consumers have been compelled to pay.

Mr. President, the Vice President of the United States the other day put into the Record a report of the grand jury of Chicago, where an investigation was made with, I presume, a view of indicting some of the people who are engaged in this

character of business. I confess it has seemed to me all the time that a great deal of this work of food speculation has been contrary to the Sherman antitrust law, and I have wondered, from some of the testimony which has been given to the committee, why prosecutions have not taken place. It seems to me there could be no escape, if the testimony was true, from a conviction in case an indictment were found. From the report of this grand jury made to the Federal judge in Chicago it almost seems to me that at least a prima facie case is made as to a criminal violation of the Sherman antitrust law by the facts which the committee report. I am not going to read it all. I want to read a part of it, however. The grand jury go into detail in a great many respects, but I want to read a part of what they state about canned goods. I do that not because it is any exception from the balance of the report but because it relates to something which comes into every home. Everybody who has a family to provide for has to purchase canned goods.

These goods are not classed as perishable—

Says the report—

These goods are not classed as perishable, and do not require cold storage. Cannerymen of vegetables usually dispose of their product by future sales before the vegetables are grown or canning operations begin. The goods get to the consumer through brokers, wholesalers, jobbers, and retailers. The cannerymen, brokers, wholesalers, and jobbers have associations, which select committees whose function is to meet together at intervals. The cannerymen, wholesalers, and jobbers have devised some means for insuring complete cooperation among themselves—

It seems to me that is a violation of the law right there—

which results in keeping the canneryman from dealing directly with the consumer or with the retailer. Wholesalers and jobbers will not buy from cannerymen, in most cases, otherwise than through brokers. If retailers attempt to resist the combination by purchasing directly from the canneryman, they find it difficult or impossible to do any further business with the wholesalers or jobbers as to other groceries.

This situation compels the consumer to pay the expense of maintaining these middlemen; and in times like the present, when an unusual demand for food products exists and is likely to continue, these middlemen exert the power that inheres in this system to extort unconscionable profits from consumers, with no proportionate benefit to those who furnish the principal service, to wit, the farmers, cannerymen, and such retailers as are satisfied with a reasonable profit above the cost.

To illustrate the foregoing, we cite the increase of the price of canned tomatoes and corn in passing through the hands of those middlemen during the past year:

Canned tomatoes were sold by the cannerymen in the spring of 1916, through brokers, for future delivery, to wholesalers and jobbers, at 90 cents per dozen cans. These same tomatoes are being sold to-day by wholesalers and jobbers to retailers at \$2.25 and more per dozen, and consumers are now getting one can for 25 cents instead of the two or three cans they got for that sum prior to this season. Cans and labels, being furnished by the cannerymen, do not enter into this increase in cost in the hands of the middlemen.

Canned corn, which was sold in 1916 by the canneryman to the wholesaler and jobber at 65 cents per dozen, is selling to the retailer at \$1.75 per dozen and the consumer is paying a proportionately high price.

In view of this situation in the canned-goods trade, and of the existence of similar conditions in the trade in other food products and necessities, we urge the passage of laws to eliminate these conditions and to reduce prices to a normal basis as soon as possible.

Furthermore, in consequence of these conditions, brokers, wholesalers, and jobbers are in a position to, and many of them do, hoard up, speculate in, and demand excessive prices for these commodities; and no doubt they are in the same position with reference to many of the other necessities of life handled by them.

Later on this grand jury in the same report say something else about the wholesalers of food products, as follows:

Some wholesalers and jobbers in food products urge retailers to advance prices to the consumer—advising them to put on higher prices, which gives the wholesaler a basis for charging higher prices to the retailer. To illustrate, one of the largest wholesale dealers in Chicago sent out a circular to its salesmen containing the following paragraphs:

"Our customers, in particular, have very unusual profits within their grasp at this moment. Will they throw them away or tuck them away?"

"Jobbers are affected; they are financially interested. They urge that the greatest haul yet made by the retail grocery world be converted into tangible assets. Wholesale houses are not legally appointed custodians or guardians for anybody, but they do have an interest at this time, one that is definable and that must be apparent to all.

"Of what earthly use are 'futures' if the benefits are wantonly wasted?"

"No man ever got very far on the road to competency who was a wise buyer but a spineless seller.

"Will the grocer who has long lamented the scantiness of his profits let up now long enough to bring in the heaping basket left on his doorstep?"

"Our representatives should make themselves heard at once on this readjusting of retail prices."

That was a letter which was sent out to retailers by a wholesale dealer in the city of Chicago. Here is part of another one:

Raise your prices now on everything we have advised you will advance.

Mr. President, I have an extract from a letter of an acquaintance of mine who is now and has been in the employ of one of the leading railroads of the Northwest for more than 25 years. I do not feel at liberty to use his name, although in his letter he said nothing in regard to that. I hardly know why he wrote me, but from his letter I have taken a quotation that I

want to read to the Senate. I know him to be able, honest, conscientious, patriotic, and fearless, and a man who, while he is in the employ and has been in the employ for a great many years of a great railroad corporation and is loyal to it in every way, at the same time has a feeling in his heart that something ought to be done under present conditions to relieve the situation as it faces the ordinary consumer. He says:

When potatoes were almost unobtainable last winter, at Franklin Park, a small station near Chicago, there were at one time more than 60 cars on the track, that had been there for more than 30 days, and all paying demurrage.

He is speaking of something that he knows about, because it is a part of his business to know.

In addition to that, every warehouse along the Soo line was filled to the roof.

That line runs through Wisconsin, one of the greatest potato-producing countries that there is anywhere in the world, and at every station through the potato country there are a great number of immense storehouses used for the purpose of storing potatoes.

Again, it does not make me feel like depriving myself any more than I am now, to read that 1914 was the most successful year for industries and that the profits of the United States Steel Co. went from over \$23,000,000 that year to over \$271,000,000 in 1917; Armour & Co. from \$7,000,000 to \$20,000,000; Du Pont Powder Co. from \$4,000,000 to \$82,000,000. And I might go on indefinitely. However, such things do not encourage the sale of liberty bonds.

That letter was written at the time the campaign was on to sell liberty bonds.

Mr. President, it is announced that if this bill is passed—and I presume it will pass in some form—Mr. Hoover will be appointed by the President to have charge, in the main, of the various activities that will be provided for in the bill. I think anyone who has come in contact with Mr. Hoover as he has appeared before the committees and at other times before the public or who has been brought in contact with him in any other way must be impressed not only with the man's ability but with his honesty; and I am induced to support some of the provisions of this bill which under ordinary circumstances I would not vote for by the fact that I understand Mr. Hoover is going to be appointed to carry them out. I do not believe there is a better equipped man in the world for that place than Mr. Hoover. I am satisfied—

Mr. GRONNA. Mr. President—

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

Mr. NORRIS. I yield to the Senator.

Mr. GRONNA. I dislike to interrupt the Senator while he is speaking of the good qualities of Mr. Hoover, and I want to assure him that I have just as high respect for Mr. Hoover as has the Senator from Nebraska; but does the Senator from Nebraska really believe that Mr. Hoover knows as much about agriculture as some other men in the United States?

Mr. NORRIS. No; I do not; and Mr. Hoover certainly would not claim that knowledge.

Mr. GRONNA. That is what he will have to deal with.

Mr. NORRIS. Yes; he will have to deal with that, but he also will have to deal with a great many other things. There is not a man living, and there never will be a man living, who will be able to know about all of the things that are controlled and handled by this bill. I do not think there is any doubt of that. I have no doubt, either, that Mr. Hoover is just as anxious to protect, and will just as sincerely protect, the farmers of the country as he would protect anybody else. I think he realizes as fully as any man can that the success of his undertaking, the success of this proposed law, if it shall be inaugurated, and the success of our country in this war, if we are successful, depend more upon the farmer than upon any other one element. He must be protected.

Mr. GRONNA. Mr. President, will the Senator pardon another interruption?

Mr. NORRIS. I yield again to the Senator from North Dakota.

Mr. GRONNA. I think the Senator will remember that before the Committee on Agriculture it was stated that the only products which the allies require are the products of the farm, and especially wheat. Does the Senator believe that it is the intention of the director, no matter who he may be, whether Mr. Hoover or anyone else, seriously to consider the fixing of prices of anything except farm products?

Mr. NORRIS. My own idea is that, unless conditions should change by the developments of the war, there would not be any occasion to fix a minimum price—and that is the only kind of price that can be fixed directly—on anything except wheat. I have heard Senators suggest that we ought to fix in the bill itself a minimum price for wheat, and I am not sure that that would be the better thing to do, although it seems to me there

are so many contingencies that might arise that would make it necessary to change that price, perhaps when Congress is not in session, that I doubt somewhat the wisdom of doing it by direct legislative act. I hope it will not become necessary to fix any other minimum price than that. I do not believe there is any intention of doing so now; but conditions may arise and there may come a time when it will be necessary to fix the minimum price of some other essential products.

Mr. GRONNA. Suppose we do fix the price of wheat, and suppose we make the price of wheat exceedingly low, does the Senator believe that that will remedy the evils complained of growing out of the high cost of living?

Mr. NORRIS. No; and it is not Mr. Hoover's idea to fix the price exceedingly low. He wants to fix it so as to resolve every doubt in favor of the producer. If there is any fixing, high or low about it, he would fix it exceedingly high. He would fix it so as to take in every possible cost of production, and provide a profit on top of that.

Mr. GRONNA. Has the Senator made any comparison as to the relative value of wheat and wheat flour and other food products, and the cost thereof?

Mr. NORRIS. Well, I have not made any comparison, but I have seen a great many comparisons. I think the Senator himself gave some very valuable figures as to the comparative prices, for instance, of flour and wheat; and I have listened to Mr. Hoover also, when he has given some comparative figures on that score.

Mr. GRONNA. Is it not a well-known fact that wheat and flour and bread even to-day are the cheapest articles of food in the country?

Mr. NORRIS. Well, no; I do not think that is a well-known fact. I listened to some figures that the Senator himself gave the other day, from which I thought he demonstrated pretty fully that the price of flour, according to the price of wheat, was higher than it ought to be.

Mr. McCUMBER. Mr. President, I do not think that the Senator from Nebraska understands my colleague. He is considering relative food values. I should like to ask the Senator whether or not flour itself is not the cheapest food product there is in the United States to-day?

Mr. NORRIS. Well, Mr. President, I do not know whether it is not, but that is perfectly immaterial so far as this bill is concerned. It is one of the principal food products, and even if it is cheaper than anything else, if it is still too high, it ought to be cheapened. It does not make any difference whether it is cheaper than anything else or not.

Mr. McCUMBER. How is it to be determined whether any one article is too high? By what standard of measurement would that fact be determined? If the Senator will put himself upon record as to any other one commodity produced in the United States, I will demonstrate to him in a minute that flour is not only not too high, but that, at \$15 a barrel, it is still the cheapest thing that can be purchased in the United States.

Mr. NORRIS. Does the Senator mean by that that he thinks flour ought to advance in price from what it is now? Does he think it is too cheap?

Mr. McCUMBER. Compared with the labor that produces the raw material that the producer of flour has to purchase, I say that flour to-day is cheaper than it ought to be.

Mr. NORRIS. Now—

Mr. McCUMBER. Just a moment. If we were to give to the producers of grain the same amount for their labor, hour for hour, that we give to other producers in the United States who are engaged in equally intelligent forms of labor, then still there is a vastly lower price for flour than for anything else that is produced by human labor.

Mr. NORRIS. Now, let me ask the Senator again, does he believe that the price of flour now, as compared to the price of wheat, is too high or too low?

Mr. SMITH of Georgia. Mr. President, we can not hear the figures that the Senator mentions, and I am anxious to hear them.

Mr. McCUMBER. As compared with the present price of wheat, the price of flour is not greatly out of proportion. As compared with the price at which the bulk of the crop was sold by the farmer at an earlier period, it is decidedly out of proportion and too high. In other words, there is too much of a difference between the price paid for the wheat and the price for which flour is now selling.

Mr. NORRIS. The Senator in answering that question, I think, has got at what the object of this bill, in the main, is. Between the producer and the consumer there is too great variance in prices. The Senator says the price received by most of the producers of wheat as compared with the price of flour now makes a variation that is too great. One of the objects of

this legislation is to take away, if possible, some of the great differences between the producer and the consumer that are not necessary in the ordinary course of business.

Mr. McCUMBER. But let me correct the Senator right there.

Mr. REED. Mr. President—

The PRESIDING OFFICER. Does the Senator from Nebraska yield, and, if so, to whom?

Mr. NORRIS. I yield first to the Senator from North Dakota, and then I will yield to the Senator from Missouri.

Mr. McCUMBER. Let me correct the Senator, because we want to be fair. When the farmer was selling his 1916 crop of wheat for a price which I think has been estimated as \$1.51 a bushel, flour was not so high in price as it is now.

Mr. NORRIS. I understand that.

Mr. McCUMBER. There was a fair difference between the farmer's price and the flour price; but after the farmer got rid of his crop, then many considerations came into being that raised the price of wheat, and flour went up, even though the first purchaser of the wheat that went into that flour did not pay a price for it that would warrant the present price of flour.

If the Senator will allow me a word further, it is just the same as the case of a merchant who purchases a stock of goods when they are cheap. Suddenly, within a month or two, they treble in price, and the merchant immediately raises the price of the whole consignment of goods he has.

Mr. NORRIS. Yes.

Mr. McCUMBER. And sells them all upon that advanced price. That is just what the flour dealers are doing to-day.

Mr. NORRIS. Of course there is nobody who has disputed that. I do not think anybody has contended otherwise. Flour has gone up in accordance with the way wheat went up, but that does not do away with the fact that the majority of the men who produced the wheat sold it before it went up.

I am not complaining of the miller; I am not making any charge against the miller; I practically have no charge to make against anyone.

These people are getting all they can for what they can sell, and I presume everyone would do that.

Mr. REED. Mr. President—

Mr. NORRIS. In just a moment I will yield. I think it was illustrated the other day by a letter the Senator from Ohio [Mr. POMERENE] read from a coal operator, who said, in substance, that the operators were getting fabulous and outrageous prices for their coal, but he said, "We can not help it; there are men ready to pay it; and everybody else is charging the same price." It will never help the poor washerwoman who has to buy coal to say that there was no competition in coal and that somebody else would have paid the same price charged to her. She eventually pays it. The condition that exists, though it comes about naturally, must have, I believe, some remedy, and it is the object of this bill to provide a remedy. It may not do so, but I hope it will.

Mr. REED. Mr. President—

Mr. NORRIS. I yield now to the Senator from Missouri.

Mr. REED. Mr. President, I think that nine-tenths of the trouble now confronting us arises from an entire misunderstanding of terms and of a few fundamental facts. The Senator from Nebraska represents a great agricultural State, and the Senator from Nebraska is a perfectly fair man. I do not always agree with his conclusions, but I do agree with his fairness; and so I want to see if we can not get at one or two facts here through the medium of a colloquy.

The Senator says that he wants to eliminate speculative prices between the producer of agricultural products and the consumer. Now, let me ask him, in the first place, what he means by the "consumer"? Does he mean the ordinary citizen who buys at retail, or does he mean the retail merchant, having in mind the prices paid by him? We must get at that point to get anywhere.

Mr. NORRIS. I think I mean both of them.

Mr. REED. Of course, we will not get anywhere if we do not consider it seriously. I really am serious about trying to arrive at it.

Mr. NORRIS. I am serious, too; I am answering the Senator seriously, and I think I realize what the Senator is leading up to. So far as this bill is concerned, it eliminates the retailer.

Mr. REED. Let me say—

Mr. NORRIS. Just let me refer to that for a moment. In theory, at least, we ought to go beyond the retailer. In practice, however, it would perhaps be an impossibility, because there are so many of them and this machinery is going to be complicated, anyhow; it is going to be top-heavy; and we shall have to confine ourselves to that portion of the distance between the producer and the consumer that is measured on the far side

of the retailer, not, perhaps, because we want to do so, but because of the very necessity of the case.

Mr. REED. Mr. President, that gives us a starting point. The Senator proposes to eliminate whatever profits or extra charges may be made by the retailer, because he recognizes the fact that it is impracticable to regulate the profits of the retailer. I say now, for the sake of clarity, that it is impossible to do that unless you deal with every particular case by itself, because the profits of a groceryman who is renting a storeroom and paying \$1,500 a month rent or \$2,000 a month rent must be different than the profits that are necessary for the groceryman who is paying \$100 a month rent. The prices that must be charged by a man who delivers to a little local neighborhood must be or may be different than the prices charged by a man who delivers several miles from his store. So that each one of the retailers must be taken by himself, and therefore the necessity of eliminating them.

Now, I want to ask the Senator if he does not know that it is true that fully 50 per cent of the increase of price between the producer and the ultimate consumer is added in the retail institution?

Mr. NORRIS. I presume that is true. I know quite a large part of it is added by the retailer.

Mr. REED. Yes. So we have now already eliminated from the equation one-half of these alleged speculative profits, and we are not going to be able to reach them, whether they are just or unjust. I add at this point that it is perfectly absurd to say that there can be any combination between the numerous grocery stores and meat markets of a town under ordinary circumstances, and that if one should get his price much too high the others would speedily cut into the trade.

Now let us go to the next point.

Mr. NORRIS. I believe that kind of a combination would be possible, but as a practical proposition it is a good deal like the farmers combining; it is not practicable.

Mr. REED. No. Now we will go to the next step. Does the Senator claim that this speculation that we are going to reach—the 50 per cent that is left of it—is to be found among the wholesalers? If so, to what extent, and what evidence have we of it?

Mr. NORRIS. Mr. President, I do not think the Senator was in the Chamber, but I have gone over that somewhat—not nearly to the extent, I think, that I might have gone—and read from a report of the Trade Commission, from a committee investigating Washington, and from other evidences, showing, for instance, in regard to the entire canned-goods crop of the country, what profits were made by the jobbers who brought the canned goods from the canners.

Mr. REED. Mr. President, I saw those figures, given out by the Federal Trade Commission; and I say to the Senator and to the country that I was astounded that any board claiming to take official cognizance of trade conditions would present to the country the kind of figures that were presented by the Federal Trade Commission, at least in some respects. Let me call attention to them.

It asserted that robbery was being practiced, and proved it by showing that the retail price for a can of tomatoes was about twice as much at the present time as the wholesale price of that can of tomatoes was a year ago. Now, to begin with, everybody who has any sense at all knows that the groceryman buys his cans of tomatoes by the case or by several cases, and maybe some of them buy them by carload lots; I do not know; but they get them in large quantities in bulk. When they sell them, they generally sell them a single can at a time; and when they sell that single can they generally have to tote it from their store to a residence that may be miles away. Everybody knows that if you went to that same groceryman and proposed to back up your wagon and take a case of tomatoes, take them in the same form that he buys them, he would sell them to you for much less than the retail price on the basis of a single can. So the figures that this illustrious and sometime famous board down here give us by comparing retail prices with wholesale prices are not a fair basis of comparison.

Now, I call attention to another thing. We are getting a little away from the question I wanted to discuss, but while I am on it let me discuss this for a minute. A comparison was made of this year's retail prices with last year's wholesale prices. Mr. President, the currency of the world has almost doubled in that length of time. The price of every conceivable thing has mounted. In addition to that, there was a short crop last year and an abnormal demand this year. So that these figures that these gentlemen gave did not demonstrate speculation; they did not demonstrate extortion; they did not demonstrate anything, to my knowledge, except that the Federal Trade Commission had not gone to the bottom of the question.

I will tell the Senator where I think there is some reason for complaint with the wholesale trade that has been demonstrated, and where I think some relief can be had. It is in evidence here by a grand-jury report that certain members of the wholesale trade, having sold goods to the retailers, and having observed a rise in prices, and desirous to raise prices themselves, have sent to their retailers a demand, or what amounts to a demand, that they shall raise their prices. Now, Mr. President, that is a violation of the Sherman Antitrust Act.

Mr. NORRIS. Mr. President, let me interrupt the Senator right there to say that I have already put in those figures, and I have already said what the Senator has said now—that, in my judgment, the very grand-jury report shows on its face, if it is true, that there was a violation of the Sherman Antitrust Act.

Mr. REED. Exactly; but will the Senator let me conclude my statement, so that it will not be partial? There was put in the Record the other day a telegram showing that the Colgate Soap Co., which had been regularly selling its soap to a large wholesale house in Tennessee, had demanded that that house should raise its price upon soap which it had already bought, and had said to it, "If you do not raise your price, we must consider you an undesirable customer," and that upon this Tennessee wholesale house refusing to comply, the Colgate Co. refused any longer to sell it soap.

There are other things that I do not care to go into that point very clearly, in my mind, to the fact that there are certain of these institutions engaged in those practices. Every one of those practices that I have heard mentioned can be reached and ought to be reached by the Department of Justice of the United States and by the departments of justice of the several States and counties of this Nation.

I do not think we gain a single thing by proposing to abandon criminal processes against rogues of that sort and to substitute for the criminal laws of this country the mandate or dictate of some man or some board.

I should like to ask the Senator, however, if he believes that there is in the wholesale business, growing out of the practices that we have referred to, such an extensive system as has materially affected the prices of the country?

Mr. NORRIS. Mr. President, I want to say to the Senator that I do. I want to refer to the report of the grand jury, which I have not at hand at this moment, as it has been taken by the reporter. I read from that report the fact, as I remember now, speaking from memory, that the wholesalers and the jobbers had bought all of the canned goods of the country from the canners and were engaged now in selling them to the retailers at a profit somewhat in excess of 100 per cent. It seems to me that that is an exorbitant profit—

Mr. REED. Yes.

Mr. NORRIS. Particularly when they buy the goods before the farmer has raised the products that are canned, and they sell them again before that time. I am not complaining of that. That is a method of doing business, but it only demonstrates that they do not even have money invested in it for any great length of time until they get it back from the retailer, and they are charging a profit of from 100 to 150 per cent in that one transaction.

Mr. REED. Mr. President, if the Senator will pardon me, I understand it to be true that the regular course of business is for the canners to buy goods in advance of the season—I mean for the wholesalers to buy goods in advance of the season—

Mr. NORRIS. Well, the canners do it, too.

Mr. REED. To contract for it in advance, and that what was done this year is what has been done regularly every year. I want to ask the Senator from Maine [Mr. FERNALD], who is in that business, what the facts are in regard to that.

Mr. FERNALD. Mr. President—

Mr. NORRIS. I yield to the Senator from Maine.

Mr. FERNALD. I ought to know something about this matter. It has been my business for 30 years, and I propose to be absolutely fair in what I have to say. There are so many inaccurate things said, not from any desire to be unfair but from a lack of knowledge, that it seems to me this is a proper time to set this matter right.

Referring to the article that has been read by the Senator from Nebraska, while some parts of it are true, there are statements in it that are absolutely untrue. The regular course of the purchase of canned goods is this:

Every canner in the country, I suppose, so far as I know—and I think I know most of them—sells his goods in advance. The vegetables that are to be packed this year were sold last winter, in January or February.

We have to furnish the farmers with their seed and fertilizer and make preparations for the coming pack; and in doing that,

in naming our price, we have to determine what it is going to cost to pack the goods. The goods are sold from 6 to 10 months before they are ever packed. In order to do that we must determine the price of cans, the price of solder, the price of labor, and the price of everything that goes to make up the canned pack.

There has been an advance in canned goods during the past year. The article from which the Senator has read would show that there has been a very great advance, but this was for just one year. I have known years when jobbers lost money on canned goods. It is not an absolutely sure proposition that you are going to make money because you are dealing in canned goods. Some years you make and some years you lose. If the dispositions of all men were the same there would not be much activity in business; but when a packer goes out to sell his goods in the winter months, he goes to one buyer, who is an optimistic fellow, and he looks to the future and sees a profit in buying at the price that is made by the packer. Another buyer is of a pessimistic nature. He buys less than he naturally would buy. He looks forward to the future and sees a prospect that the war is to be closed and that people are to return to their natural vocations of labor, and he buys less.

This is what was done last year in the jobbing trade. Now, the man who bought last year rather more than his usual wants has had goods to sell now. The jobber who bought less than he usually needed has been short, and he has been obliged to go to the man who had the goods to sell. The man who had the goods, knowing that for two years there has been only 65 per cent of a normal delivery, has been able, in order to supply his retail trade and have goods to carry his retail merchants through, to make an advanced price.

The price named for corn in the article from which the Senator read was 65 cents. There is an error there. That price was 95 cents. Another error is that I do not know of a single packer in this country who does not sell to anybody. There is no combination among the packers of the country. There is no reason why we should not sell to the retailer; and, so far as I know, every packer does sell to the retailer. He sells to the individual; he sells to anybody that will pay the price.

The price depends altogether upon the conditions and the elements.

Some years we may have a very large pack; we pack 140 or 150 per cent of the normal. Perhaps the next year it is only 65 per cent of the normal. The price depends entirely upon the crops. Within five years I have seen the finest apple crop that was ever grown in this country rot upon the trees because there were more apples than the people could consume. Within five years, and I think within three years, we have seen cotton at the lowest price that it was ever known to bring, because there was a large crop. So these prices depend entirely upon the crop conditions.

If a minimum price should be established on any one thing, that price, in order to be a fair one, would have to be changed every day of the year. Last year, for instance, we had a very small potato crop. The demand for potatoes was unusually large because of the conditions in the foreign countries that have been in the habit of raising enormous crops of potatoes. Our country raises but a very small part of the potatoes that are raised in the world. Russia, under normal conditions, raises three times as many potatoes as we raise in this country. Germany, under normal conditions, raises four and a half times as many potatoes as we raise in this country. France raises about the same, rather more than we raise in this country. In addition to these crops being cut off in foreign countries, there was an unusual demand in this country because of the fact that every farmer was asked to plant a larger acreage. New York State alone planted 77,000 acres extra of potatoes. My State of Maine planted 46,000 acres extra of potatoes. It takes six bushels of seed potatoes to plant an acre, so the conditions that arise from a large acreage made a tremendous demand for potatoes, and the price went as high as \$12 or \$14 a barrel. Now conditions have entirely changed, and there is going to be a large crop of potatoes, and they are down to \$2 and \$4 a barrel. So that any price that might have been named three months ago which would have been considered a fair price then would be at this time an exceedingly unfair price to the consumer.

In my judgment these matters adjust themselves. I do not think it is the wise thing to undertake to set a price on any article. Certainly if a price is to be established on one thing, everything that the farmer buys ought to have a price established on it. One commodity that has not been mentioned in the discussion up to this time—and I must say that it has been very thoroughly argued on both sides—is the question of labor. About 60 per cent of the cost of producing a crop anywhere in this country, certainly in my part of the country, is the cost of

labor. If a price is to be established on the farmer's crop, certainly that must be taken into consideration.

It seems to me, however, that we are working from the wrong angle here. Everybody seems to admit that the farmer has not tried to advance prices, and that he has not received any too much for his crop, either potatoes or wheat or any of the crops that he raises; but it is this "wicked middle man" that is spoken of. I do not know who he is. I know that the canned-goods broker gets 2 per cent for doing the business; I know that the jobber does not make any too much, and everybody knows that only about 2 per cent of the retailers of this country succeed.

This is a very serious question with me. It is a matter which I believe deserves all the consideration it is having at this time in order to determine just what is the right thing to do in this matter. If there were any way in which we could stop the hoarding or stop the gambling or stop any unfair practices or methods of trade in regard to cereals or food products, I would go to any length to get at that fellow; but it has seemed to me, not being an attorney, that by enforcing the Sherman antitrust law or the Clayton antitrust law or the Federal Trade Commission law, or from some source or from some amendment that might be added, we might stop that unfair competition, if there is any.

Certainly the crops must be financed. As the Senator from North Dakota has said, the farmers can not carry these crops. They have been patriotic in furnishing the largest acreage of everything in this country, as they were asked to do. Every farmer has gone to the limit, and has raised every acre that it is possible to raise—in fact, even more than he finds himself able to harvest without some help from the State or Government.

In my State the farmers are writing me letters to the effect that something must be done to give them labor. In Aroostook County, Me., that is raising the largest crop and the largest acreage of potatoes that was ever known in the county's history, the farmers write me every day that something must be done to furnish labor to harvest that crop. Those are things that must be considered if we are going to consider the price of foodstuffs in this bill.

I do not feel that this article which the Senator from Nebraska has read is entirely fair to the jobbers. I do not feel that it is entirely fair to the canners. There is no combination among the canners of the country, the meat packers, the vegetable packers, the fruit packers, because you gentlemen who come from every State in this Union where they have canning factories know that no such combination exists, and know that there is not a packer, so far as I know, but that is willing to sell his goods to anybody. But it has been found to be an economical way of handling goods to sell to the jobber, and, as the Senator from Missouri says, they are not sold by the can or the case or the hundred cases, but they are sold by the carload. The packer distributes his goods by the carload, in large quantities, and it is not possible for the packer to carry those goods.

Because of the conditions surrounding the plants in my State all of the goods have to be shipped out before the cold weather sets in. Before it begins to freeze in our warehouses the goods must be distributed, and they have to be sold in order to be distributed before the freezing weather sets in. All of these things are considered by business men, by the canners themselves, and they themselves work out the most economical plan for handling those products.

While I am not at all interested in the wheat crop, it seems to me to be entirely unfair to take a single article and determine what the market price of that article shall be. It is not fair to the farmers of the West who are raising wheat, in my judgment. It would not be fair to take one article in my State, such as potatoes, and determine the price at which potatoes should be sold, because the conditions surrounding the growing of the crop determine what the price should be, and those conditions are changing every day.

Senators, while we have discussed this measure at considerable length and for many days, I feel confident that there has been no filibustering or attempting to filibuster, because every day I am enlightened; but when such articles as this appear, it seems only fair that any Senator who knows about these things should tell the facts exactly as they are. If there is any combination, no man in this Senate will go further than I will after the unfair operator; but it does seem to me that having had the Sherman antitrust law on the statute books for 27 years these offenses can be reached under that law. If it is not strong enough, let us make it stronger. Two years ago it was suggested by Senators that it was nobody's business in particular to attend to the enforcement of the Sherman antitrust law.

I beg the pardon of the Senator from Nebraska for taking up so much of his time. I rose just to make clear the matter

to which he referred, and I felt that he would be glad to get such information as I might have on the subject.

Mr. NORRIS. Mr. President, I am very much obliged to the Senator from Maine, and I am satisfied that the Senate appreciates his contribution to this discussion.

Mr. SHERMAN. Mr. President—

Mr. NORRIS. I yield to the Senator from Illinois.

Mr. SHERMAN. The Senator from Maine [Mr. FERNALD] finds the same trouble among his constituents that we do in the Mississippi Valley country—shortness of labor. Nobody has yet discovered, it seems, a remedy for that condition; but the Legislature of West Virginia has made a very sensible move in a statute passed May 19, 1917, and in effect June 19, which requires every able-bodied male citizen of West Virginia to have some occupation, profession, trade, or calling. If he has not, they bring him before a magistrate and adjudge him guilty of vagrancy, and put him to work.

With the Senator's permission I should like to offer for printing in the Record a circular letter addressed "To all manufacturers, coal operators, and mill owners," signed by John J. Cornwell, governor of West Virginia, attached to it being a copy of this extraordinary statute, which appears to be a very sensible one in many ways. I should like to have it inserted as a part of the current information in regard to the inquiry made by the Senator from Maine.

Mr. NORRIS. I have no objection, of course, to its insertion, Mr. President.

The VICE PRESIDENT. In the absence of objection, the matter referred to will be printed in the RECORD.

The matter referred to is as follows:

STATE OF WEST VIRGINIA,
EXECUTIVE DEPARTMENT,
Charleston.

To all manufacturers, coal operators, and mill owners:

On June 19 the act passed by the last legislature requiring all able-bodied male residents between the ages of 16 and 60 years to work at least 36 hours each week becomes effective. To aid in the enforcement of this law you should report to the mayor of your city or town, or to the nearest justice of the peace, the names of any persons on your rolls who do not work the 36 hours any week during the war and who have no good excuses for not working.

I suggest, also, you keep an honor roll of employees who work full time, post a copy of the honor roll in a public place, and send a copy to this office.

We have a roll of the chronic idlers in the State and would like to obtain a list of men who work full time at their various callings. The men who put all their time and energy into production of any kind of commodities during this war are doing real patriotic service and records should be kept of their service.

Respectfully,
JNO. J. CORNWELL, Governor.

[Advance copy of an act of the Legislature of West Virginia, second extraordinary session, 1917, being Senate bill No. 7, passed May 19, 1917. In effect 30 days from passage.]

An act to prevent idleness and vagrancy in West Virginia during the continuance of the war in which the United States is now engaged.

Be it enacted by the Legislature of West Virginia:

SECTION 1. It is hereby declared to be the duty of every able-bodied male resident of this State between the ages of 16 and 60 years to habitually and regularly engage in some lawful, useful, and recognized business, profession, occupation, or employment whereby he may produce or earn sufficient to support himself and those legally dependent upon him.

SEC. 2. From the time this act becomes effective, and thenceforward until six months after the termination of the present war between the United States and the Imperial German Government, any able-bodied male resident of this State between the ages of 16 and 60, except bona fide students during school term, who shall fail or refuse to regularly and steadily engage for at least 36 hours per week in some lawful and recognized business, profession, occupation, or employment, whereby he may contribute to the support of himself and those legally dependent upon him, shall be held to be a vagrant within the meaning and effect of this act and shall be guilty of a misdemeanor, and upon conviction thereof shall be fined not more than \$100 for each offense, and as a part of such sentence and punishment such offender shall be by the trial court ordered to work not exceeding 60 days upon the public roads or streets or upon some other public work being done by and in the county in which such person shall be convicted, or by any municipality therein. One-half of the fair value of any such labor so performed under such sentence shall be paid by the county or municipality receiving the same toward the support of any persons legally dependent upon such vagrant, but if there shall be no such legal dependents, then no payment shall be made on account of any labor performed under such judgment. Any labor so required by a judgment of conviction hereunder shall be rendered in all respects as is now provided by law in the case of other prisoners in jail.

Prosecutions for vagrancy hereunder shall be instituted and conducted as other criminal prosecutions, and in no case shall the possession by the accused of money, property, or income sufficient to support himself and those legally dependent upon him be a defense to any prosecution under this act. In no case shall the claim by the accused of inability to obtain work or employment be a defense to a prosecution hereunder unless it shall be proved that the accused promptly notified the proper representative of the State council of defense of his inability to obtain employment and requested that work or employment be found for him and that such employment was not furnished him.

SEC. 3. All justices of the peace, mayors, and police judges within the State are hereby given jurisdiction to try and punish all offenders under this act, or such prosecution may be by indictment. Each week or portion thereof that such resident shall continue a vagrant hereunder shall constitute a separate offense, and no appeal shall be allowed from

any judgment of conviction for a vagrancy unless the accused shall give bond, with penalty and security to be fixed and approved by the court granting the appeal, conditioned not to violate this act during the pendency of such appeal. Any judgment for the performance of labor hereunder may be suspended by the court pronouncing the same upon the execution by the person convicted of a bond, with the penalty and security approved by the court, conditioned to comply with the provisions of this act for one year from the date of such bond. A violation of the condition of such last-mentioned bond shall entitle the State to recover the amount of the penalty thereof, and in addition thereto the convicted person shall be rearrested and required to serve the sentence formerly pronounced against him.

SEC. 4. For the purposes of this act any male person found in this State shall be deemed a resident, and in any prosecution hereunder proof that the accused habitually loiters in idleness in streets, roads, depots, pool rooms, hotels, stores, or other public place, or that he is habitually intoxicated, or is addicted to the use of narcotic drugs, or is a professional gambler, or, being able bodied is supported in whole or in part by the labor of any woman or child, shall be prima facie evidence of vagrancy.

SEC. 5. All acts and parts of acts in conflict with this act, or any part hereof, are hereby repealed.

Mr. NORRIS. Mr. President, I was very much interested in what the Senator from Maine said. However, he is laboring under a misapprehension as to my attitude on at least a good many things he mentions. I do not think anybody has thought for a moment that a price on canned goods should be fixed arbitrarily by some governmental authority. I do not think anybody has contemplated that. I have not heard it suggested. I do not believe myself it would be a practical thing to do.

I have been reading from the report of the grand jury in Chicago. I suppose their report was made up from conclusions drawn from the testimony of witnesses who appeared before them. I have no knowledge as to any combination among the packers. In fact the statements in this report of the grand jury that might be construed to mean that there was a combination among canners had not occurred to me until the Senator from Maine spoke. That was not the object in reading it. What I was showing was that the jobbers who bought the canned goods of the canners had sold them at a profit to the retailers, in many cases, of considerably over 10 per cent. The grand jury report says they bought up practically the entire product of the articles mentioned in the report.

Mr. REED. Mr. President—

Mr. NORRIS. I yield to the Senator.

Mr. REED. It appears from the statement of the Senator from Maine that that is the ordinary custom.

Mr. NORRIS. Yes; buying up any product; that is the ordinary custom. The report of the grand jury says that.

Mr. REED. Buying it a year in advance.

Mr. NORRIS. Yes; there is nothing wrong about that that I know of.

Mr. REED. What I am trying to get at is something practical. The Senator, I take it, would hardly claim that a wholesaler's profits could be limited by law, or that if a wholesaler happened to have on hand something that the country was short of and the price went up he could not reap the benefit of the price.

Mr. NORRIS. No; but Mr. President—

Mr. REED. If the Senator will kindly let me finish the question; of course, I am proceeding by his courtesy alone.

Mr. NORRIS. All right.

Mr. REED. Therefore are we not left to this, that about the only place the law can lay its hand on the wholesaler is if he engages in some conspiracy in restraint of trade or if he seeks to create a monopoly in trade, and if he does not do either the one or the other we can not reach him at all unless we reach him under the clause—the hoarding clause of the bill which we recently passed and which the House has not yet seen fit to consider? Is not that about all that we can do?

Mr. NORRIS. No; I do not agree with the Senator. That would not be hoarding. The practice that is spoken of here, the profits mentioned here by the grand jury, would not be hoarding.

Mr. REED. No; the Senator did not understand my question. I asked is there anything else that we can do except to get him for conspiracy in restraint of trade or for endeavoring to establish a monopoly or else under the hoarding provision that we recently passed which the House has not concurred in. I am referring to all three of them.

Mr. NORRIS. The Senator refers to the definition for hoarding in section 6 of this bill?

Mr. REED. No; I refer to what we call the Poindexter-Walsh amendment.

Mr. NORRIS. Oh, yes; probably we could reach him under that. My own idea has been that the conditions described by the grand jury existing among the jobbers in canned goods showed on its face that there was a violation of the Sherman antitrust law, that it was a conspiracy in restraint of trade. That seemed plain to me.

Mr. REED. That is my opinion, if the report is accurate.

Mr. NORRIS. If the report is accurate and is taken for its face value. That is true, Mr. President, of a great many of the things that we are attempting to remedy by this proposed legislation. That is true of the coal situation, which the Senator from Ohio [Mr. POMERENE] laid before us the other day. I am one of those who, while favoring the bill, still have always believed that if the Department of Justice would follow up its duty a great many of these conditions, nearly all of them, would be found to be violative of the Sherman antitrust law and subject to prosecution.

Mr. REED. Now—

Mr. NORRIS. Just let me go a little further.

Mr. President, I have seriously debated in my own mind whenever these things were presented whether it was wise to do what is wanted to be done by the administration in passing this bill or to stand up and say that is a violation of existing law, and if you do your duty you will prosecute these men as violators of the law. I have always rather resolved the doubt in favor of the Department of Justice or the administration and thought they were going to enforce the law. I believe here is a condition existing that absolutely demands a remedy, and I have better resolved the doubt in favor of giving them the kind of law they want.

Mr. REED. The Department of Justice is not asking for this law. I say to the Senator, I think the antitrust laws could be strengthened. When we had the Clayton bill before us it came to us from the House of Representatives a very strong and forceful measure. It was emasculated in the Senate and against its emasculation I contended as bitterly as I have been contending on this bill.

Mr. NORRIS. And I was with the Senator in his contention.

Mr. REED. The Senator will remember that we were told at that time it was desired that the bill should have these stringent provisions taken out of it. That argument was urged. I do not know that it does any good to go back and refer to this matter except as a lesson, and the lesson ought to be for Congress to exercise its own judgment and do what it thinks is right.

I started on a theme with the Senator, and I have been getting along so well I want to take a further step. We have dealt now with the wholesaler and we have dealt with the retailer. Now, what other element is there that we can reach that is controlling the prices of food between the producer and the consumer? Is there anything left but the boards of trade? Does the Senator think so?

Mr. NORRIS. I presume the fellow who hoards food or the corporation that hoards food would probably not be strictly included in the class the Senator has alluded to.

Mr. REED. What would the Senator mean by that; the cold-storage house?

Mr. NORRIS. Possibly, I would mean those that are defined by section 6 of this act.

Mr. REED. Now, let us come to the cold-storage plant. I think we can get some light on that if we will deal with it fairly. Of course, we all know that a cold-storage plant properly operated has a tendency to get better prices for the producer during the season of great plenty when there is a surplus.

Mr. NORRIS. Yes; it has a tendency to equalize prices to the consumer.

Mr. REED. Exactly.

Mr. NORRIS. And it is a good thing for both the producer and the consumer if properly managed.

Mr. REED. And gets lower prices for the consumer in the time of scarcity.

Mr. NORRIS. Yes, sir.

Mr. REED. So if it is properly operated it is a great blessing. It is that which enables us perhaps to have eggs in January in plenty and to have apples and other edibles in January and February and March, when we could not get them otherwise. Now, does the Senator know of any evidence of any holding in the cold-storage plants of this country sufficiently great to account for any very large increase in prices? I have been waiting for that evidence.

Mr. NORRIS. I saw the statement—it seems to me it was in the paper this morning; if it was not the morning paper, I read it in something to-day or within a few days—that at the present time there is a larger quantity of meat, of poultry, of eggs, and several other kinds of products in cold storage than there has ever been in cold storage before in the history of the United States, and at a time when the prices are higher than ever before. That of itself might not necessarily mean that there was anything wrong, but it would be evidence of it.

Mr. REED. Let us assume there was more meat in cold-storage houses, or more eggs or more chickens, is it not true that there is not more than enough there to make up in ordinary

times for the deficiency of our shipments to Europe occasioned by the interference through the German blockade? I am trying to differentiate between—

Mr. NORRIS. That would not necessarily make any difference with the amount. If there is more of these food products in cold storage now than there ever has been at any one time in the history of the United States it would be some evidence, at least, that there was something tending toward holding back products that ought to be released.

Mr. REED. If the motive was not to hold them to run up American prices; but if they were held because they had been purchased, perhaps at high prices, and were being held for the European market and not for the purpose of booming prices in this country, or forestalling the market, the Senator, of course, would admit that to be quite a different question than if the motive had been otherwise.

Mr. NORRIS. I do not say that because there was a larger quantity now than ever before there is necessarily anything wrong in it. I say that would be perhaps evidence, and good evidence, of a hoarding or of a combination.

Mr. REED. Now, without any evidence as to combinations, the fact that there is more on hand, it seems to me, does not argue very much. Besides, I call the Senator's attention to the loose figures which are constantly given out. I called attention to the fact that the statement which was in the papers and went all over the country that there were 100,000,000 eggs in cold storage sounded big, and yet it would not have made one breakfast for the American people.

Mr. NORRIS. No; but let me say to the Senator the statement that I said I thought I read in the paper to-day was a report from the Agricultural Department, these storage houses reporting to the Agricultural Department in answer to their inquiries. The statement was put out by the Agricultural Department. There has been such a statement within the last few days from the Agricultural Department.

Mr. REED. Whatever that fact may be, if there is an actual conspiracy, the Sherman law would meet it, would it not?

Mr. NORRIS. I should think so.

Mr. REED. If it was just a hoarding, then the Walsh-Poin-dexter amendment would probably reach it.

Mr. NORRIS. That has not become a law as yet.

Mr. REED. No; but I am speaking about what we can do.

Mr. NORRIS. I think it would if it were a law.

Mr. REED. Now, let us proceed. We have reached the point that these conditions can be remedied by existing laws or by the bill we have just spoken of. Now, where else do we come to, except boards of trade? I want to get the Senator's view in regard to boards of trade, because there has been very much said about them, and it is almost all a man's life is worth to say a word with reference to them unless it be a demand that all the members be executed without trial. I want to call the Senator's attention to a letter: which I have here from a grain firm in Amarillo, Tex. I will just read a sentence to him:

Wheat harvest is on in Texas and Oklahoma. Wheat is being daily offered for sale, but there are no buyers. The mills, elevators, the exporters, are all afraid to acquire any wheat, fearing drastic action by the food administrator as soon as the present bill is passed. If a given price is fixed by this department as a fair value for wheat, it will mean that the farming interests of the country will be forced to carry this wheat, as the Government is not prepared to handle it, and will not be able to meet his obligations under these conditions, and the grain business of the country, unless it is absolutely controlled and operated by the Government, will be paralyzed.

It is almost the universal opinion of grain men throughout this section that this bill will prove ineffective and disastrous. Rabid speculation can be stopped without resorting to means embodied in the present bill.

Mr. NORRIS. I hope the Senator will let me proceed now.

Mr. REED. I was proceeding with the Senator's consent. I wish to ask him now if he does not recognize the fact, after all this debate, that if we close the grain exchanges of the country and do not provide some other market for the farmer or some means of carrying his grain we will deprive him of his market?

Mr. NORRIS. Yes; probably we will.

Mr. President, the letter that the Senator has read shows that there is a fear, and I am told it is more or less general. I think there are some reasons for the fear. I believe naturally from the very fact that we are legislating, that this bill, as important and as stringent as it is, is pending in the Senate, without anybody being able to tell just what may be the outcome, it will necessarily follow that in the country there should be some uncertainty in regard to the markets of the products that are affected by the bill. I do not believe, however, that that is a sufficient reason why the bill should be defeated. In my judgment that is one of the natural effects that would exist now. It will be cured, I think, when the bill is enacted

into law or when it is defeated; in other words, when the question is settled. It is in an unsettled condition now and necessarily must affect more or less, regardless of the merits of this measure, the markets of the United States.

Mr. SHERMAN. Mr. President—

Mr. NORRIS. Just wait a moment. The Senator from Maine and the Senator from Missouri have taken an hour and a half in questions now. I should like to have just a few minutes and then I will yield to the Senator.

I started to say when I was interrupted by the Senator from Missouri that the Senator from Maine, in my judgment, has a misconception as to what those who favored this legislation are trying to accomplish, a misconception of what would be done if the bill became a law. He evidently was laboring under the impression that if the bill became a law there would be a price fixed on canned goods and the per cent of profit that the wholesaler would be allowed to make, that there would be a price fixed on everything; and yet, in his argument in favor of protecting the farmer, he said if you fix the price of the farmer's wheat then you must fix the price of the things the farmer has to buy. If it were a definite price, I believe that would be true; but the law does not anticipate that anything except a minimum price shall be fixed for the farmer, and it is the intention of those who put it in the law that that shall be for the farmer's protection and the farmer's benefit. If that would be to his injury, then those who favor this legislation are mistaken. While there are things in the bill that to a certain extent indirectly will permit the President, through the powers that are given him to affect the maximum price, there is no direct fixing of a maximum price for anybody for anything. Of course, to protect the consumer, on the other hand, it is necessary, if we are going into it at all, that the President, or whatever board should have this authority, should have the power by which the consumer could be protected.

We have the two extremes. Both of them must be protected. It is the object of this legislation to protect them both, and therefore the stringent regulations through which the power is given to the President to control even the profits of some of the men, corporations, and institutions that are dealing in food products from the time they leave the producer until they reach the consumer.

Now, those are drastic propositions. As I said in the beginning, they almost startle one; but we are living and legislating in a condition the like of which has never before existed. I believe the evidence is sufficient and is ample and is practical, within the common knowledge of all, that the high cost of living is going to make it absolutely necessary that some steps be taken by the Government to protect the people against the high prices. Now, that is true, regardless of the cause of the high cost. It may be like the coal dealer said, "We are getting too much money, but we can not help it." They are getting it and somebody has to pay it. The consumer in the end foots the bill. We may be mistaken as to the necessity of passing this legislation. I may be wrong. I confess I have a lot of doubt about almost all of it; but I know of no other way than to do the best under all the circumstances. After listening to all the evidence that has been offered, I am going to do the best for all the people as I see it.

The Senator from Missouri said he did not understand that the Attorney General wanted this bill, or was asking for it, rather. I think those were his words. Of course everybody knows it is an administration measure. The President wants it; the Attorney General wants it; every member of the Cabinet wants it. I say that without finding fault with anybody. It is not suggested in a critical sense, but it is true nevertheless, and everybody knows it.

The doubt that I have about a great many of these things which we are trying to cover here being already covered by existing law I think enters the mind of practically all legislators who have given the subject careful consideration. The fact that the Senator from Maine, himself a canner and understanding the business thoroughly, has claimed that there is no combination among canners, when there was not any charge made that there was such a combination except as it incidentally appeared in the report, does not, in my judgment, do away with that part of the grand jury's report in which they set out the letter that the jobbers have written to the retailers asking them to increase the price, telling them that now is the hardest time, when they themselves are making a profit of over 100 per cent on the goods as it passes through their hands. You may call it legal or illegal, but if that condition exists it is one that must be remedied. The great consuming public can not always tolerate it or put up with it. With the increase in the cost of living and the increased taxation there must follow suffering and misery among a large portion of our people, and

it will reach that class who heretofore have been living at least in comfort if not in partial luxury; and with that condition, even if we escaped revolution, we would not be in a proper condition to fight successfully a great war.

I yield now to the Senator from Illinois.

Mr. SHERMAN. The Senator may go on and close.

Mr. REED. Will the Senator let me put in the figures on wheat and flour? We were dealing with that a little while ago. It is just the market quotations.

Mr. NORRIS. I did not hear the Senator.

Mr. REED. A while ago the Senator was dealing with the relative prices of wheat and flour.

Mr. NORRIS. No; I was not dealing with it; it was the Senator from North Dakota [Mr. McCUMBER]. If the Senator wants to put in the figures, I have no objection. I would be glad to have him do it.

Mr. REED. I just thought it would be in the interest of accuracy.

Mr. NORRIS. Yes; I would be glad to have the Senator do it.

Mr. REED. The Journal of Commerce of to-day shows practically no wheat moving in New York. So I can not give the New York quotations for wheat; but in Chicago July wheat is quoted at \$2.05, in Kansas City at \$2.04, in St. Louis at \$2.03. The Chicago market is always a few cents below the New York market. Unfortunately I do not have the Chicago price for flour, but I do have the New York price for flour, and it is as follows: Patent, \$11.75 to \$12; straight, \$11.40 to \$11.65; clear, \$10.50 to \$10.75; low grade, \$6.25 to \$8.50.

It will be observed therefore that the price of flour in New York per barrel is probably not more than five times the price of a bushel of wheat, and accordingly there is, as I have concluded, a complete harmony between wheat prices and flour prices.

Mr. NORRIS. Has the Senator concluded?

Mr. REED. Yes; I just wished to put those figures in.

Mr. NORRIS. I think it would be well to call the attention of the Senate to the letter that the Senator from Iowa [Mr. KENYON] put in the RECORD on the 25th day of June. It appears to be a report of the grand jury. I do not care to repeat it. It is already in the RECORD under date of June 25, on page 3919, where it is shown that the report of the grand jury in Chicago was practically duplicated in the State of Iowa.

From information gathered—

This letter says—

I find that the sweet-corn pack for Iowa for 1917 will approximate 2,000,000 cases of two dozen cans each. During the month of January this pack was sold to jobbers at from \$1.76 to \$1.80 per case. In quoting prices for delivery of this pack the jobbers ask \$2.90 to \$3.20 per case—

That is about the same kind of increase the jobbers had at Chicago that the grand jury were investigating—

The sale price by the canners I have from records and the delivery price I obtained from the dealers who have asked for quotations. The pack for 1916 was sold at from \$1.20 to \$1.36, and for this corn, which is in the hands of the jobbers, quotations from \$3.20 to \$3.50 are made. These figures I have from records of sales and purchases.

I do not believe there can be any doubt on that proposition, Mr. President, and that some of these profits are enormous. The Senator from Ohio [Mr. POMERENE] showed the other day from the quotations that the men who mine coal are charging 100, 200, 400, and, I think, in some cases, as high as 600 per cent in excess of what they charged a year ago for the same coal, and some of them, in their own letters, admitted that they were not justified in doing it. Coal enters into every home; it comes to every fireside. The poorer people suffer from this increased price, and most of the middle class, in my opinion, because they must all have fuel as well as food.

In conclusion, I wish to put in the RECORD a letter written by myself to Mr. Hoover, and his reply. I wrote this letter on behalf of some of the farmers' organizations or their representatives here, who were fearful as to what Mr. Hoover contemplated in case this bill became a law. I will not take the time to read it, but I think it is a fair answer, although Mr. Hoover is unable to answer definitely all the questions that I put to him.

Mr. STERLING. Will not the Senator read it?

Mr. NORRIS. My letter is quite long, and he answers the questions by number and does not repeat the questions, so it would not be intelligible to have it read. One must have it before him and read it. I might read the questions I asked him:

1. Is it your purpose to take over any of the big productive plants of the country, such as packing plants, large grain elevators, and flouring mills?
2. If you do, what protection will you give the small plants in the same line, which will be, in a measure, shut out from the Government market?

3. What changes do you have in mind making in our present live stock, grain, and other markets?
4. Is there any class of business men that you have in mind that it will be necessary to eliminate?
5. Will you eliminate, for instance, the commission merchant who receives consignments to these markets, such as hay, live stock, grain, or produce?
6. If the commission merchants are to continue to do business, how will your department handle them?
7. How do you propose to handle the small industries of the country in your system of distribution, such industries as small packing plants, small flouring mills, etc.?

Mr. President, I ask to insert the letter and Mr. Hoover's answer in the RECORD, without reading.

The PRESIDING OFFICER (Mr. MYERS in the chair). In the absence of objection, permission to do so will be granted.

The matter referred to is as follows:

WASHINGTON, D. C., June 22, 1917.

Hon. HERBERT C. HOOVER,
New Interior Department Building, Washington, D. C.

MY DEAR MR. HOOVER: I have been requested by the representative of the National Farmers' Cooperative Association to ask you several questions. I intended to have asked these questions this morning, if the hearing that was contemplated had been had, but since that hearing has been abandoned and no other hearing arranged for, I thought best to submit the questions to you by letter. These questions are asked in no spirit of antagonism or ill will. I understand from the representative of the National Farmers' Cooperative Association that the association is friendly to the enactment of the so-called "food-control bill." However, these farmers are somewhat anxious to know just what will be the condition at the close of the war of the farmer elevator companies. Not many years ago the farmers were shut out of the central markets, so that they were compelled to sell to the local grain dealers. They were not able to ship as grain dealers were to the regular markets of the country and have their grain sold by commission firms as the grain from the elevators was sold. Then organizations of farmers were formed but it was some time before these organizations were even recognized. They had some difficulty in getting commission merchants to handle their business. The work of organization was continued, however, and now all the markets of the country are open to them, very much the same as they are to the grain dealers. These farmers naturally have some anxiety as to the future of their organizations. They do not want to stand in the way of any regulations that present conditions seem to warrant. They are, however, anxious that when the present emergency has passed and peace again has come, that they will not find themselves out of business, with a long struggle ahead of them to again gain recognition. They have some fear that if the big plants are taken over and operated under Government supervision that such operation might work an injury to the smaller plants controlled and operated by the farmers themselves. They feel that the farmer elevator companies are now a most effective competition to the larger plants, and they are anxious that no step be taken, so that at the close of the war the business would be entirely controlled by the larger plants, those taken over by the Government during the war. The questions which they desire me to ask you are as follows:

1. Is it your purpose to take over any of the big productive plants of the country, such as packing plants, large grain elevators, and flouring mills?
2. If you do, what protection will you give the small plants in the same line, which will be in a measure shut out from the Government market?
3. What changes do you have in mind making in our present live stock, grain, and other markets?
4. Is there any class of business men that you have in mind that it will be necessary to eliminate?
5. Will you eliminate, for instance, the commission merchant who receives consignments to these markets, such as hay, live stock, grain, or produce?
6. If the commission merchants are to continue to do business, how will your department handle them?
7. How do you propose to handle the small industries of the country in your system of distribution, such industries as small packing plants, small flouring mills, etc.?

Your early attention and reply will be greatly appreciated by

Yours, truly,

G. W. NORRIS.

WASHINGTON, June 29, 1917.

Hon. GEORGE W. NORRIS,
United States Senate, Washington, D. C.

DEAR SENATOR NORRIS: In reply to your letter of the 22d. Nothing whatever has been determined in any direction with regard to the matters which you mention. We have been giving a great deal of thought to the whole question, and have had consultations with numerous bodies and persons interested in one trade and another, with a desire that all plans formulated should, so far as humanly possible, receive the support of the people interested and should be adapted to their needs so long as they do not trespass upon paramount public interest.

As to the questions which you ask, I should say as to question No. 1, for instance, that it is not our present purpose to do anything of the sort, but a national emergency might arise within the next five years when it would be necessary. Question No. 2, therefore, falls out. Question No. 3 I simply can not anticipate. The matter is under study and differs with each different commodity. Question No. 4 and question No. 5 can be answered in the negative, provided they are prepared to accept regulation in the interest of the country as a whole. Question No. 6 depends entirely on the licensing clause in the bill as to what can be done for the protection of the consignee. This clause has been under alteration so many times that it seems impossible to define now what kind of regulations could be imposed. Question No. 7 and the whole of the questions generally seem to be based on the theory that we propose to take over industry and operate it for the Government. This is not either our view or my understanding of the legislation proposed, which is based entirely on a sense of regulation so as to excise as much as possible wasteful practices, exorbitant profits, and vicious speculation.

I would like to suggest that if the National Farmers' Cooperative Association can arrange to send a delegate to Washington, it would

be a great assistance to us to discuss the whole situation. We are very anxious to initiate nothing which will disturb the growth of such institutions.

Yours, very truly,

HERBERT HOOVER.

Mr. SHERMAN and Mr. NEW addressed the Chair.

Mr. NORRIS. I yield first to the Senator from Illinois, who rose awhile ago.

Mr. SHERMAN. Does the Senator desire to speak on this point?

Mr. NEW. No; I want, if the Senator from Illinois will yield to me just a moment—

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

Mr. NORRIS. I yield to the Senator if he wants to ask me a question.

Mr. NEW. Has the Senator from Nebraska concluded his remarks?

Mr. NORRIS. I have, except that the Senator from Illinois wanted to ask me a question. After I have replied to him I shall yield the floor.

Mr. NEW. What I desire to say concerns another subject.

Mr. NORRIS. Then I yield to the Senator from Illinois.

Mr. SHERMAN. In connection with what the Senator from Missouri [Mr. REED] said as to the market found by the Texas farmer for wheat, I desire to add, because it relates to the same subject, the condition of the wheat trade in Chicago on the 9th day of July, 1917.

Mr. NORRIS. I have no objection, Mr. President; but I shall be glad to have the Senator from Illinois put that in.

Mr. SHERMAN. The article to which I refer states:

SLOW TRADE IN WHEAT.

Wheat trade has become insignificant. Receipts are small enough to confirm the reports of exhaustion of old supplies. With premiums still firm for good wheat, there is little being offered; and primary arrivals for the week were less than half as large as a year ago. The export trade as well as the buying of new wheat by dealers is of small proportions, as all business in wheat is waiting developments at Washington. Until it is known definitely what the program of the food administration will be, there will be little doing in this cereal. Millers are buying wheat in a hand-to-mouth way, but the flour trade also is quiet and waiting developments.

Hog receipts in the West for the week were 365,700 against 427,300 a year ago. Receipts showed a big falling off from the previous week, largely on account of the holiday. Prices for hogs have been fairly strong, and a better demand for fresh and cured meats was reported, while the demand for lard was slow. The foreign demand is expected to be good, although quiet at the present time, while the domestic requirements will be liberal.

In connection with the same matter mentioned in the report of the Federal grand jury of Chicago, a copy of which I also have, signed by the foreman of the grand jury, Mr. Gorgenson, there is another matter that has been placed in the CONGRESSIONAL RECORD by the Senator from Florida [Mr. FLETCHER]. It concerns the Colgate Co. I think it is very similar to the matter mentioned in the report of the grand jury in Chicago, but it is not exactly the same state of facts.

Mr. NORRIS. The Senator has reference to a telegram which was read at the request of the Senator from Florida.

Mr. SHERMAN. I refer to the telegram and to other matters, including an advertisement and communications from a wholesale grocery firm at Memphis, Tenn. I should like to have these matters in the CONGRESSIONAL RECORD connected with the grand jury report in Chicago. It shows a similarity of dealings that I think are unfair.

Mr. President, I want to ask the Senator from Nebraska if this is not directly related to the bill that has been pending in Congress for one or two sessions, which is known as the price-fixing bill, or the resale-price bill, commonly known as the Stephens bill? In the case to which I have referred the Colgate Co. undertook to do exactly what this bill would permit if it were enacted into law. It would control not only the merchandise which is consigned to the agents and held for sale as their representatives, but it as well undertakes to fix the price on absolute sales where the title passes to the purchaser and the property is paid for. Not only that, but in the Memphis, Tenn., case the wholesale grocers had bought from the Colgate Co. a quantity of soap of a certain brand—the Octagon brand, I believe it is called—and owned it and had paid for it, and because they would not raise the price to the wholesale grocers' trade on the stock they had bought and paid for to a figure which would be equal to that for future sales of a like soap from the Colgate Co. the manufacturers and these jobbers put them on the unfair list, wired them that they were undesirable customers, and refused to sell them any further supplies of this kind. What would the Senator think of a transaction of that sort?

Mr. NORRIS. I do not know what the Senator means by asking me what I think of that kind of a transaction.

Mr. SHERMAN. Ought it to be legalized, as contemplated in the Stephens bill?

Mr. NORRIS. No; it ought not to be legalized.

Mr. SHERMAN. That will come up at some time.

Mr. NORRIS. I am not in favor of the Stephens bill, I will say to the Senator. I do not believe that that kind of practice ought to be permitted, much less legalized. There ought to be no doubt that it is illegal.

Mr. SHERMAN. If the Senator will permit me, I desire to say that the same practices are known to me in innumerable instances.

Mr. NORRIS. Well, it is stated in this grand jury report—although the Senator from Maine [Mr. FERNALD] says that he does not think that is true—

The canners, wholesalers, and jobbers have devised some means for insuring complete cooperation among themselves which results in keeping the canner from dealing directly with the consumer or with the retailer.

I can see, I think, however, that the Senator from Maine, being in the canning business in Maine, might not have knowledge of the custom or practice, or the conspiracy, if you want to call it such, that is in existence in the vicinity of Chicago among canners there who do business on that market.

Wholesalers and jobbers will not buy—

This report says—

from canners, in most cases, otherwise than through brokers. If retailers attempt to resist the combination by purchasing directly from the canner, they find it difficult or impossible to do any further business with the wholesalers or jobbers as to other groceries.

That is somewhat similar to the case which the Senator from Illinois puts, regarding the Colgate Co.

Mr. SHERMAN. They are the same general course of business.

Mr. NORRIS. The same general principle is involved in each. Of course such things are wrong, as I look at them, and they ought not to be permitted.

Mr. SHERMAN. Not only in the case referred to in Memphis, Tenn., but in many instances in the city of Chicago, manufacturers have sought to control the prices of goods in the hands of jobbers, who were in turn told to increase their prices to the retail dealers who could recoup themselves by increasing the prices to the consumer. This practice is universal, and, I think, Mr. President, in connection with the Senator's concluding remarks, that it is a question for the district attorneys of the various districts in which these practices occur, and, to use a phrase that I do not like very well, to coordinate their activities in a number of cases of this kind so that they may secure a general advance on offenders.

Mr. McCUMBER. Mr. President, I judge from the argument of the Senator from Nebraska [Mr. NORRIS], that he favors a minimum price for the wheat product. I have been waiting a long time here for anyone who favors that minimum price to give me the practical application of his theory. I want to know what the standard of measurement should be in fixing the minimum price. I want to know, Mr. President, because I feel that many a mere theory will meet its Waterloo whenever it is brought up against the battery of reason; and I want to take this theory of the Senator, that seems to him to be plausible; and I should like to ask him, or any other Senator, how he would operate this method of fixing a standard of measurement?

I remember in 1912 my friends on the other side were promising the dear public that the farmer would get better prices for his wheat and for everything else that he produced, and that the consumer would pay less for the things to eat which the farmer produced. I could not very well, then, understand how that could be worked out satisfactorily to both sides; but now I find a class of Senators here who feel that they can work that out in an entirely satisfactory manner. It is a Chinese puzzle that I should like to have solved by those who are advocating it.

They want to keep down the price of bread to the ultimate consumer and they wish to raise the price of wheat to such a standard that the farmer can make money out of it, even with the higher cost of labor, while he is farming.

Now, what will be your rule? Will you fix a definite standard of, say \$2 per bushel? Well, let us see how that will work out. I will go down into Nebraska and perhaps raise 20 bushels of wheat to the acre this year, and if the price is \$2 per bushel I would get \$2 a bushel for a 20-bushel-per-acre crop. That would be an excessive price to charge against the consumer. I think we would all admit that that would be a little heavy. The average yield of wheat, I think, throughout the United States, taking one year with another, is about 13 bushels. But now we will suppose you fix the price at \$2 per bushel, and your farmer down in Nebraska, on the basis of last year, if he would raise the same crop in 1917 and would apply that rule to this year's crop, would receive \$40 an acre.

The farmers in my State raise about 5 bushels of wheat per acre. Am I correct, I will ask my colleague, because he is a better farmer than I?

Mr. GRONNA. The Senator is correct.

Mr. McCUMBER. The farmers in my State raise about 5 bushels of wheat to the acre. Then, if you would give them \$2 a bushel, they would realize but \$10 an acre; and with \$10 an acre, in view of the present price of labor in the United States and what the farmer must pay for everything he purchases, he could not make a living. Then you would have one class receiving almost double what perhaps would be right and another class not receiving half of what is right. I inquire how are you going to determine it? What rule are you going to apply that will be satisfactory alike to the producer, the miller, and the final consumer?

Mr. REED. Mr. President—

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

Mr. McCUMBER. I yield, Mr. President, because I am trying to get information.

Mr. REED. I do not rise to give any information.

Mr. McCUMBER. I am sorry.

Mr. REED. I rise to get some information. The Senator's analysis, of course, is very disturbing to the price regulator. The Senator has been asking the question how are "you," meaning the Congress, going to fix a price?

Mr. McCUMBER. Yes; or a food commissioner or anyone else.

Mr. REED. I was going to ask the Senator this question: Of course, the price must be fixed in advance of the sowing of the crop. If Congress can not fix it, how is anybody else going to fix it?

Mr. McCUMBER. I am trying to find out how anyone could fix it in a manner that would be entirely satisfactory to both the consumer and the producer.

Mr. HARDWICK. Mr. President—

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Georgia?

Mr. McCUMBER. I yield to the Senator from Georgia.

Mr. HARDWICK. Possibly the Senator might get a satisfactory answer to that sort of a question from Col. Mulberry Sellers.

Mr. McCUMBER. Yes; he was always very optimistic, as I remember.

Mr. President, I think the difficulty can be solved, and I am going to suggest a method now. Although I will not argue that the amendment which I intend to propose is a solution that is going to work with absolute justice and equality to everyone, it is a solution that will at least approach equity. We can not say what will be a fair price, a just price, for crops that are going to be raised in 1918, because we do not know whether we are going to raise in any great section half a crop, whether we are going to raise a quarter of a crop, or whether we are going to raise a bumper crop, and what would be reasonable would depend entirely upon the quantity produced by a given section. If a farmer ordinarily produces 13 bushels per acre, we could take that as a fair average and base our price upon that; but the yield fluctuates. For instance, in 1915 it ran from 20 to 40 bushels per acre in my State, and the very next year the yield dropped down to about 5 bushels per acre. It is upon the yield per acre that we must base any estimate of what it costs the farmer per acre; and who can prognosticate as to what the weather will be in any particular section of the country, or what the crop yield will be per acre?

Mr. President, I am going to suggest an amendment, not that I can offer it now, because we have not yet completed the consideration of the committee amendments, but I will make the suggestion to the Senate. It is conceded by everyone that the farmer is entitled to a reasonable profit upon his investment. If he raises only a half crop, it requires three-fourths as much labor as it does to raise a full crop, and he ought to have a greater price for that half crop per bushel or per acre than he would have if he raised a much larger crop—not in the same proportion, but at least he should have a greater price. Suppose that we simply provide a guaranty in this bill to encourage the farmers of this country to produce next year all the wheat they can produce by saying to them not that we will fix a price but will ascertain the amount they have invested in farm lands over a given area of the country. For instance, as to spring wheat the area would embrace the two Dakotas, eastern Montana, and Minnesota. There is produced in those three States practically all of the spring wheat. It is a singular fact that if we have a failure or a half failure or a quarter failure in any one part of this vast section the same influence is felt to a great extent over the whole section.

The crop was short throughout Minnesota, throughout the two Dakotas, and throughout Montana last year. The crop was exceedingly good in every one of those States during the year 1915, and if you take the figures for a period of several years—15 or 20 years—you will find that that rule prevails with very little variation. We know what the average value of land in my State is, and it is very easy to ascertain what is the usual reasonable price paid for farm labor. We can estimate very carefully, as soon as we know what the crop is, what it has cost to produce that crop in a large section, and exactly what that crop would have to sell for to pay the labor and to pay a reasonable return upon the investment. If the Government will say to me next year, "We will guarantee a full return upon your investment," I will see that every acre of land that I own in the State—and I have a considerable number of acres there—will go into wheat, and I will take my chances that the Government will deal fairly with me and that I would get what my wheat was worth. That is all I have a right to ask during this time of stress when the country itself may be battling for life. Such a guarantee would encourage the farmer; it would assure him a fair return. If he raises a good crop and the market does not bring him a fair return the Government will say, "I will stand ready to see that you get so much for your grain, and if the market prices do not reach that level I will make it good to you by purchasing it, and I will purchase enough of it so that I will hold the price up to that standard."

Mr. FLETCHER and Mr. NORRIS addressed the Chair.

Mr. McCUMBER. I think I ought first to yield to the Senator from Florida, who first rose.

Mr. FLETCHER. I was just going to ask the Senator a question. The Senator said that the average value of land in his State was known. I was not quite clear in my mind as to that, and I would like to ask the Senator if he will give the figures.

Mr. McCUMBER. I think a fair average would be about \$40 per acre.

Mr. FLETCHER. Is that for land before it has ever been cleared and cultivated or put in shape for cultivation?

Mr. McCUMBER. Yes; a fair average would be about \$40 per acre. Now, I think that we can work out something along that line that will be fair. I am willing to vote \$2 a bushel, if Congress thinks that wise, but I think the plan I have suggested would be fairer to the Government and fairer to all sections of the country. Then if an exceedingly large crop is raised, we will say in the Kansas, Nebraska, Oklahoma, and Texas section, where they raise practically the same kind of grain under practically the same atmospheric conditions, we could arrive at what their crop down there was worth, and if they raised twice as much as we did in the Northwest they would not be entitled to twice as much per bushel. That is the only method, Mr. President, that I can imagine that would be fair to all sections and to all producers alike.

Mr. KING. Mr. President, will the Senator yield to me?

Mr. McCUMBER. Certainly.

Mr. KING. With the permission of the Senator, I would like to direct his attention to a matter he has just discussed, which was that it was impossible for the Government to fix the price of grain. Doubtless the Senator remembers that Lloyd-George, and those associated with him in the government, after full investigation, fixed the price to be paid the farmers of England for wheat up to and including the year 1921, and that the maximum to be paid was, as I remember, \$1.80 per bushel; that this maximum was for one year only, and then was reduced, so that the farmer for the last year is to receive but \$1.40 per bushel.

Mr. McCUMBER. Yes.

Mr. KING. Without expressing approval or disapproval of the action of Lloyd-George, or of the excellent argument of the Senator from North Dakota, I should like to inquire whether he thinks the action of Lloyd-George was wise or unwise, and whether it was practicable and politic in the light of the conditions in which Great Britain found herself? I would also like the opinion of the Senator as to whether or not it would be impossible for our Government to fix a price, taking into account, of course, the labor question, the increased prices to the farmer of the commodities purchased by him, and all the ramifications that are involved in farming activities?

Mr. McCUMBER. Mr. President, Great Britain is a little country, about two-thirds the size of Minnesota. The proportion of acreage that can be planted in wheat, for instance, would probably be not more than one-quarter of the acreage of the State of Minnesota, and a favorable yield would reflect alike all over that little island, so far as the crop is concerned. Great Britain raises very little wheat. She is a purchaser of wheat, and, therefore, it would be quite easy, if she has the power, to say what she will pay for wheat or to commandeer the wheat

of Canada or commandeer the wheat of Australia, even though by doing so an imposition were worked upon the farmers who produce that wheat.

Mr. KING. Mr. President, will the Senator pardon a further interruption?

Mr. McCUMBER. Let me just add this: This country, on the contrary, must be an exporter of grain. No two great sections of the country are subject to exactly the same conditions. There may be a complete failure or a two-thirds failure in one section of the country, and at the same time a bumper crop in other sections. So the Senator can see how a general law fixing definitely a standard price must necessarily work inequitably over so vast an area and under such conditions.

Mr. KING. What I was about to suggest, of course, would not change the position or argument of the Senator; but I ought to have stated that Great Britain, in addition to fixing the price to be paid for wheat, also fixed the price for barley, oats, rye, and potatoes, covering the same period to which I referred a moment ago.

Mr. McCUMBER. Yes. I can not say how it will work out in England, except that I understand that it works out very unsatisfactorily, and that the law of supply and demand probably would work to better advantage than the rules they have applied. There may be a difference of opinion upon that, and I confess that I have not such definite information as would allow me to form an accurate judgment.

Mr. KING. If the Senator will pardon me a further suggestion, the information I have also indicates that, instead of its having a bad effect and diminishing the acreage cultivated, the action of Lloyd-George has increased very largely the number of acres the farmers have cultivated. It seems to have stimulated production and encouraged agriculture. Whether it was because he fixed prices so high as to encourage production or other causes entered into consideration, I am unable to speak with certainty; but, at any rate, the statements made by Lloyd-George and by others, so far as I am advised, are to the effect that the action of the Government in establishing prices has stimulated production very greatly and increased the acreage cultivated in Great Britain.

Mr. McCUMBER. Mr. President, there is another reason why it would work very much more equitably in Great Britain than here. Under her prescription laws she will use her conscripted forces at home upon the farms, if necessary. I do not know that we have any such power here in the United States; and even if we should attempt to enforce such a power and use a class of laborers upon the farm who are not used to farm labor, I very much fear that we would not make a success of it. Take the average boy in the city of Washington who has spent most of his afternoons and evenings at a 10-cent movie show. He has not that muscle or strength which will enable him to stand and pitch bundles for 16 hours steadily upon a farm in North Dakota, and sleep on the barn floor during the night. I think we would find that he would be a failure. I think we would find that the average laborer, who has been receiving a dollar and a quarter an hour for doing three-fourths of a day's work laying brick here in the city, would faint the moment the farmer in North Dakota indicated the character of work he would be expected to do side by side with one of the farmer's own sons in taking care of the crop of any year. I am certain it would be a failure.

I remember some years ago there were sent from England to Minnesota a number of boys, with the idea that they would be taught farming. They were the sons of well-to-do men, and they had no employment in England. Some of them committed suicide, others died because of the hardships, and none became successful farmers. So the average boy who is brought up in the city can not do farm work. I admit that those who are used to shoveling all day long and doing that kind of work could possibly perform farm labor. But, Mr. President, getting right back, you have got to fix a price that will be satisfactory to both the consuming public and the producing public. If you are to allow the farmer for his son and his wife and his daughter the prices you pay here in the city of Washington for a colored laborer, for a colored cook, or for a colored table waiter, you are not going to get any wheat for \$2 a bushel, or even \$2.50 a bushel. What the farmer has been suffering from all of these years, and that which has created more discontent than anything else in the world, is that as a matter of fact, with an ordinary crop, the net earnings of the farmer and his sons and grown-up daughters do not exceed 20 cents a day, as against \$1.25 an hour for your carpenter, for your plasterer, for your paperhanger, for your bricklayer, or for anyone else engaged in the building trades.

While I am on that subject, we are complaining about the high cost of articles at retail. I do not know many of the re-

tailers that are making any exorbitant profits. I know they charge very heavy prices; and it is surprising, when you recall the manufacturer's price of a given article, and buy the same thing in any retail store here, to find that it has increased from several hundred to several thousand per cent; but what is the trouble? You have got to construct houses to live in; you have got to have buildings in which to do business and if the brickmaker and the bricklayer and the carpenter and the plasterer and the paperhanger and everyone else, including the plumber, must have prices that will range from seven to ten dollars a day, how in Heaven's name can you expect the retailer to sell goods very cheaply in those costly edifices? How can you expect the clerk, who is receiving \$2 a day, or the laborer, who is receiving from \$2 to \$2.50 a day, to live well when he must purchase his products in structures that are built with labor costing from \$10 to \$15 per day? When you get right down to the real question, it is that maladjustment in the labor market to-day that is at the bottom of all of your high prices in the city.

I will elucidate that more when I come to discuss the amendment, and when that amendment is before the Senate. I simply give out these little feelers in order that you may give the matter some thought and some consideration, and see if you can not arrive at the real trouble that is afflicting our body politic to-day.

Mr. CALDER. Mr. President—

The PRESIDING OFFICER (Mr. KELLOGG in the chair). Does the Senator from North Dakota yield to the Senator from New York?

Mr. McCUMBER. I yield to the Senator from New York.

Mr. CALDER. I know that the Senator is anxious to be accurate. I live in New York City, and I build houses occasionally. The average wage of a mechanic approximates \$5 a day in New York City. In some of the trades the wage is higher. The bricklayers get as high as \$6 a day. That is the highest wage paid to any mechanic in the building trades. I will say to the Senator, though, that the common labor, the unskilled laborer, the man who mixes the mortar in the street and carries the brick and mortar up to the man who lays the brick, is paid to-day from \$3.50 to \$4 a day. The time is coming, too, I will say to the Senator, unless we secure more common labor for New York and the other large cities, when the unskilled laborer will be paid as much as the skilled laborer; but the wages are not in the neighborhood of \$10 or \$15 a day.

Mr. McCUMBER. Mr. President, out here to-day and next Sunday carpenters will be working and receiving \$14 a day—\$7 for week days and double price on Sunday—for eight hours' labor, so I am informed. Why, in my State last fall a banker was putting up a little building. I asked him what he was paying. He said he was paying the brick men \$10 a day. Now, as a rule, these wages are much less out in the West than they are in your cities, and they are running here all the way from \$1 even up to \$1.25 an hour for some of the labor.

Mr. CALDER. I employ these men myself in my State.

Mr. McCUMBER. Oh, yes; I know they run five and six and eight dollars a day; but remember that the farmer gets but 20 cents a day as against your six and eight dollars a day.

Mr. CALDER. He has my sympathy; but of late, Mr. President, it may be said that he has been "getting his."

Mr. SHERMAN. Mr. President—

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Illinois?

Mr. McCUMBER. I yield to the Senator from Illinois.

Mr. SHERMAN. In fixing prices and in legislation of this kind, I wish to inquire from the Senator whether he has not heard the experience of other countries referred to, especially England? I think we all have; and I should like to add, if the Senator will permit me, at the close of his remarks, an extract from the Corn Trade News, of Liverpool, England, edited by George Broomhall, who is a statistician of world-wide note, whose ability we all recognize, in which this language occurs:

The international wheat market finds itself, as it were, in two watertight compartments. In North America supplies available are abundant, with prices fluctuating widely from week to week. In Europe the supplies available for millers are severely restricted by Government regulations, prices meanwhile are held firmly at a high level, or, in the case of native wheat, which is still a free market, prices are steadily mounting upward, as high as \$9s. per 504 pounds having been realized on at least one provincial market yesterday, a rise of nearly 30s. per quarter since the wheat commission was called into existence last October to check the exploitation of the public by corn merchants and others and to conserve the supply of foodstuffs in the United Kingdom. This persistent rise in the price of wheat in this country affords a good instance of the powerlessness of a government department in combating natural economic laws. No one in his senses would think of accusing the royal wheat commission of the intention of exploiting the public in the matter of its food supply, but the fact remains that since the commission came into existence the position of the consumer in this country has greatly worsened in every respect. During the first two years of

the war, before the wheat commission was called into existence, we had some experience of fits of high prices; for instance, English wheat rose as high as 62s. a quarter in the year 1915, and as high as 60s. a quarter in the year 1916; but as offsets to these high prices there were periods in each year of low prices; for instance, in 1915 the price fell as low as 42s. 9d., and in the first nine months of 1916, before the commission came into existence, it fell as low as 46s. 3d. During the past five months, since the wheat commission has held control, prices from a consumer's point of view have gone from bad to worse, rising in the case of British wheat by over £1 per quarter, and in the case of foreign wheat by 10s. or 15s. a quarter. Flour has risen 10s. a sack and been reduced in quality by several shillings. Millers' sharps have risen about £2 a ton and bran about £5 per ton. Maize, oats, and barley have risen proportionately.

We show in a tabular form the course of prices of British wheat since the outbreak of war:

Price of British wheat per quarter of 480 pounds, since outbreak of war, during four periods of time.

	Lowest.	Highest.	Average period.
	s. d.	s. d.	s. d.
1914, between Aug. 4 and Dec. 31	4 9	43 3	29 0
1915, 12 months	4 9	62 0	53 0
1916, 9 months, whole market was free	6 3	60 0	55 2
Period during which wheat commission has had control, Oct. 10 to date	59 2	82 0	72)

¹ Price ruling when commission began operations.

² Average price to-day for whole country per 480 lb.

We think the course of events, as outlined above, should convince the newspaper critic and the thoughtless public speaker that the charge brought against the wheat merchant of exploiting the public may have been ill founded. If a Government department in full control of a market can not prevent prices from rising, what chance has a mere merchant of making his influence felt?

In North America, as we have said, prices are fluctuating widely from week to week. During the past week the swing of the market has been upward, May wheat in Chicago, St. Louis, and Kansas City having advanced about 8 cents per bushel; in Duluth and Minneapolis, 6 to 7 cents per bushel. July wheat on the winter-wheat markets advanced about 5½ cents per bushel; in Duluth and Minneapolis, 7 cents per bushel. September wheat in Chicago advanced 3 cents per bushel. In Winnipeg, May advanced 4½ cents per bushel, July 3½ cents per bushel, October 5½ cents per bushel. The South American markets, Rosario and Buenos Aires, have advanced 40 to 50 cents per bushel (10 cents per bushel is the equivalent of about 4½d. per quarter).

Mr. McCUMBER. I have understood that general criticism has been leveled against the action taken in Great Britain, but I have nothing more than those reports to go by.

Mr. LODGE. Mr. President, when I spoke a day or two ago upon this bill, I made some allusion to the current and widely diffused reports in regard to the intent of the gentlemen who were to be invested by this bill with power in regard to making prices for sugar. I said that I had heard that they were endeavoring to make a price to the domestic producer which would leave him little or no profit, because he had already made his beet contracts, and then I referred particularly to Cuba. It must be remembered that the Cuban sugar, duty paid, makes the price in this country.

I had heard it said, on what I thought good authority, that it was the intention of the controllers of food to compel Cuba to make a very low price, and to compel her to do so by withholding foodstuffs from the island. I thought, apart from the economic objections, that to treat, with an absolute disregard of treaties, a country which is our ally, and virtually under our protection, and which has followed us into the war, would be a very great mistake.

I received this morning a letter from Mr. Hoover telling me that the reports to which I have referred—the rumors, if you choose to call them so—were wholly unfounded so far as he was concerned.

I am extremely glad to hear it. I wanted to make this statement, because he was kind enough to write me a letter saying that they had no foundation; and I am very glad to know from so high an authority, who is to be charged, certainly in large measure, with fixing the food prices in this country, that he did not intend to compel Cuba to make an unduly low price on her sugar.

Mr. CHAMBERLAIN. Mr. President, may I suggest to the Senator that I believe, too, that he was corroborated in the statement by the representative of the beet-sugar interests.

Mr. LODGE. Oh, yes. Mr. Hoover sent me a letter from the representative of the organization, Mr. Peterkin, saying that they were satisfied with the arrangement which had been made with them. Precisely what that arrangement was I do not know, but if they are satisfied it shows that Cuba has received proper treatment, because it would be impossible to fix the domestic price without regard to the Cuban price.

Mr. REED. Mr. President—

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

Mr. LODGE. I yield to the Senator.

Mr. REED. It might be suggested that if what is commonly known as the Sugar Trust is satisfied with the price agreed upon, the consumer may not be so well pleased. So far as I am concerned, I should like to know what that agreement in regard to price was.

Mr. LODGE. Mr. President, the gentleman whose letter Mr. Hoover inclosed did not represent in any respect what is known as the Sugar Trust. He did not represent the refiners. He represented the beet-sugar interest in this country.

Mr. HARDWICK. In which the Sugar Trust has a considerable interest.

Mr. LODGE. It may possibly have a dispassionate interest in it.

Mr. HARDWICK. Dispassionate? It has a financial interest.

Mr. LODGE. At all events, Mr. Peterkin, who is the head, said that he was satisfied with it. What prices have been made for the country by the beet-sugar people and Mr. Hoover, of course I do not know. That was not stated to me.

Mr. REED. Mr. President, may I ask the Senator from Massachusetts if he does not think that the public have such an interest in this matter that they have really a right to know what agreement has been made in regard to one of the prime necessities of life?

Mr. LODGE. I think it will be disclosed in time. Of course, the price fixing was done, I assume—it must have been—by fixing the price on Cuban sugar; so much on the raw sugar in Cuba, so much for freights, so much for refining, so much for sales, and as good a differential as the beet-sugar people could get for their additional cost of transportation.

Mr. HARDWICK. Mr. President, if the Senator will yield, will he please tell me how, even if we pass this bill, Mr. Hoover could possibly do that?

Mr. LODGE. I do not know how he could do it. Apparently he has done it without the bill.

Mr. HARDWICK. He could not do it with the bill, to save his soul, in my judgment; and I know something about beet sugar.

Mr. LODGE. I only know what was said to me. He said that the rumors I had referred to in regard to the fixing of prices in Cuba were unfounded, and he inclosed a letter from the representative of the beet-sugar interests in which he spoke of the entirely satisfactory character of the arrangements made with Mr. Hoover.

Mr. HARDWICK. In other words, he has consulted them about it?

Mr. LODGE. He consulted them; certainly. They are the chief domestic producers. I do not know whether he consulted the Louisiana people or not or whether he consulted the Hawaiians or the Porto Ricans. The person who expressed satisfaction was the representative of the beet-sugar interests; and, as I say, it must be by fixing the price on Cuban sugar, because the imported sugar, duty paid, fixes the price.

Mr. WATSON. Mr. President—

Mr. LODGE. They must have made some agreement that Cuban sugar, duty paid, and with all the additions that I have mentioned, should not go above a certain price, and that was satisfactory to the representative of the beet-sugar interests.

Mr. HARDWICK. Mr. President, I did not intend to say anything about this matter, but it happens that sugar is one of the few things connected with the tariff that I do know something about. It is utterly impossible for Mr. Hoover, even if we pass this bill, to regulate the price that we will pay for Cuban raws, unless Cuba undertakes to regulate by law in her own country what price they shall bring there; but that is neither here nor there. It looks to me like a marvelous proposition that this gentleman, who holds no office, who has no official position in this Republic, to presume and assume to go around and make agreements with different interests about what he is going to do after we pass a law.

Mr. JONES of Washington. Mr. President—

Mr. LODGE. Mr. President, if the Senator will allow me to interrupt him, I do not want to be misunderstood. Mr. Hoover sent me this letter, and he also sent a copy of it to the Senator from Oregon [Mr. CHAMBERLAIN] in charge of the bill, who thought it would be well that I should make a statement saying that those reports to which I have referred were unfounded—

Mr. HARDWICK. I am not criticizing the Senator from Massachusetts—

Mr. LODGE. And I am very glad to do it, because I do not wish to do injustice to anybody.

Mr. HARDWICK. The Senator understands that I am not criticizing him. I was simply wondering by what power, by what right, by what authority, Mr. Hoover assumes to be mak-

ing arrangements, in advance, about prices, when he has no authority of law to do it.

Mr. JONES of Washington. Mr. President—

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Washington?

Mr. HARDWICK. I yield to the Senator.

Mr. JONES of Washington. I got the impression from what the Senator from Massachusetts said that Mr. Hoover has already fixed the price of sugar.

Mr. HARDWICK. It seems so; so what does it matter whether we enact any law or not? Of course, I do not think there is much necessity to do it; it seems that authority is to be assumed and exercised, anyhow.

Mr. WATSON. Mr. President—

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Indiana?

Mr. HARDWICK. I yield to the Senator.

Mr. WATSON. It seems to me that it might throw some light on the proposition under discussion if we had a copy of the letter.

Mr. LODGE. It is in my office.

Mr. WATSON. I gathered from the language of the Senator from Massachusetts that Mr. Hoover had denied making any attempt to fix prices in Cuba, but stated finally that they had been fixed to the satisfaction of the sugar interests.

Mr. LODGE. Not the Cuban sugar; to the satisfaction of the representative of the beet-sugar interests in this country; and I said they must take the Cuban sugar to fix the price, because the duty-paid imported sugar necessarily fixes the price.

Mr. HARDWICK. I wonder if anybody has consulted the consumer? Does the letter say that anybody has consulted the consumers of sugar?

Mr. LODGE. That is not mentioned in the letter.

Mr. HARDWICK. Would the Senator mind reading the letter in my time? I will yield to him for that purpose.

Mr. SMITH of Michigan. Let us have the letter read.

Mr. LODGE. I will read the letter. Mr. Hoover sent copies to the Senator from Oregon [Mr. CHAMBERLAIN], and it is quicker to read that than to send to my office for the original:

JULY 11, 1917.

HON. HENRY C. LODGE,
United States Senate, Washington, D. C.

DEAR SENATOR: My attention has been called to your statement in the Senate, as shown in the first column, page 4883, of the CONGRESSIONAL RECORD, as to the propositions which you quote having been made in fixing the price of sugar.

Those are the propositions I have explained.

I am, of course, unaware from whom you received these statements, and I can not believe they refer to the situation as interpreted by anyone associated with me. In this connection the inclosed letter from the chairman of the beet-sugar producers' committee should, I think, entirely clear up your mind.

The statement made by you is causing some anxiety.

Yours, faithfully,

HERBERT C. HOOVER.

I was told subsequently that that was anxiety among the sugar growers.

Mr. SMITH of Michigan. Now, can we have the other letter?

Mr. LODGE. Yes; I am going to read it:

WASHINGTON, D. C., July 11, 1917.

MR. HERBERT C. HOOVER,
Washington, D. C.

DEAR SIR: I was surprised to read the statement of Senator Lodge in the Senate yesterday, apparently referring to your attitude toward the beet-sugar producers and the Cuban producers. The whole discussion with you by our representatives of the beet-sugar industry has been in the direction of stimulating production, protecting the producer, and stabilizing the price, in cooperation with the industry, so as to eliminate the speculator and to prevent practices which lead to extortion of the consumer. In all this constructive program we are and have been in perfect accord, and the beet-sugar producers unhesitatingly pledged their support to your administration and proposed plans. I feel that Senator Lodge must have been misinformed as to your attitude in the matter.

Very truly, yours,

W. L. PETERKIN,
Chairman Committee on National Affairs,
United States Sugar Manufacturers' Association.

Mr. HARDWICK. Mr. President, a more remarkable correspondence was never disclosed to public view. With the sugar interests of this country getting profits that are so fabulous that they stagger the imagination, with the sugar producers of this country getting profits so stupendous that they are unequalled in the history of the industry in all the world, how beautiful and disinterested it was to assure them that in order "to stimulate sugar production" the Government is going to take care of their prices; it is a proposal that does not particularly appeal to me. It seems to me that they had better be consulting with somebody about some way to get the price of sugar down. I do not know by what authority Mr. Hoover is making

these arrangements. I do not suppose it is official, because I am not aware of any office that the gentleman holds, yet, at least. But I do not suppose it is necessary, in these days, to wait to exercise the functions of an office until the office is created, or to wait to exercise powers until those powers are lawfully conferred.

Mr. KENDRICK. Mr. President—

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

Mr. HARDWICK. I yield to the Senator from Wyoming.

Mr. KENDRICK. In answer to the statement made by the Senator from Georgia that he would like to see the prices reduced, I wish to state that I was told yesterday by a man high up in the councils of the Western Sugar Co. that there was an abundance of sugar in sight, and that if there was no further agitation of the price it would have to go down from \$1.50 to \$2 a hundred.

Mr. HARDWICK. I am very glad to get that information. It ought to do it, but the trouble is that there is a scarcity of sugar all over the world. We might just as well look the economic facts in the face, and the chances are that sugar is going higher instead of going down. There is no doubt about that in my opinion.

Mr. KENDRICK. Mr. President, I asked this gentleman particularly as to the supply, and I have occasion to know that he is well informed. He referred not only to the supply in this country but to the supply in Cuba and one of the other great producing countries, and he said it was a mistaken idea that there was a very great scarcity of sugar.

Mr. HARDWICK. I am sorry to inform the Senator from Wyoming that the gentleman in question, in my judgment, is utterly mistaken, and I have studied this question for years. You can read any of the English trade journals, any of the European trade reports, any of the market or crop reports anywhere, and nobody on earth has the idea that sugar is likely to go down during this war to any considerable extent. Its necessary tendency is upward.

The thing I am objecting to is that this man, without the slightest authority to do it, seems to have agreed already to a specific price for which he is going to tax the American consumer of sugar everywhere—\$6.75, I believe, was suggested. Was not that figure in the letter? At all events, I understood it to be that figure. I am amazed at the performance, in its entirety. If there is anybody on this earth, in this country, that does not need any fostering care or protection from the Government at this time, it is the sugar producer, whether he lives in Louisiana or in the West.

Now, Mr. President, that is all I want to say on that subject.

Mr. SMOOT. Mr. President, will the Senator yield to me at this point, if he is going on to another subject?

Mr. HARDWICK. I yield to the Senator.

Mr. SMOOT. I want to call attention to a statement that has been made. It is generally understood throughout the United States that there is a scarcity of sugar in all the world. As far as the United States is concerned, and as far as all of our allies are concerned, and as far as the balance of the world is concerned outside of Germany and her allies, there is ample sugar to take care of all of the people of the world.

Mr. HARDWICK. I would rather the Senator would make his argument in his own time. I do not want to yield further just now. The Senator can make his argument when I get through with mine.

Mr. SMOOT. I thought the Senator was going to leave that subject.

Mr. HARDWICK. No; I am not going to leave that subject. Sugar is higher to-day in England than it is in America. It is higher to-day in France than it is in America.

Mr. SMOOT. At retail?

Mr. HARDWICK. Yes; and at wholesale.

Mr. SMOOT. Oh, no.

Mr. HARDWICK. Oh, well, I disagree with the Senator about the facts, then, and I think I know.

Mr. SMOOT. I can show the Senator telegrams on that subject.

Mr. HARDWICK. I do not care anything about the telegrams. I have some documents, too. But anyhow, Mr. President, the man who needs protection in this sugar business is not the sugar producer, but the sugar consumer in this country. The men who need help, if any help is to be given on these industrial questions by Government action, are not the opulent sugar manufacturers of this country, whether they are located in the South or the West, but the great masses who consume the sugar of the country. As I have said, before we went into this war—of course it has hardly touched us yet in its industrial aspects—sugar was higher in this country than it was in Eng-

land or in France. I do not know to what extent Mr. Hoover has authority to settle all of our problems, economic and industrial, to fix prices in advance of any authority conferred on him by law to do so—an authority that I hope will never be conferred on him by law, and that certainly will never be conferred on him by law with my consent, if he is to have such authority.

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

Mr. HARDWICK. I yield.

Mr. KING. I am very much in sympathy with some of the views expressed by the Senator; but does not the Senator think that, in the light of the demands which have been made—the extortionate demands by the steel companies and some other companies which are selling their products to the United States—it was wise to vest in the President and in the Secretary of War in some of the measures that have heretofore become law authority to fix prices with respect to articles which the United States must have in the prosecution of the war?

Mr. HARDWICK. The Senator means with respect to articles needed by the Government to prosecute the war?

Mr. KING. Yes.

Mr. HARDWICK. The Senator may be right about that. I am not prepared to say. But look at this sugar proposition. The relief that we need, if we need any—I think we do—is the relief that the American housewife needs. The relief that we need is the relief that the consumer needs. Yet this man who is going to administer this law goes to dickering with the producers, in order to guarantee their price, instead of trying to do something to get it down for the American consumer. I think that is a pretty plain indication of what we may expect from such administration.

Mr. KING. If the Senator will pardon me, without going into that question, it appears that when our country is at war there is a desire upon the part of many people to exact, not only from the Government but from the citizen consumer, extortionate prices; and it seems to me that we will inevitably be driven sooner or later, if this war shall last for any length of time, to the position of authorizing some one to fix prices for the things required by the Government.

Mr. HARDWICK. If the Senator will pardon me a moment, I have said about all I wanted to say and I want to yield the floor. If that is true, and the Senator does it for that reason, we are getting the boot on the other leg as fast as we can, because if we get any precise knowledge about it it is not to endeavor to reduce the price of our sugar, but it is to guarantee to these beet-sugar factories that we will keep the price up. Is that the reason why the Senator thinks we ought to have a food administrator, to keep the prices up?

Mr. KING. I was not expressing an opinion in regard to a food administrator, or the wisdom or necessity of controlling the prices of any article or commodity except such as were imperatively required by the Government to raise and support the armies and to equip the Navy and to carry on the war.

Mr. LODGE. Mr. President, I think I ought to say—

Mr. HARDWICK. I yield to the Senator.

Mr. LODGE. I understand it is simply that the sugar producers agreed that the price should not go further than a certain point, whatever that point is. There is nothing to prevent its going lower.

Mr. HARDWICK. What is the statement of the Senator?

Mr. LODGE. I say, as I understand it, the agreement simply is by the producers that the price of sugar shall not go up above a certain point.

Mr. HARDWICK. I did not understand it that way. Has the Senator the language of the proposition?

Mr. LODGE. That is what I understand, that the agreement among the producers is that they will not allow sugar to go above a certain point; but if the operation of the economical laws of supply and demand carry it lower, there is no agreement that it shall not go lower.

Mr. HARDWICK. I should like very much to be informed upon that point. Has the Senator the language upon which he bases that statement?

Mr. LODGE. No; I am simply stating the fact in my own language; that is all.

Mr. HARDWICK. Where does the Senator get that information?

Mr. LODGE. That is merely my understanding of their agreement.

Mr. HARDWICK. An agreement made by whom?

Mr. LODGE. That is what I understand to be the agreement. It may be contradicted to-morrow, but that is my understanding of the agreement.

Mr. HARDWICK. I wish to see the letters, if I may.

Mr. LODGE. I gave it to the official reporter.

Mr. HARDWICK. Until I have them I can not tell what sort of an agreement they made. These agreements, of course, are made by people who have no authority to make them whatever, and they do not take the public into their confidence. This is the first I have ever heard of it. I suppose it will be news to the public. Of course it will be very gratifying, indeed, if it is discovered that the real agreement with these sugar producers is that it is to reduce these abnormally high prices of sugar. I will be very much gratified if that is true. I say that unhesitatingly. But if this letter means what I think it does, it is no indication that that was the character of their agreement at all. Mr. Herbert Hoover, who has very fine stationery, does not say what office he holds or what duties he discharges, just "Herbert Hoover, Washington." Royal purple is the color, and he addresses this letter to the distinguished Senator.

Mr. LODGE. If the Senator will allow me, I do not want to be misunderstood. I do not disprove at all of having the sugar industries understand that they are not to be forced down to an unreasonable price. I think it is very proper, because I am a member of the committee on taxation, and I want to get excess profits out of them.

Mr. HARDWICK. I think the Senator has always taken that side of the question. I am not surprised at it. I do not approve of any such policy as that; and never have, and never will.

Hon. HENRY C. LODGE,

United States Senate, Washington, D. C.

DEAR SENATOR: My attention has been called to your statement in the Senate, as shown in the first column, page 4883, of the CONGRESSIONAL RECORD, as to the propositions which you quote as having been made in fixing the price of sugar.

I am, of course, unaware from whom you received these statements, and I can not believe they refer to the situation as interpreted by anyone associated with me.

Who are his associates? What does he represent? Who are his associates, anyhow?

In this connection the inclosed letter from the chairman of the beet-sugar producers' committee should, I think, entirely clear up your mind.

The statement made by you is causing some anxiety.

To whom? To these sugar people, the sugar producers, I reckon, and he evidently has some understanding with them. I am just a little suspicious of the authority that starts out with having an understanding secretly, until it comes to light in this way, with producing interests rather than taking the consuming public into their confidence at one and the same time.

Now, what is this letter?—

Mr. HERBERT HOOVER,

Washington, D. C.

DEAR SIR: I was surprised—

Which is from the real beet-sugar interests; I know this man or what his connection is and what his affiliations are. He is frankly the representative of the beet-sugar producing companies of this country and writes in their interest, of course—I was surprised to read the statement of Senator LODGE in the Senate yesterday apparently referring to your attitude toward the beet-sugar producers and the Cuban producers. The whole discussion with you by our representatives of the beet-sugar industry has been in the direction of stimulating production—

Here is what this man said. He has said nothing about the consumer yet:

protecting the producer—

Not the consumer—

and stabilizing the price in cooperation with the industry so as to eliminate the speculator and to prevent practices which lead to extortion of the consumer.

That is all they propose. First, they want to stimulate production—but it is stimulated now to a point the world has never seen equaled in its history—and to stabilize production, to stimulate production, protecting the producer. The only thing proposed to do for the poor consumer is to see that too many middlemen do not rob him too atrociously. If we are to have any such food control as that, in the interest of the masses of the citizens who are suffering and who want lower prices, God help us all!

Mr. President, I did not intend to say anything about the sugar question, but I want to have the Secretary read in my time before I take my seat the statement of the Secretary of War about the advisory committee of the Council of National Defense. I ask that that be done in justice to myself as well as the Secretary of War, and so that the Senate and the country may have the precise information.

The PRESIDING OFFICER. Without objection, the Secretary will read as requested.

The Secretary proceeded to read, and was interrupted by

Mr. HARDWICK. At the suggestion of the Senator from Oregon, I ask that the balance, down to the heading "Unex-

pected balance of former appropriation," may be inserted in the RECORD.

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

STATEMENT OF HON. NEWTON D. BAKER, SECRETARY OF WAR.

The CHAIRMAN. What was the immediate matter you wanted to bring to our attention, Mr. Secretary?

Secretary BAKER. It was the item of \$500,000 for the Council of National Defense.

The CHAIRMAN. Mr. Secretary, will you give us some light on that? Secretary BAKER. I want to tell you just what the Council of National Defense is doing and what it is likely to have to do.

There is a bill in the House, 4210, introduced by Mr. CARTER of Massachusetts, making a separate appropriation of \$500,000 for the Council of National Defense, and I saw Mr. CARTER about it and asked him to hold it over because that was under discussion here, and it did not seem as if it ought to be in two places.

The Council of National Defense, proper, consists of six Cabinet officers, including the Secretary of War, the Secretary of the Navy, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Commerce, and the Secretary of Labor. Then there is an advisory committee appointed by the President, and that is headed by Daniel Willard, the president of the Baltimore & Ohio Railroad, and it has on it Julius Rosenwald and Franklin H. Martin, of Chicago, and Howard E. Coffin, of the automobile industry, and the others are immaterial to name, although important to the work.

What that body is doing at present is being the center of what in England ultimately came to be the munitions board and supply department. They are organizing every industry in this country in such a way that it deals with the Government through a single head or committee. For instance, they send out and ask all the men who deal in shoes and make shoes to get together in conference and appoint a committee that can deal with the Government. Then when we want to buy 500,000 pairs of shoes for the Army, that board knows the whole shoe trade, and knowing exactly what contracts for shoes there are for our allies, and knowing what the necessities are for shoes in the Navy and in the country at large, it picks out the factories that can be best spared, or are best equipped to make Army shoes, and it knows what previous contracts they have had with the War Department, and it sends word to the War Department: "Brown & Co., of St. Louis, is the best company to make your shoes, and we will keep them free so that they will be free from other engagements to make your shoes."

In the same way they take the cloth manufacturers and find out what the supply of wool is, and they look over the raw material market, and they say to John Jones, "You must stop making some less useful kinds of cloth and start to making Army cloth, and you can get your material from this part of the wool industry, and we will secure a relaxation of the embargo on foreign wool so that you can get the material." They are surveying the whole business field in this country all the time and preparing the facilities for making contracts.

The seven men who are presiding get no pay. They are appointing committees of each trade and each industry. They are not receiving anything for their services, but it requires the accumulation of a clerical force to tabulate their results. They now have three floors of the Munsey Building, and they will probably have to have more floors of the Munsey Building.

Senator HARDWICK. Can not all that be done by the heads of the executive departments?

Secretary BAKER. It would be the same thing, and it would be done less efficiently. I will answer that question just by making this observation. I want to make an illustration of a thing that has just been done. We need in this country an enormous increase in the forging capacity for steel forgings for making armor. The capacity required for making 3-inch guns and 8-inch guns is enormously in excess of the capacity of the Midvale and the Army works for forgings. This board has had half a dozen of the best steel experts in the Nation working without pay for weeks on that matter.

Senator HARDWICK. I wonder why the heads of the departments who have to get these things made can not have those things done.

Secretary BAKER. I will answer that right away. We will assume that that service is a tremendously valuable service.

Senator HARDWICK. Yes; of course it must be done.

Secretary BAKER. The reason why it would not be any cheaper to have it done if the Secretaries of the departments undertook to do it is that they would have to do it through paid employees.

Senator HARDWICK. Undoubtedly.

Secretary BAKER. Now, this board is doing it; and more than half of all the service of the board is voluntary service, not paid, service of the highest character, service of people who could not be employed. For instance, we could not hire Mr. Charles Schwab.

Senator HARDWICK. The Secretary of War, in an emergency like that, it seems to me, could get him.

Secretary BAKER. There is no real way, in an emergency, in which he could work in with the Secretary as he can with a board of which he is a member.

The CHAIRMAN. Excuse me a moment. This has been established by law.

Senator HARDWICK. Its operations seem extraordinary as well as its cost, and that is the reason I am inquiring into them.

Secretary BAKER. I am anxious to have you do it.

The second answer I want to make to you about the Council of National Defense doing this instead of the departments is that the Council of National Defense does consist of six Cabinet officers, and they have the entire power. All the rest of it is merely advisory. All of this \$500,000 is to be spent by these six Cabinet officers and not by some third agent. The necessity for having it as a fixed appropriation is that it touches all of the departments, and it is a centralization of the points at which these six departments come together, and this makes it a separate appropriation instead of having six appropriations and having it distributed from the six Cabinet officers into a common fund.

Senator SMOOT. What I would like is to have you give your opinion as to the amount. Five hundred thousand dollars for clerk hire is a lot of money.

Secretary BAKER. Of course, Senator, it will not all be for clerk hire. It is not clerk hire in that sense. It is transportation expenses, sometimes.

Senator SMOOT. Of course, there will be some expenses of that kind. Secretary BAKER. There is a good deal of that. For instance, when you undertake to correlate the aeroplane industry of the country, and you send to every place where aeroplanes are made and get the pres-

dents of those companies to come down to Washington and get together to try to standardize specifications, and consult together about the aeroplane industry—

Senator SMOOT. Would not a letter bring them?

Secretary BAKER. A letter brings them, but sometimes it is necessary to pay their expenses. Ordinarily it is not. A good deal of money is spent in just paying the traveling expenses of people.

Mr. SMOOT. Mr. President, I would not take the time of the Senate now to refer to the sugar question but for one reason. I should like to have the people of the United States know that there is no scarcity of sugar. The crop of sugar this year is phenomenal not only in Cuba, Porto Rico, the Sandwich Islands, the cane sugar in the Southern States, and the beet sugar of this country.

Mr. LODGE. Mr. President—

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

Mr. SMOOT. Certainly.

Mr. LODGE. The Senator's statement in regard to Porto Rico, Hawaii, and Louisiana is undoubtedly true, but is it true about Cuba? Did not the revolution have some effect on their crop?

Mr. SMOOT. It had some effect upon the crop, but even under the conditions existing it is the largest crop produced in Cuba for years past.

Mr. REED. Is the Senator sure of that? Let me read a statement of Mr. Hoover at the hearing before the Committee on Agriculture and Forestry, United States Senate.

Mr. SMOOT. I will state to the Senator I am not going to take over five minutes.

Mr. REED. This will take only a second.

Mr. SMOOT. Then I will let the Senator make the statement.

Mr. REED. Mr. Hoover's testimony is very interesting in connection with the Senator's statement in regard to sugar. He says at page 413, part 4, of the hearing:

The outlook for sugar is very poor. The Cuban crop may be down a million and a quarter tons below the 4,000,000 normal; and, generally, there is a scarcity of sugar in the world.

Mr. SMOOT. Of course Mr. Hoover is wrong in saying that the Cuban crop is 4,000,000 tons normal, but I am not going to discuss those figures at all. I simply want to call attention to the fact that, as far as sugar is concerned, there is no necessity for the American people to get alarmed about the amount of sugar produced this year and available for their consumption.

Mr. President, the beet fields of Germany—the beet fields of Austria—of course, as we all know, are not producing as much sugar as they did before, but the sugar produced in all other parts of the world can not reach Germany and Austria to-day. They are raising sugar enough for their own use and no more. There is nothing to speak of exported from those countries, but the vast increase in the production of sugar in the United States, in the Hawaiian Islands, Cuba, Porto Rico, and in Java particularly, and in the Philippine Islands, has more than made up for all the sugar that Austria or Germany would have exported if normal conditions existed.

Mr. President, I want to say this, because it is a fact: Some three months ago here in the city of Washington there was a sugar scare, and some of the retailers here advanced sugar to 12 cents a pound. There was no necessity for it, and all the sugar producers of the country notified through the press, as far as they could, the people of the country that it was uncalled for; and it was simply a move made by a scare, and profited nobody but the retail sugar men.

Mr. THOMAS. If the Senator will permit me, I will say that I know personally that at the time to which he refers there was more sugar in the city of Washington than the normal supply. It was rushed here by the American Sugar Refining Co. It was a combination of retail dealers on that occasion which kept sugar up to 12½ cents a pound, and sold only very limited quantities of it.

Mr. SMOOT. When the advance of sugar came in the District to the retail price to which I referred, I telegraphed to New York—

Mr. THOMAS. So did I.

Mr. SMOOT. I telegraphed to New York to find out whether there was a shortage of sugar in the United States sugar market on that day. I received an answer that there was no shortage; that they would fill any order that they would receive from any part of the United States. Yet this increased retail price of sugar in the District lasted for nearly three weeks.

Mr. GRONNA. May I ask the Senator if he knows what was the wholesale price of sugar in New York at that time?

Mr. SMOOT. The wholesale price of sugar at that time was \$7.75.

Mr. GRONNA. May I ask the Senator another question? What is the price of sugar to-day in New York?

Mr. SMOOT. The last quotation I saw was \$7.50. I have not seen a quotation for the last few days.

Mr. GRONNA. In view of the statement the Senator from Utah has made—and I know that no man is better qualified or knows the situation better than the Senator from Utah as to the amount produced—does the Senator think it would be wise to fix the price of sugar now?

Mr. SMOOT. I do not understand that the price of sugar has been fixed. Even in the letter it does not say that any price of sugar has been fixed. It says they came to an understanding as to the stability of the price of sugar in the future. I want to say to the Senator that the sugar producers of this country would very much prefer to have a stable market, they would very much prefer to know that there would be a regular market for sugar, than to have a market up one day and down the next, and speculating upon the curb for the sugar that they produced.

Mr. KENDRICK. Mr. President—

Mr. SMOOT. I yield to the Senator from Wyoming.

Mr. KENDRICK. I should like to say to the Senator from Utah, in corroboration of his statement, that the gentleman to whom I was talking yesterday and to whom I referred made the statement that when this advance occurred in New York his company gave public notice that they would continue to sell sugar at the same price they were selling it without regard to any advances made in New York or in the East.

Mr. SMOOT. I know the statement the Senator has just made is correct. I know there were millions of dollars taken out of the pockets of the consumers of this country by the retail combination that made the people believe there was a shortage of sugar in the world and they could in the future buy only a limited amount.

Mr. President, in relation to the price of sugar in England and France, three weeks ago the quotation for sugar in England was \$6.50, and at the same time it was \$7.50 in New York, or \$1 more in New York than it was in England. That comes about by the \$1 tariff that is imposed upon the sugar that we import from Cuba and that is not imposed upon sugar that goes to England. The price was the same barring the fact that we place a tariff tax upon the sugar that was sold in this country.

Mr. President, it is the same to-day. If sugar is \$7.40 in the United States, it will be quoted at \$6.40 in London. I am speaking about Cuban sugar. I noticed that the other day, after the Finance Committee had agreed that the drawback provision for sugar should be repealed, England immediately placed large orders for Java sugar. I do not know whether that will have any particular effect upon the price of Cuban sugar or not. It certainly will not if there is no more sugar than will be wanted by all the countries of the world, but if there is a surplus of sugar in the world, of course it would affect the price of sugar in Cuba.

Now, I am not going to discuss the drawback provision at this time, because that will be discussed when the revenue bill is before the Senate. But what I want the American people to understand is, that there is no reason whatever for them to become excited over the question of sugar, for there is plenty of sugar for every man, woman, and child in the United States. What the producers of sugar in the United States want is a steady market; and I think, Mr. President, that, when that is understood, there will be a steadier market than there has been in the past.

CANTONMENT OF NINTH DIVISION.

The VICE PRESIDENT. The Chair lays before the Senate a communication from the Secretary of War, transmitting, in response to a resolution of June 27, 1917, certain information relative to the reports of the board of officers appointed to select and designate the site for the cantonment of the Ninth Division, comprising the States of Indiana and Kentucky, and so forth, which will be incorporated in the RECORD and lie on the table.

The communication is as follows:

WAR DEPARTMENT,
Washington, July 9, 1917.

The PRESIDENT OF THE SENATE,
Washington, D. C.

SIR: Under date of May 6, 1917, I instructed the territorial department commanders to select the sites for those cantonments of the National Army which were to be located within the limits of their respective departments. To aid them in making this selection they were directed to avail themselves of the services of the appropriate staff officers who had been assigned to their headquarters. Each department commander was entirely free to use these services as he thought best. But, whether he visited each proposed site in person and there conferred with his staff officers or whether he found it desirable to form them into a board to make an independent investigation and report their recommendation to him in writing—in either case they were merely his advisers, the department commander being left in this, as in any other military question, with sole responsibility for decision.

In all cases where the department commander made an unqualified decision, with no evidence in the papers nor subsequently submitted

which could raise a reasonable doubt as to the soundness of his decision, it received the approval of the War Department. But when that decision was not positive, was qualified by any degree of doubt, or was frankly submitted for the action of the War Department, the question was carefully considered by me in the light of all the evidence originally submitted or that could be otherwise attained by me. In doing this the opinions and evidence offered by Members of the Congress and many other persons were patiently heard and carefully weighed. Decision was suspended until, acting in my executive capacity on this purely executive question, I was satisfied as to the relative merits of sites in controversy. No personal considerations were taken into the slightest account in any case. On the other hand, sole consideration was given to the best interests of the Government, which, in such matters as these, means the health, the comfort and the facilities for instruction of the citizen soldiers to be provided for in these cantonments. It was a task of large proportions, coming as it did at the same time with many other grave problems pressing for quick solution; nor was it lightened by the many heated controversies between individuals or localities in the course of it.

All the decisions that have been made, whether in the form of approval of a prior decision of a department commander or made in the first instance here, after prolonged and careful consideration, are the decisions of the Secretary of War made in the execution of mandatory law. The records which form part of each case, including the one which is the subject of the Senate resolution herewith, involve more or less bitter controversies between individuals or communities. The reopening of any case means the reopening of these controversies leading to no result other than the accentuation of differences of opinion and without giving any further aid to this department in performing its executive duty.

In connection with the foregoing remarks I submit herewith the reports and recommendations called for by the resolution of the Senate.

Very respectfully,

NEWTON D. BAKER,
Secretary of War.

FINAL REPORT ON SITES FOR CANTONMENTS TO BE LOCATED IN NINTH DIVISIONAL AREA.

Proceedings of a board of officers convened pursuant to paragraph 3, Special Order No. 87, Headquarters, Central Department, Chicago, Ill., May 15, 1917:

[Extract.]

SPECIAL ORDERS. } HEADQUARTERS CENTRAL DEPARTMENT,
No. 87. } Chicago, Ill., May 15, 1917.

3. Pursuant to instructions from the War Department, dated May 4, 1917, the following boards of officers are appointed to investigate and report upon available camp sites for cantonments to be located in the Central Department as follows:

(b) Board for cantonment to be located in Ninth Divisional Area (Indiana, Kentucky; Col. Edward M. Lewis, Infantry; Lieut. Col. Oren B. Meyer, Fourteenth Cavalry; Maj. E. L. Ruffner, Medical Corps; Capt. Francis B. Wilby, Engineer Corps; Capt. Perry M. Shepard, Quartermaster Reserve Corps.

The junior line officer of each board will act as recorder. Each board will assemble without delay at such place as may be indicated by the senior member thereof, and will thence proceed to such points in its respective divisional area as may be necessary to inspect and investigate proposed camp sites. Such journeys as are required under this provision are necessary in the military service.

Boards will be guided in their recommendations by instructions transmitted from the War Department and such other instructions as may from time to time be furnished. Individual reports on sites will be submitted to these headquarters as quickly as they become ready in each case and will be forwarded to reach these headquarters not later than June 3, 1917. Each report will consist of an original and 11 copies.

The travel directed is necessary in the military service.

By command of Maj. Gen. Barry:

H. O. S. HEISTAND,
Adjutant General, Department Adjutant.

INDIANAPOLIS, IND., June 2, 1917.

1. The board convened at 10 a. m., May 18, 1917, at Louisville, Ky.: Present, all members, except Col. O. B. Meyer, Fourteenth Cavalry, who joined the board that evening. Delegations from the following cities offering sites for cantonment to be located in the Ninth Divisional Area appeared before the board and were heard: Indianapolis, Ind.; Evansville, Ind.; New Albany and Jeffersonville, Ind.; Louisville, Ky.; Lexington, Ky.

That afternoon (May 18th) the site offered near the city of Louisville was visited and inspected by the board.

On May 19 delegations were received from Terre Haute, Ind.; West Point, Ky.; and Ligonier, Ind.; and the board proceeded to Jeffersonville, Ind., and thence to New Albany, Ind., for the purpose of inspecting a site near those two cities and returned to Louisville.

On May 20 a delegation from Bowling Green, Ky., was received after which the board inspected additional sites offered by the city of Louisville, and in the afternoon proceeded to Lexington, Ky., where a delegation from Danville, Ky., was heard.

On May 21 the board inspected sites offered by the city of Lexington, Ky., and returned to Louisville, where delegations were received from Louisville, Ky., New Albany, and Jeffersonville, Ind., and Huntington, Ind., after which the board proceeded to Bowling Green, Ky.

On May 22 the board inspected sites offered by the city of Bowling Green and then proceeded to Evansville, Ind.

On May 23 delegations were received from Paducah, Ky., and Fort Wayne, Ind., and sites offered by the city of Evansville were inspected by the board, which then proceeded to Terre Haute, Ind.

On May 24 the board inspected sites offered by the city of Terre Haute, and then proceeded to Indianapolis, Ind.

On May 25 the delegations were received from Rochester, Marion, Huntington, and Columbus, Ind., and sites near Indianapolis were inspected by the board.

On May 26 the board proceeded to Fort Benjamin Harrison and inspected site offered by the city of Indianapolis, located near that post,

and returned to Indianapolis, where a delegation from Fort Wayne, Ind., was heard.

On May 27 the board worked on the preparation of its reports and then proceeded to Marion, Ind.

On May 28 the board inspected the site offered by the city of Marion; proceeded to Huntington, Ind., and inspected the site offered by that city; proceeded to Fort Wayne, Ind., and inspected the site offered by that city; and returned to Indianapolis.

Since May 29, except on the afternoon and evening of June 1, the board has been at Indianapolis, Ind., engaged in the preparation of its reports, with the exception of one member, Maj. E. L. Ruffner, Medical Corps, who was delegated by the board to make preliminary inspection of the site offered by the city of Paducah, Ky., and proceeded to that place (via Louisville, Ky.) on May 29, returning to Indianapolis (via Louisville, Ky.) on May 30 after inspecting the site offered at Paducah. Upon the recommendation of Maj. Ruffner, as the result of his preliminary inspection, the board decided not to visit Paducah.

On June 1 the board decided that in order to prepare their final report it was necessary to inspect the Jeffersonville and New Albany site a second time in order to satisfy themselves as to whether or not it showed evidence of affording proper drainage after the recent heavy rains. The board therefore on this date proceeded to Jeffersonville, Ind., inspected the proposed site at that place, and returned to Indianapolis the same night for the preparation of its final report.

2. The board has already mailed separate reports covering the following proposed sites to the commanding general, Central Department, on dates given below:

May 27: Louisville, Ky. (supplemental report also mailed June 1); New Albany and Jeffersonville, Ind.; Lexington, Ky.; Bowling Green, Ky.

June 1: Evansville, Ind.; Terre Haute, Ind.; Fort Wayne, Ind.; Marion, Ind.; Huntington, Ind.

June 2: Indianapolis, Ind.; Paducah, Ky.

3. The following proposed sites were considered by the board but not visited, as in the opinion of the board, from the evidence submitted, they did not meet the requirements laid down in instructions transmitted from the War Department: West Point, Ky.; Danville, Ky.; Hopkinsville, Ky.; Columbus, Ind.; Rochester, Ind.; Ligonier, Ind.; Dune Park, Ind.; Crawfordsville, Ind.; Logansport, Ind.

4. Of the sites reported on by the board, three are believed to be not suited for the purpose intended as regards the qualifications laid down in War College memorandum furnished the board for its guidance, and are, therefore, not recommended: Bowling Green, Ky.; Paducah, Ky.; Indianapolis, Ind.

Regarding the Indianapolis site, near Fort Benjamin Harrison, which is offered free for five years, it is believed the site could be utilized if desired in connection with the Government-owned land in the military reservation.

5. The remaining eight sites were believed to be suited for use as cantonment sites, but with varying advantages and disadvantages as given in the separate reports which have been forwarded covering each site. Although the instructions given the board do not call for recommendations as to which is the best site visited, the following conclusions of the board as to the relative merits of these eight sites are submitted:

6. Conclusion: (a) The eight sites may be arranged in the following order with respect to cost to the Government for rental only:

Terre Haute, Ind., offered free for five years, together with about \$50,000 cash for improvements.

Lexington, Ky., offered free for five years, "if necessary to secure site."

Louisville, Ky., offered free for two years, after that \$10,000 per year.

Evansville, Ind., offered free for one year, after that \$30,000 per year.

New Albany and Jeffersonville, Ind., rental of \$18,000 per year.

Marion, Ind., rental of \$20,000 per year.

Huntington, Ind., rental of from \$20,000 to \$30,000 per year.

Fort Wayne, Ind., rental of \$35,000 per year.

(b) The board is unanimously of the opinion that the site offered at Huntington, Ind., is by far the best cantonment site inspected by the board, provided little weight is attached to the following disadvantages: (1) Not centrally located in training area; (2) longer winters than if located farther south; (3) adjacent city of only 15,000 population; (4) rental price of from \$20,000 to \$30,000 per year.

(c) Taking all the requirements into consideration, the board is of the opinion that the eight suitable sites should be rated in the following order: First, New Albany and Jeffersonville site; second, Louisville site; third, Evansville site; fourth, Huntington site; fifth, Lexington site; sixth, Terre Haute site; seventh, Marion site; eighth, Fort Wayne site.

(d) It is the opinion of the board that if it should be desired to locate the division in tents rather than in buildings, the order of the sites as given above would be materially modified, with the position of Lexington much nearer the top.

E. M. LEWIS,
Colonel, Infantry, President.
E. L. RUFFNER,
Major, Medical Corps.
F. B. WILBY,
Captain, Corps Engineers.
PERRY M. SHEPARD,
Captain, Quartermaster Reserve Corps.
O. B. MEYER,
Lieut. Colonel, Fourteenth Cavalry, Recorder.

HEADQUARTERS CENTRAL DEPARTMENT,
Chicago, June 4, 1917.

These proceedings are so inconclusive, and there are so many "ifs" about them that it is difficult to come to a determination. There are two States in this district—Indiana and Kentucky. Indiana already has a large camp at Fort Benjamin Harrison, which constrains the opinion that the National Army cantonment site should be in Kentucky. From all the board says, I am inclined to the belief that Lexington, Ky., will prove as satisfactory a site as any, and from an examination of that site and report thereon made by the department inspector, Col. Hunter, and Maj. Hampton, Quartermaster Corps, no mistake, in my opinion, can be made in selecting that site, and I recommend it be selected.

T. H. BARRY,
Major General, Commanding.

[Western Union special.]

CHICAGO, ILL., June 4, 1917.

ADJUTANT GENERAL OF THE ARMY,
Washington:

The boards convened to report upon National Army cantonment sites in the six divisional areas, this department, recommend as follows:

Eighth divisional area, including West Virginia and Ohio, board unanimously recommends Chillicothe, Ohio, without rival. Martinsburg, W. Va., second. I approve.

Ninth divisional area, including States of Indiana and Kentucky. Recommendation of board not at all conclusive. Must be considered by War Department. In view of the fact that Indiana, one of the States in the district, has considerable camp at Indianapolis, I believe the other State in the area should have the National Army cantonment. I was much impressed with the Lexington site by reason of reports made upon it by the department inspector and Maj. Hampton, Quartermaster Corps. Of nine sites, arranged only with respect to cost to the Government, the board puts Terre Haute, Ind., first and Lexington second. Attaching little weight to four conditions, the board is unanimously of the opinion that the best site is Huntington, Ind., but taking all the requirements into consideration, of eight sites, the board recommends the New Albany and Jeffersonville, Ind., site first, Louisville second, Lexington fifth, and then makes a fourth recommendation that if the division is put in tents rather than in buildings, states the position of Lexington would be much nearer the top.

The whole report is inconclusive and should be considered by the department before action is taken. If I were called upon to determine, I would recommend Lexington site.

By accepting it I am satisfied no mistake would be made.

Tenth divisional area, including States of Michigan and Wisconsin. The board recommends site at Battle Creek, Mich. I approve.

Eleventh divisional area, State of Illinois. Board recommends Rockford, Ill., first; Dixon, Ill., second. I approve.

Thirteenth divisional area, including States of Minnesota, Iowa, Nebraska, North and South Dakota. Board recommends in the order named Twin Cities site, Minn.; Des Moines, Iowa; Cedar Rapids, Iowa. I approve.

Fourteenth divisional area, States of Missouri, Kansas, and Colorado. Board recommends in order named Fort Leavenworth, Colorado Springs, and Fort Riley. I approve.

All proceedings except for eighth divisional area go forward June.

HOUSE OF REPRESENTATIVES, U. S.,
Washington, D. C., June 12, 1917.HON. NEWTON D. BAKER (personal),
Secretary of War.

MY DEAR MR. SECRETARY: The excuse for this letter is the belief on my part that you are always anxious to secure information of importance to your department and the further belief that I can submit some information of real value.

In last night's paper appeared notice that the concentration camp for Kentucky has been located at Louisville. I do not know whether you passed upon this selection personally or simply left it to the commanding general of the Central Department and to the General Staff, but in either case I feel that you should make some investigation of the site near Louisville proposed to be utilized.

It so happens that I was at Louisville last month when the board appointed by Gen. Barry to inspect camp sites in Kentucky and Indiana came there. In conversation with one of the most prominent business men of that city concerning the land which Louisville had offered that gentleman made the following statement, which I quote practically verbatim:

"Of course, my business would be benefited by the location of a cantonment here. It would mean many millions of dollars annually to Louisville. But, from the standpoint of the Army and from the standpoint of the troops about to be assembled, it would be a crime to accept Louisville's proposition. The land offered is at the falls of the Ohio River. It is cold, crawfish land, infested by mosquitoes, constantly subject to fogs, more noted for the malaria which it gives to all forced to occupy it than for anything else. Much as I am interested in Louisville, I think a more unfit camp site could scarcely be found, and in justice to the truth I feel impelled to express myself."

Mr. Secretary, I can scarcely imagine a more definite or striking indictment of a camp site than was this, voiced by a man whose interests were entirely on the side of that which he condemned. Personally I do not pretend to be unprejudiced. I am so thoroughly acquainted with the desirability of a camp site for Kentucky near Lexington that I think it would be a grave mistake to locate the cantonment elsewhere in the State. As explained to you in personal conversation, I have no interests there. I have been away from Kentucky five and a half years. My property holdings there were disposed of long since. But I have a profound desire that the Government may not make a serious blunder in connection with any of these locations. The health and welfare of the boys being called to the colors is the most important consideration with me and should be with every Member of Congress and every citizen.

I therefore feel justified in urging that you shall hold up the definite selection of Louisville until you can make a thorough investigation of conditions described by one of Louisville's leading citizens. In justice to yourself and in justice to the young soldiers, whose health and life will be at stake, it seems to me you can not do less.

With great respect, I have the honor to be,

Sincerely and cordially, yours,

JOUETT SHOUSE.

WAR DEPARTMENT,
OFFICE OF THE SURGEON GENERAL,
Washington, June 20, 1917.

From: Lieut. Col. Frederick P. Reynolds, Medical Corps, United States Army.

To: The Adjutant General of the Army.

Subject: Sanitary inspection of site for cantonment at Louisville, Ky.

1. In compliance with orders dated War Department, June 15, 1917 (copy attached), I submit herewith the following report of inspection of the site near Louisville, Ky., selected for cantonment of the National Army, with reference to its availability from a sanitary point of view.

2. The land offered by the Louisville Board of Trade consists of two parts; one for the buildings of the cantonment, the other for drill and maneuver purposes. Misunderstanding may have arisen in regard to the use which the last-named part is intended to be put. This is of level and rather low-lying ground, and while quite suitable for use as a drill ground, it is evidently undesirable for camping or cantonment purposes.

In the report of the board, dated May 27, 1917, it was suggested that but little of this part need be used for buildings. Since that date additional land suitable for building has been offered which increases the total area of 2,000 acres, 1,000 in each tract.

3. The land included in the part offered for building purposes is partly rolling country with gentle slopes. It is between 500 and 530 feet above sea level and drains toward the city of Louisville. It is excellently drained in all parts. The soil is loam over red clay. The land is largely used for truck farming. Part of it is now in growing crops; the rest is in meadow. There is no standing water on the land or near the tract. There are numerous shade trees on the land. The site adjoins the Audubon Country Club, part of the club's ground being included in the tract. It also adjoins a small residence suburb called Prestonia. From all parts the outlook is pleasing. There is a noticeable absence of dust and glare. The roads are metalled and in good condition. The houses on the tract are occupied by white farmers, and there are no closely settled districts near by.

4. The center of the business section of Louisville is 5 miles distant. The city's water supply is offered for the use of the troops and is already upon the ground. The supply is taken from the Ohio River and is sedimented, filtered, and chlorinated. It is excellent in quality and abundant in quantity. The city undertakes to construct a brick sewer which will care for nearly all the building area. Disposal to be into the city trunk sewers. Should it be impracticable to sewer any part of the area, disposal could satisfactorily be made by means of septic tanks and subsurface porous tile drains. The control of fly and mosquito breeding on the site offers no more difficulties than are found in country districts generally. Malaria is not common in the vicinity. Health conditions in the city do not materially differ from those in other cities in the same part of the country. The social evil is under careful surveillance. There is a restricted district which is being gradually done away with in accordance with the plan formulated by a committee which recently investigated and reported upon the subject. The sale of liquor is licensed in the city. Sunday closing law is strictly enforced.

5. In my opinion the site selected is satisfactory from a sanitary viewpoint.

F. P. REYNOLDS,
Lieutenant Colonel, Medical Corps, United States Army.
[First indorsement.]WAR DEPARTMENT,
SURGEON GENERAL'S OFFICE,
June 20, 1917.

To THE ADJUTANT GENERAL, UNITED STATES ARMY:

1. Forwarded. The opinion of Col. Reynolds, as expressed in this paper, is concurred in.

W. C. GORGAS,
Surgeon General United States Army.WAR DEPARTMENT,
HEADQUARTERS CENTRAL DEPARTMENT,
Chicago, June 30, 1917.HON. NEWTON D. BAKER,
Secretary of War, War Department, Washington, D. C.

MY DEAR MR. SECRETARY: The inclosed is Col. Hunter's report on the Louisville cantonment site in connection with my telegram of this date. I ask your special attention to paragraphs 4, 6, and 8.

Very sincerely, yours,

T. H. BARRY.

WAR DEPARTMENT,
HEADQUARTERS CENTRAL DEPARTMENT,
Chicago, June 30, 1917.

From: Col. George K. Hunter, Inspector General.

To: Commanding General Central Department.

Subject: Report upon an inspection of the cantonment camp site at Louisville, Ky.

1. I visited the camp site on June 28, 1917, and went over all of the ground on which it is intended to place buildings, and I went entirely around the tract known as the maneuver area. These two tracts are separated from each other by the Preston Street Road.

2. I find the site to be used for the camp proper is most admirably adapted to the purpose. All of the ground on which buildings will be erected is practically the highest ground in the neighborhood of Louisville. There is a small creek bed running through this tract which will enable the sewer lines to be constructed with proper fall for all. From this camp site fine views are obtainable in all directions.

3. The maneuver ground which is the large tract to the west and south of Preston Street Road has a gradual slope to the south, and it is likely that perhaps as much as one-fourth of this tract might become boggy in the early spring or in a wet season. At the time of my inspection none of this ground was wet; however, I am informed that the county had constructed a ditch leading to the Ohio River to the west of the Louisville & Nashville Railroad and that they are now running three laterals from that ditch to the southern and western portions of the maneuver tract, and when those laterals are completed the tract will be well drained so that it can all be used in any kind of weather. In my judgment there are at least a thousand acres that will always be satisfactory for maneuvering, and, personally, I would prefer to have the lowland undrained so that troops might receive instruction in handling themselves under conditions which will undoubtedly confront them at some time in their service.

4. On June 29 I made another trip to this camp site in company with Mr. F. M. Sackett, president of the Louisville Board of Trade, Mr. J. C. F. Hegewald, of Louisville, and Gen. Roger D. Williams, Kentucky National Guard. On this occasion we viewed all of the camp site and a portion of the maneuver grounds. Gen. Williams expressed his astonishment at what he saw and stated that he could not understand upon what basis the Lexington papers had made their attacks upon this site which was in every way most satisfactory for the purpose.

5. I visited the waterworks of the city and find they are using the most modern methods of treating the Ohio River water, and their daily capacity is over 70,000,000 of gallons, and the present consumption of the city of Louisville is less than 30,000,000 of gallons per day, so that there will be the greatest abundance of most wholesome water.

6. Whilst I inspected the Lexington site and approved of it for the smaller camp needed by the National Guard of Kentucky, I unqualifiedly would prefer the Louisville site for cantonment holding 40,000 men.

7. The barracks buildings are already under construction; the street railway has begun work on double-tracking their road to the camp site; the Southern Railway has commenced work on their sidetracks, and I was informed would put on a shuttle train to the camp from Louisville next week.

8. I have seen some of the most remarkable statements against this camp site, and I wish to state that they have no foundation in fact. If there are any mosquitoes, or have any sickness in this camp, it will be due to the fault of the occupants and not to the location of the site, which should be as healthy as any to be found in the United States.

9. The inclosed map is taken from the Sunday edition, Lexington Herald, June 24, 1917.

GEO. K. HUNTER.

[Western Union special.]

CHICAGO, ILL., June 30, 1917.

HON. NEWTON D. BAKER,
Secretary of War, War Department, Washington:

In view of controversy over selection of Louisville cantonment site, the department inspector, Col. Hunter, went to Louisville to inspect the First Kentucky Infantry. He had inspected and was thoroughly familiar with the Lexington site. When in Louisville, by my direction, he inspected the Louisville cantonment site, and, notwithstanding his knowledge and former report on the Lexington site, he now reported that the Louisville National Army cantonment is beautiful and satisfactory in all respects. He will make a detailed report to-day, which I will forward to you by mail. In forwarding the report on the cantonment site for the ninth divisional area which was inconclusive, I was favorable to the Lexington site because of the former report thereon by board consisting of Col. Hunter and Maj. Hampton.

BARRY.

Mr. NEW. Mr. President, with reference to the reply sent by the Secretary of War this afternoon to Senate resolution No. 94, introduced on June 22, I simply desire to say that I can see no profit to anyone in any further discussion of this matter. It is perfectly evident that the cantonment is to remain at Louisville. I desire to add, however, that at no time have I ever entertained the slightest suspicion that the cantonment would be removed from Louisville.

I had but one object, Mr. President, in introducing the resolution, and that was to make sure, if possible, that the troops from my own State of Indiana, as well as those from Kentucky, the two States comprising the ninth district, were given the benefit of the best camp site available within that territory. I am still far from convinced by the report sent here by the Secretary of War that this is the case. However, as I have said, I can see no profit whatever in any further discussion of the matter; but in order that my own motives may be the more fully understood, and in order that it may be plainly shown that I acted not upon impulse but upon information, and that that information came from engineers, residents of the State of Kentucky, I ask that the reports of those engineers be printed in the RECORD at the conclusion of my remarks, in order that it may appear in conjunction with the report of the Secretary of War.

I am aware of the fact, Mr. President, that these engineers have no official status, but they have reputations to sustain, and those reputations they stake upon the correctness of their reports.

The PRESIDING OFFICER [Mr. MYERS in the chair]. Is there objection? The Chair hears none, and the matter referred to by the Senator from Indiana will be printed in the RECORD.

The reports referred to are as follows:

REPORT OF GEORGE MCLEOD, ENGINEER, WHO EXAMINED LOUISVILLE CAMP SITE.

EDITOR LEXINGTON HERALD, Lexington, Ky.:

ENGINEER'S REPORT.

The engineer who examined it Tuesday reports:

Pursuant to your request, I spent some six hours on Tuesday, the 19th, in examination of the training camp site south of Audubon Park and between the Poplar Level Road and the Ash Bottom Road south of Louisville, and beg to submit the following as result of these observations:

I went out the Preston Street Road, crossing the Southern at Prestonia, and examined first that portion of the site which is to be, as I understand it, devoted to the maneuvers, viz, that portion between the Preston Street Road and the Ash Bottom Road.

MANEUVER SITE.

To identify this, I attach hereto a blue print, the hatched portion of which covers the proposed training site. I found approximately 160 acres of land north of Dr. Standiford's old residence, the eastern line of the 160 acres abutting on the Preston Street Road, running thence in a southeasterly direction at approximately right angles to said road, that had apparently been drained by means of agricultural tile and was good farming and gardening land. This was in cultivation.

CRAWFISH BOGS.

The remainder of the 980 acres, some 800 acres, between the Preston Street Road and the Ash Bottom Road is mostly an uncultivated crawfish bog. I drove through this diagonally in a machine, getting out at a number of places and walking over the country. I found that a great portion of the ground was hard and sun baked at present, the crawfish having just begun to make their little houses or mounds. These mounds could be found over practically the entire 800 acres, or at least over that portion I examined—and I gave the 800 acres a close investigation. I brought with me to Lexington, in my car, several of these mounds, one reaching here in very good shape, which is on exhibition

in the window of the Fayette Drug Co., together with the soil of another that was broken in the trip and photographs of the land. These crawfish mounds indicate very clearly the wet subsoil.

FIT ONLY FOR A SNIPE BOG.

Having been a resident of Louisville all during my boyhood days, I was thoroughly familiar with this section. I have hunted snipe and the Carolina rail over practically all of this property, now belonging to Dr. Bailey, which formerly belonged to Dr. Standiford. It is eminently qualified for a snipe bog, and that is practically the only use it has ever been put to.

There are scattered plantings of corn, none of which, by the way, had been cultivated this spring, cultivation only having started within the last day or so, owing to the extreme wet condition of the soil. A large part of this 800 acres in the spring, fall, and winter is and always has been covered with water. This I know of my own knowledge, and, furthermore, it is easily to be seen by anyone who will take the trouble to walk over it that this is true by observation of the innumerable crawfish mounds, which indicate that to-day just a short distance below the surface the subsoil is saturated with water.

NO GRASS OR SOD.

There is no grass or sod on the entire 800 acres beyond a few acres of poor timothy, the great majority of the acreage being entirely left to lie waste because it is not of the character that would bear tilling.

WATER STANDING IN WOODS.

I found Tuesday that in spite of the fact that farmers who are tilling the soil, cultivating onions and potatoes on that portion of the land along the Preston Street Road which has been drained by the use of agricultural tile, were looking forward to a rain, that water was standing in the woods between the Ash Bottom Road and the Louisville & Nashville Railroad, which woods were included within the proposed maneuver site. These wooded portions of this 800 acres should make excellent breeding grounds for mosquitoes, as the shade is there, and the wet, soggy ground.

While in the dry, hot season of the summer this ground will be hard and when the few crops which are grown on it are removed will give fairly good results for maneuvers, unless the soldiers find the stepping over the crawfish mounds difficult, in the wet season of spring it will be slippery, wet, and boggy, and absolutely unfit for drilling. An examination will show that there is no sod beyond a limited amount of timothy, above mentioned, the remainder being all bare, thick white clay, which takes the place of soil on this 800 acres.

TESTIMONY OF RESIDENTS.

This observation was borne out by remarks of the farmers in the neighborhood. Mr. Mike Brightenstein, who farms a small place across the Preston Street Road about half a mile north of the old Standiford residence, and directly across the Preston Street Road from that portion of the maneuver ground which abuts on this road, stated to me that the reason practically none of the 980 acres beyond the 160 acres directly across the road from him was cultivated was because of the fact that in the spring and fall and during all the wet season water laid on it, rendering it too wet to cultivate, and that in the hot weather of the summer it was too hard for decent cultivation; that until it was properly drained by the use of agricultural subsoil tiling, connecting with ditches, that it would never be used for agricultural purposes.

This was also borne out by the testimony of Mr. John Kahney, who lives southwest of the Standiford residence and across the lane from that portion of the Standiford farm which has been reserved and is not included in the offered site. While he seemed to be very anxious that the training camp should be located on the Standiford property and was guarded in his remarks, his wife, who was working in the field with him, told me that this land was not suitable for cultivation owing to being "crawfishy" resulting in thousands of crawfish mounds coming out through the dry, sun-baked clay in the summer and being more or less covered with water in the wet and rainy seasons of the spring, fall, and winter.

DIRT ROADS IN SITE.

This 980 acres is well supplied with macadamized roads on the east and west, with a fairly good macadamized road on the south. The roads through the property are nothing more than dirt roads, which will be practically impassable for haulage in wet weather.

CHARACTER OF BUILDINGS.

I also investigated the buildings on this 980 acres and found them all of the most dilapidated kind, the residences and barns being in the very worst of order, as might be expected from the character of the ground itself.

CAMP SITES.

After examining the maneuver site, I crossed the Preston Street Road to examine the three or four locations on the east side of that road, the largest of which is situated between the Preston Street Road and the Poplar Level Road, the next largest being just east of the Poplar Level Road. These are rather irregular in shape, the larger proportion being bounded on the north by the land of the Audubon Park Club.

NO BLUE GRASS.

I had been told that this ground to the east of the Preston Street Road—which is described as the camp site—was largely in blue grass. This, I found, is not a fact. If there is any blue grass on any of this property set aside for the camp, I was unable to find it, and I looked very carefully for it. The Audubon Club golf links, some 80 acres, I would judge, which I believe the Louisville people are trying to add to the encampment site, is very nicely covered with grass sod, which it has taken several years to secure.

COVERED WITH TIMOTHY AND WEEDS.

A goodly portion of the property which has thus far been set aside for the camp site is in timothy and weeds—rather a poor stand of timothy, with a large portion of white top. This land is considerably higher than that set aside for maneuvers and is of a rough, rolling type—I would say was well drained, and possibly two-thirds of it could be used for the buildings.

TIGHT CLAY SUBSOIL.

It has a tight clay subsoil, a soil which will shed water, but which will hold water in all depressions. Ten acres, I would judge, on the cross pike leading from the Preston Street Road to the Poplar Level Road, bounding the southern edge of the largest tract, has been excavated to the depth of from 4 to 10 feet and the clay hauled away and used for making brick. This, in itself, gives some idea of the character of the soil and the fact that it would be of a water-holding

character. This, however, would only apply to the depressions, as the roll of ground would, I think, guarantee fairly satisfactory conditions for the encampment.

RESERVATIONS SCATTERED.

The reservations for this encampment site, as will be noted from the map, are scattered, the main easterly reservation being probably 2½ miles from the maneuver grounds.

ROADS.

The Poplar Level Road, as well as the Preston Street Road, is a well macadamized pike, as is also the crossroad above spoken of leading from the Preston Street Pike to the Poplar Level Road or Pike. The road, however, leading from the Poplar Level Road east and passing south of that portion of the encampment site which lies east of the Poplar Level Road is narrow and the macadam is in miserable condition. I would say that the metal of this pike is not over 8 or 10 feet wide and presents a very bad appearance, in some places water having washed deep ditches along the side of the road in places 4 or 5 feet deep.

REPORT OF WILLIAM A. NEWMAN AND J. WHITE GUYN, ENGINEERS WHO EXAMINED LOUISVILLE CAMP SITE.

LEXINGTON, KY., June 27, 1917.

Hon. J. C. ROGERS,
Mayor Lexington, Ky.

DEAR SIR: At your request we visited the proposed training camp on June 26, located near Louisville, Ky. As indicated on the map furnished us, the maneuver grounds are to the west of the Preston Street Road and the camp site to the east. We spent five hours in making an investigation of the camp site and the maneuver site, beg to report as follows:

CAMP SITE.

The camp site, as indicated on the plat, consists largely of rolling ground, the drainage being to small natural branches. The soil consists of a fine white clay and is covered largely with weeds and white top. A section of some 60 or 70 acres between the Preston Street Road and the Southern Railroad is covered with a fairly good stand of blue-grass sod. Eighty per cent of the camp site is well suited for building and camp purposes. Construction work had started, and there were approximately 500 men engaged in constructing buildings, laying off building sites, erecting poles, laying water lines, and grading for railroad tracks. Approximately 20 construction cars had been placed on a Southern Railway siding, and also other cars loaded with ties, lumber, etc. Numbers of wagons and trucks were delivering material from the city.

MANEUVER SITE.

Leaving the camp site, we proceeded along the Preston Street Road, turning west into a lane which bisects a small section of the maneuver grounds and is the northern boundary of the main maneuver site. A section of the maneuver grounds comprising about 150 acres located on each side of this lane is under cultivation and drains fairly well. After proceeding along or down the lane for 2,500 feet to a point opposite the main body of the maneuver grounds, the area of which is approximately 800 acres, we left our machine and walked through this section for a distance of about 1,800 feet, crossing many drainage ditches which were lined with a thick, heavy undergrowth; in some cases it was necessary for us to cut our way through. We found the surface of all this section hard and dry, dotted with many crawfish mounds. At two points in this walk we used the sounding rod, striking water at a depth of 3½ feet in one place and 3 feet in another. In using the sounding rod we found the first 4 or 5 inches to be very hard; beyond this the rod could be easily pushed down from 3 to 5 feet with but little effort. Returning to the car we proceeded west along the lane to a large field containing about 200 acres, which lies at the intersection of the lane and the Ash Bottom Road. Going through this field, we found it to be sparsely covered with swamp grass and weeds. The surface here was also full of crawfish mounds. There was a corn patch in one corner, containing 10 or 15 acres. Water was again found at an average depth of 2½ feet. We then proceeded down the lane to the Ash Bottom Road, turning south we stopped at a house, the occupants of which had the 200-acre field leased. We inquired at this house for a drink of water and held a conversation with a woman who was born and raised at this place; she said it was seldom that they could produce a crop, the water nearly always drowning it out; that in the winter and spring the soil was very soft and many times it was impossible to even walk over it; that she had seen horses mired while they were cultivating crops on this land, the ground at the time not being sufficiently dry and hard to prevent the horses from breaking through the top surface. It was easy to understand how this could happen by the action of the sounding rod when working it down into the ground, the soil being very soft after going 8 or 10 inches below the surface; at this depth being of about the same consistency as fresh putty, the soil becoming softer and softer until water was reached, at which point it was simply soft, thin mud.

After leaving the house we proceeded south along the Ash Bottom Road, which traverses the main maneuver site; a large section lying between the road and the Louisville & Nashville Railroad. We made investigation at many points, and found water a very short distance below the surface, indicating the general drainage of the surface to be from the Preston Street Road west toward the Louisville & Nashville Railroad. Between the Ash Bottom Road and the Louisville & Nashville Railroad there is a large woodland, the boundaries of which are those of the maneuver site. This woodland, comprising some 200 acres, is covered with many large trees and a heavy, swampy undergrowth. The soil of the maneuver site near the woodland is damp in many places, the water being easily reached at a depth of 18 inches. We investigated at other points along the Ash Bottom Road and the lane which forms the southeast boundary line of the maneuver grounds, and found conditions generally the same.

The main body of the maneuver grounds was covered with a system of old drainage ditches from 1 to 3 feet in depth and from 100 to 200 feet apart in an effort to reclaim the land for agricultural purposes; but this was a failure, as only a few acres are now in cultivation.

The entire 800 acres comprises an abandoned, low, flat swamp with a surface sparsely covered with a few weeds, swamp grass, and thousands of crawfish mounds.

WM. A. NEWMAN,
J. WHITE GUYN,
City Engineer, Lexington, Ky.

Mr. JAMES. Mr. President, I do not think the country is interested in any petty contention that may be made by various

aspiring localities for the location of cantonments. To my mind, the only vital question is whether Louisville, having secured this cantonment site, has offered a healthful location.

While the Senator from Indiana [Mr. New] has put into the RECORD the reports of some engineers or of some private citizens who were sent from the city of Lexington to investigate the site at Louisville, Lexington being a rival for the location of this site, I should like to call the attention of the Senate just briefly to the report from the Secretary of War, which was made by Gen. George K. Hunter, in which he says this about the Louisville site:

On June 29 I made another trip to this camp site in company with Mr. F. M. Sackett, president of the Louisville Board of Trade, Mr. J. C. F. Hegewald, of Louisville, and Gen. Roger D. Williams, Kentucky National Guard. On this occasion we viewed all of the camp site and a portion of the maneuver grounds. Gen. Williams expressed his astonishment at what he saw, and stated that he could not understand upon what basis the Lexington papers had made their attacks upon this site, which was in every way most satisfactory for the purpose.

Gen. Roger D. Williams is a citizen of Lexington, Ky. He is one of our State's best citizens and most splendid soldiers. This general of the United States Army, making this report, says that Gen. Williams himself expressed surprise at the reports in the Lexington papers, which actuated my good friend, the distinguished Senator from Indiana [Mr. New], in offering the resolution. Gen. Hunter concludes his report in this way:

I have seen some of the most remarkable statements against this camp site and I wish to state that they have no foundation in fact. If there are any mosquitoes, or have any sickness in this camp, it will be due to the fault of the occupants and not to the location of the site which should be as healthy as any to be found in the United States.

That is the report of the Army officer. I do not believe the American people are quite ready yet to discount the reports of our generals in command of our soldiers, simply because some aspiring city sent some unofficial individual down who made a report that he thinks is unfavorable to the Louisville site.

In addition to that, I have here a letter written to the Louisville Post by Andrew Cowan. Mr. Cowan was formerly chief of artillery in the Sixth Corps of the Army of the Potomac. He is one of Kentucky's greatest Federal soldiers, and one of her most distinguished Republican citizens. I shall not take the time of the Senate to read the letter, but I shall ask that it be incorporated in the RECORD. It shows that he had investigated the site most thoroughly, and that it is a healthful site, in fact, as fine a site as could be desired.

The PRESIDING OFFICER. Without objection, the request of the Senator from Kentucky to have the letter printed in the RECORD is complied with.

The letter referred to is as follows:

ARMY CAMP SITE A SPLENDID ONE, SAYS COL. COWAN.

Col. Andrew Cowan, veteran of the Sixth Corps of the Army of the Potomac, has made an inspection of the cantonment and maneuver ground sites and has found them admirable.

Col. Cowan's judgment on the camp site will be accepted as conclusive by Louisville people, who know how thoroughly he is qualified to pass on it.

He invites the Lexington Board of Trade and the disgruntled editor to make an examination of the site.

Col. Cowan's opinion on the site is set forth in the following letter:

EDITOR EVENING POST:

"DEAR SIR: I was unable to visit the cantonment site until yesterday. There had been a deluge of rain the evening before, and I expected to see it under water, as I had been impressed by the Lexington criticisms.

"I was surprised to find that the entire site for the encampment of the troops is high and dry, several hundred feet above the city at Main Street, gently rolling land, with excellent surface drainage. There was not a puddle to be seen on the entire thousand acres.

"No finer site for a great encampment could be found anywhere. There are no swampy or unwholesome places upon it or near it. It is bounded on the north by Audubon Country Clubhouse and its beautiful golf field; on the west by the well-paved, broad Preston Street Road and the Interurban Traction Line, now being double-tracked; on the south by 'Durrett's Lane,' which is a smooth, paved road, wide enough for two big motor trucks, and extending eastward to the Poplar Level and the Newburg Turnpikes. The eastern boundary is about half way between the Poplar Level and the Newburg Road.

"So much for the encampment site, which will have an ample supply of wholesome, filtered water, and with sewers connecting with the city sewer system. The camp will be lighted with electricity. Very attractive and comfortable barrack buildings are being built with amazing speed. There will not be a more sanitary nor a more convenient cantonment in all the land.

"Now, for the maneuvering field and drill grounds, which cover about 1,300 acres, bounded on the east by the Preston Street Road, and extending a couple of miles, west and south, to the Louisville & Nashville road and Douglas Park. Here lies a level tract, admirably suited for drilling and maneuvering large bodies of Infantry, Cavalry, and Artillery. Twenty regiments may be drilled there without crowding. It affords excellent opportunity for teaching trench and fortification work.

"Invite the Lexington Board of Trade and the Lexington Herald to send a committee of intelligent men to examine the site and there will be an end to such criticism as tends to discourage the friends of our soldiers who will be encamped here. We want all to know in advance that this camp site is beautiful, sanitary, and fit in every way.

"Yours, truly,

ANDREW COWAN,
Formerly Chief of Artillery,
Sixth Corps, Army of the Potomac.

"LOUISVILLE, KY., June 30, 1917."

Mr. JAMES. I have telegrams from sundry citizens of Kentucky. Gen. John B. Castleman, for many years the head of the Kentucky State Guard, a distinguished Confederate soldier, and leading citizen of our State, sends me a telegram, as follows:

LOUISVILLE, KY., July 2, 1917.

Senator JAMES, Washington, D. C.:

By a conference of most representative citizens I am delighted to wire to you and ask that you will bring before the attention of the Senate the facts concerning the military camp selected near Louisville. Having more than 50 years' experience with troops in the field I have not known personally any camp site so suitable in all respects, so advantageous in topography, and so desirable from a sanitary point of view. Added to most unusual natural advantages, the site is penetrated by admirable city sewerage, city water, and city lighting; also electric and steam railway service. Our fellow citizens are led to ask that your colleagues in the Senate be advised of the foregoing, because our distinguished neighbor, Senator NEW, has unintentionally done a most serious injustice to the State of Kentucky and to the very competent and conservative representatives of the War Department.

JOHN B. CASTLEMAN.

I have a telegram from Gen. W. B. Haldeman, one of the editors of the Courier Journal and of the Louisville Times, and national committeeman and distinguished citizen, in which he says:

LOUISVILLE, KY., July 2, 1917.

Hon. OLLIE M. JAMES,

United States Senate, Washington, D. C.:

The site selected for the cantonment at Louisville is in every way suitable and admirably adapted for the uses to which it will be put. The statements in a Lexington newspaper as to Congressman SHERLEY and as to the cantonment at Louisville are absolutely without foundation in fact.

W. B. HALDEMAN.

I have another telegram from Attila Cox, jr., one of the leading business men of Louisville, which is as follows:

LOUISVILLE, KY., July 2, 1917.

Hon. OLLIE M. JAMES,

Washington, D. C.:

In addition to what others have said, desire to add my assurance based upon examination of the property that the Louisville cantonment site by reason of topography, sanitation, transportation, and other facilities could not be surpassed anywhere.

ATTILLA COX, JR.

I have a telegram from Hon. Alexander P. Humphreys, one of the most distinguished lawyers of the State of Kentucky and the South, in which he says:

LOUISVILLE, KY., July 1, 1917.

Hon. OLLIE M. JAMES,

Washington, D. C.:

Just back from a drive to the camp site. You need have no fear of the fullest investigation as to its absolute fitness. All you need is to ask objectors to come and see it.

ALEX. P. HUMPHREYS.

I have also a telegram from Mr. R. V. Board, president of the Louisville Wagon Co., which reads:

LOUISVILLE, KY., July 1, 1917.

Hon. OLLIE M. JAMES,

Washington, D. C.:

Have had many years as manufacturer of munitions. Am well acquainted with Army encampment of Louisville, and the opinion of a number of Army officers as well as my own is that the site is healthful, convenient, and peculiarly adapted for purpose. Our Representatives in Congress and Senate, as well as the War Department, are to be congratulated.

R. V. BOARD,
President Louisville Wagon Co.

Mr. President, I merely desire to place these telegrams in the RECORD to show that the site is a splendid one, whatever may have been the rivalries and contentions between Kentucky and our good friends in Indiana, who have already had given to them the officers' training camp, with thousands of soldiers located there, known as Fort Benjamin Harrison. The War Department, after considering all the facts, decided that Indiana ought not to have two and Kentucky none and gave one to Kentucky and one to Indiana. I think all the facts disclose clearly and conclusively that the War Department acted wisely in selecting Louisville.

Personally I took no part as between the contending cities within my State. I was anxious to have the cantonment located in Kentucky, as I know my friend, Senator NEW, was anxious to have it located in Indiana; but after the issue has been decided we Kentuckians never fight over lost battles. We accept the decision as good, patriotic Americans. The report of the Secretary of War is overwhelming and conclusive, speaks for itself, and needs neither apology nor defense at my hands.

Mr. CHAMBERLAIN obtained the floor.

Mr. NEW. Mr. President, just a word further.

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Indiana?

Mr. CHAMBERLAIN. I yield to the Senator from Indiana, if he desires to make a further explanation.

Mr. NEW. Mr. President, just a word to say that I did not at any time seek to have the Secretary of War consider the claims of Indiana sites ahead of any of those in Kentucky. I

made no personal effort, and did not seek in any way to exert any influence, personally or otherwise, with the Secretary of War or with any officer having anything to do with the selection of that site. I have never understood, and I have never intimated, that either my friend the senior Senator from Kentucky [Mr. JAMES] or the junior Senator from Kentucky [Mr. BECKHAM] had anything to do with securing the location of the site at Louisville.

Mr. President, so far as telegrams are concerned, I should like to say that there have been sent to me a great many telegrams from the State of Kentucky, and a good many exhibits, some of them physical, indicating that Louisville should not have been selected. I have not thought it best to introduce them on the floor of the Senate, and as I have said before, Mr. President, I think, under the circumstances, all has been said that it is necessary to say here concerning this matter.

The Secretary of War, in transmitting this report, says that he assumes responsibility for the selection of the Louisville site. I think that is proper, and I, Mr. President, am abundantly willing that the responsibility for it shall rest there. If the reports of the engineers, on which I based my original statement are correct, and if the objections which they make are well founded, that fact will be demonstrated in the course of time, and to time the whole matter must be left for final judgment.

EXECUTIVE SESSION.

Mr. CHAMBERLAIN. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 5 minutes spent in executive session the doors were reopened.

RECESS.

Mr. CHAMBERLAIN. I move that the Senate take a recess until to-morrow at 12 o'clock noon.

The motion was agreed to; and (at 5 o'clock and 40 minutes p. m., Thursday, July 12, 1917) the Senate took a recess until to-morrow, Friday, July 13, 1917, at 12 o'clock meridian.

CONFIRMATIONS.

Executive nominations confirmed by the Senate July 12, 1917.

CHIEF JUSTICE COURT OF APPEALS, DISTRICT OF COLUMBIA.

Constantine J. Smyth to be chief justice of the Court of Appeals, District of Columbia.

DISTRICT JUDGE.

Frederick M. Brown to be United States district judge, district of Alaska, division No. 3.

MEMBER OF THE EXECUTIVE COUNCIL OF PORTO RICO.

Luis Sanchez Morales to be a member of the Executive Council of Porto Rico.

REJECTION.

Executive nomination rejected by the Senate July 12, 1917.

W. E. Thomas to be United States district judge for the southern district of Georgia.

SENATE.

FRIDAY, July 13, 1917.

(Legislative day of Thursday, July 12, 1917.)

The Senate reassembled at 12 o'clock m., on the expiration of the recess.

HOUSE BILL REFERRED.

H. R. 4960. An act to define, regulate, and punish trading with the enemy, and for other purposes, was read twice by its title and referred to the Committee on Commerce.

COL. L. MERVIN MAUS.

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (S. 1766) to authorize the President to appoint Col. L. Mervin Maus to the grade of brigadier general in the United States Army and place him on the retired list, reported it without amendment and submitted a report (No. 82) thereon.

MESSAGE FROM THE HOUSE.

A message from the House, by J. C. South, its Chief Clerk, announced that the House had passed a bill (H. R. 5405) making appropriations for certain session employees of the Senate and House of Representatives, in which it requested the concurrence of the Senate.