

MINUTES OF CONFERENCE.

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long run he loses by it. "Men are manipulating the market who have no interest in either the production or consumption of the wheat, and the same is true of cotton. I merely speak of wheat because that is more particularly a product of my country. I have always found this the rule, and I am no angel by any means. You can rub my shoulders without any danger of disclosing any wings; but I have always found that in the long run an immoral thing is injurious to the many, and a moral thing is for the advantage and benefit of the many. And if on no other ground a man did not know a single thing of the details of the business, I think he could safely say that the producer in the long run is the loser by a practice that is essentially immoral (Applause) because it is simply gambling.

"I came down here more to learn what this movement or meeting was for, and after hearing this discussion on options I have no hesitation in saying, for one, that I am eternally in favor of anything that can stop them. (Applause) It does not make any difference whether it is popular or not; it does not make a bit of difference to me. I gather from this conference that a great many of you are raising cotton. But if you were raising wheat in Minnesota, and I had an opportunity to contribute any particular amount of vitality to a movement to prevent options, I would do it, whether it met the approval of men who might feel that they were possibly at times benefited by it or not, because I lay it down as a fundamental principle in legislation that in the long run the mass of the people are benefited by what is right and just, no matter if temporarily they may be hurt." (Applause.)

President Barrett.—"Mr. Edwards, we shall be glad to hear from you, if you will talk to us."

Mr. Edwards of Kentucky.—"I do not know that I have anything to offer, especially. I would like to learn more about the question myself. In the particular district that I happen to come from in Kentucky the business of the people is mixed. We do not do farming entirely. We have a timbered and coal section, and this has not been a question that has been discussed or agitated in my part of the State as it has in the strictly agricultural portions.

"I want to say that I think, on the broad ground stated by Senator Clapp, that we can all join in with you on this movement, that whatever is most moral and the best for the people generally ought to be supported as a general proposition. I confess, however, there is a great deal about the question of suppressing the dealing in futures that I do not know, and I would be glad to have the advantage of the experience of this society and this organization from its investigations, and from whatever information you have."

President Barrett.—"Mr. Brooks, will you tell briefly what you want?"

Mr. Brooks.—"I would rather not take up the time. We want to hear from these gentlemen who are with us to-night. Our position is a mere matter of statements. We are in favor of the measures that have been introduced. It is not a new question; it has been agitated before—to prevent dealing in futures where the goods are not delivered. I think that is the shortest statement that I could make to give you an insight as to the mere purpose."

Mr. Austin.—"Suppose the Congress enacted the legislation you desire. What effect will it have on the prices of products of the farm? Suppose you gain this legislation you are speaking of now, what practical benefit will it

be to the farmer?" Mr. Brooks.—"To take the most unfavorable stand that could possibly be taken, suppose it does not affect the farmer at all; it abolishes a nuisance."

Mr. Austin.—"I am seeking information."

Mr. Brooks.—"You take, for instance, Herbert Knox Smith's report, and look at his chart. His chart shows that futures are below spots in the cotton market almost invariably; and, that being the case, and spot prices following future prices, it has a depressing tendency. To relieve it of that depressing tendency you would have to abolish the practice."

Mr. Austin.—"Does speculation in cotton, in a cotton exchange, enhance the value of cotton?"

Mr. Brooks.—"As it was stated, sometimes incidentally, and according to the speculation on the Exchange do so if the crop is very short. But it is an injury to the consumer. It cannot help but injure him if it is abnormally high. If it has this effect, it is an evil which ought to be remedied."

Mr. Austin.—"Suppose the stock market is booming wheat and corn and cotton. Does it not really advance the prices of those articles?"

Mr. Brooks.—"If it raises it abnormally, contrary to the natural law of supply and demand, it is just as much an evil as if it depressed it."

Mr. Austin.—"I am not speaking about evil. Is it not a benefit to the farmer?"

Mr. Brooks.—"A benefit to the farmer apparently. But it is a loss to the consumer, and therefore an immoral benefit, and we are opposed to it, if such a thing could happen."

Senator Clapp.—"May I suggest there that, in that particular incident, throwing aside now all question of morals, it might benefit the farmer, but the minute you introduce into farming a rule of prices that is not based on values—I do not know how it would be with the cotton crop, but I know in our country we would immediately the next year run into that crop and run into a loss on that crop, because that price had not been the result of a fair equation of the demand and supply."

"It may seem an anomaly, but from experience in our own country it is a fact that speculator robs the farmer and robs the consumer. In the first place the farmer is hardly ever in a position when these booms come on to sell his wheat. But the consumer is always in a position to eat the flour, and the flour goes up. The speculations being largely after the wheat has actually passed from the farmer, it does not benefit him, but it does make a burden that the consumer has to bear, because you cannot raise wheat on futures and speculation without seeing some corresponding increase in the price of flour."

Mr. Neill.—"You take the people South, and I want to say to you, gentlemen, that for years and years we have been afflicted with this thing called gambling. Now, there is a distinction between actual speculation and gambling. You take the Southern people and the West, and one reason for their opposition to exchanges is that it makes a fluctuating price. It renders an unstable price."

Mr. Howell.—"I want to find out from somebody the proportion in some commodity, say in cotton, of transactions which result in a real commercial transaction, and those that are purely gambling."

Mr. Neill.—"Well, you take the investigation made by Mr. Burleson, which was done under an act of Congress; and I think you will find in that report that the New York Exchange sold over 200,000,000 bales of futures, and less than 5,000 bales of spot."

"We contend that the exchanges have the power to make and unmake our markets. They render the proposition unbearable, and destroy competition, and take away actual speculation out of the cotton market."

Mr. Brooks.—"Just a word on that same point. If they have power to do that, it certainly is going to be exercised. No one would deal in futures if prices were always the same. There would be no inducement. The future dealings absolutely depend on fluctuations, and they are going to see that the fluctuations continue."

President Barrett.—"We have with us this evening Chairman Scott, and I will ask him to speak to us now."

Mr. Scott, Chairman of the Committee on Agriculture.—"Gentlemen, I assure you it is a great pleasure to me to be here and to find these gentlemen here. I have been interested in this subject for a long while. Two years ago I introduced practically the same bill as you are now considering, but at that time it attracted no particular attention, and I did not seem to be able to awaken enough interest in it to warrant the committee in even giving it consideration. Last spring when the special session assembled, in the routine way that we have of introducing all bills in a new Congress that failed in the past, I introduced this bill, among others. But it happened to be the psychological moment. It was just at the time when Mr. Patten was running his spectacular corner in wheat on the Chicago Exchange. The news which went out from Washington that a bill had been introduced to prevent a repetition of such operations attracted attention all over the country. I presume some reference to it was made in every newspaper, certainly in every daily newspaper in the United States."

"It was taken note of by such organizations as your own; by agricultural societies all over the country; by the millers, and particularly by the bakers, who were touched very closely by the advance in wheat, which had compelled them to raise the price of bread or diminish the size of the loaves, and they were hearing from their customers, and were very anxiously looking for relief. Accordingly I was overwhelmed with correspondence in regard to the bill. You would perhaps be interested and a little bit surprised to know that I received letters from members of the Canadian Parliament, from members of the British Parliament, and from economists in France and Italy, asking for copies of the bill, and inquiring about the possibility of its becoming a law."

"Naturally I was greatly encouraged by this, and I am still more encouraged by the attitude which your organization has taken and by the fact that you are here now pushing this bill, because the influence of a few earnest, determined men, right on the ground behind a measure of this kind, is worth a car load of resolutions sent in by mail, no matter from how many different people they come."

"It seems to me there are but two propositions to be considered in connection with this whole question. The first is, are the boards of trade or produce exchanges, as now conducted, an evil? Are the methods that they pursue inimical to the interests of the country? In the second place, if these questions are answered in the affirmative, then will this bill meet the evil and supply a remedy?"

"There is practically but one argument in defence of the boards of trade as they are now conducted, and that is that you must have a future market in order that manufacturers of flour or cotton goods or of other commodities may protect themselves by what is commonly known as hedging. There is possibly another argument, and that is that the distribution of these commodities is handled in a better shape by means of a future market than it could be otherwise."

"The answer to the hedging proposition is that the most conservative and successful manufacturers of flour, as well as of cotton goods, no longer resort to hedging to any considerable degree. I have been assured of that by letters that have come to me from large numbers of millers and by the testimony of a large number of spinners."

"Now, there could not be any corner in wheat if there was not any future in wheat, because nobody could get money enough together to actually buy the wheat of this country in sufficient quantity to corner the market, any more than he could get the money to buy the cotton of the country. You cannot get paper possession of 20,000,000 bushels of wheat with a million dollars, but you would have to have \$20,000,000 to get actual possession of the wheat. (Applause) You could get possession of the cotton crop with \$5,000,000 or \$10,000,000, but as our friend has said it would take \$700,000,000 to get possession of the actual cotton crop."

"So it seems to me if we can pass a bill which will eliminate the

speculative feature in the boards of trade, we will have done an enormously good thing for this country. "I cannot conceive of any other measure pending before Congress that compares in importance with this one, because aside from the moral aspect of the case, looking at it from an economical standpoint, considering the enormous sums of money constantly tied up in these gambling speculations, hundreds of millions of dollars, it should appeal to us from that standpoint."

"We had a panic in 1907 because there was not ready money enough available at a critical time to meet the demands for cash, and the banks closed all over the country or suspended payment, thirty days, and there was two years of depression on account of it. I have always believed that the panic of 1907 was due directly and absolutely to the gambling operations of the board of trade and the exchanges, which at a critical moment tied up a thousand million dollars which were not available for commercial purposes. Men in commerce, men in manufacturing could not pay 102 per cent for a money. Men in gambling operations could do so and they gathered it all up and the bankers in New York financed the gambling operations instead of financing the manufacturing and commercial operations of the country."

"Now, this money which is tied up in these operations belongs to the able, energetic, keen, ambitious aggressive men. They want to make money. That is the reason they are there. But if they could not go there and invest it they would invest it in something else. They would build factories, they would open farms, they would put the money somewhere where it would do somebody some good. As it is now, it does nobody any good except the few who accumulate enormous sums, by which they usually suffer even more than the victims from whom they filch it."

"I want to close, as I began, by expressing the personal thanks which I feel to all of you gentlemen for the assistance you are giving in it. Let me add just one more word, Mr. Chairman. Every member of the Kansas delegation would have been here this evening if other engagements had not detained them. They are all in hearty accord with this proposition."

Mr. CAMPBELL of Kansas.—"Mr. Chairman, I did not come in with any intention whatever of taking any of your time. My friend Scott, however, has made it practically necessary that I should say a word."

"I am a very glad to see this agitation by this organization. I have wanted to see the farmers of the United States organized in this manner and for this purpose, ever since I was a boy raising wheat out in Walnut Grove township. I knew then that men who did not know how to make a hand were making more out of the wheat that I was raising, (and they never saw a grain of it) than I was."

"In answer to Mr. Austin's question as to whether or not the stock exchanges effect the prices advantageously to the farmer, I remember very well an occasion when the gambler pushed up the price of wheat. They did not have a bushel to sell and they did not want to buy a bushel. But I rushed around and got the threshers to thresh the wheat and rushed the wheat to market. By the time I got there the price had tumbled down and I got exactly what wheat was selling for the ten days before, and in the mean time it had been up fifteen cents a bushel. It resulted in bringing wheat into the market that would not have gone to market at all if it had not been for that unnatural stimulation in the price."

"I am glad for another reason to see the people of the United States behind this sort of a bill. In getting ready to take care on the floor of the House of a bill that I had charge of a year ago or more I discovered in my researches that every continental country in Europe had enacted laws to protect food products against the gamblers; that is to say, it is a crime in almost every country in Europe to gamble in the price of food products. I do not see why the American people should be behind, other countries in that respect."

"Gentlemen I hope you will stick together and stand behind this bill, or a similar bill, and accomplish this purpose. As Mr. Scott has stated, no bill before this Congress will reach further into the country and benefit more people than this bill, if it becomes a law."

Mr. Holder, representing the American Federation of Labor, was introduced and said in part:

"I am, however, going to offer you my services. As the legislative committee of the American Federation of Labor, I am the only man representing 2,000,000 working men over there in the Capitol, and I can see only a comparatively small number of Senators and Rep-

resentatives; very few of them will give me very much of their time, because they are otherwise engaged. But if there are any moments I can spare to assist you in this great work you are undertaking, whether I agree with it or not, so long as you agree with it, if I can render you any service you may count on one at least who is willing to join hands from factory to the farm for the benefit of humanity. I thank you for the opportunity of speaking to you."

Pres. Barrett.—"Mr. Austin, we would like to hear from you."

Mr. Austin.—"I did not come out to-night to make a speech, but I had an invitation this afternoon from Representative Sims, who is a member from the Eighth Tennessee District, to come."

"I am for any legislation that will advance the common people, and I am a believer in President Taft, a believer in the principles for which he stands. I intend to support his administration and vote for and labor to carry out his recommendations in Congress. I am in sympathy with this movement because I know that you gentlemen are more deeply interested in it than I am, for it is nearer to your hearts and you have given it study. I am not a farmer. I am a lawyer, but I am elected to Congress by the farmers and the laboring people."

"I will vote to put out any great evil in this land of ours: I will vote for any legislation that will advance the interests of the many against the few. I would certainly do all I can to advance legislation that will prevent the combinations that we have in this country, to put down the trusts and their operations which I believe to be against the best interests of the American people."

"I would be very glad to be present at the hearing before the Committee, and I am at your service and will be very glad to do anything I can to aid you in carrying forward to a success the meritorious proposition that brings you to the Capitol City. If we have not the right thing the truth needs to be brought out."

Adjourned until February 1st, at 8:30 a. m.

MORNING SESSION—FEB. 1.

The Conference convened at 8:30, regular hour. A roll call showed all the members present except Bro. Myers, who was excused on account of sickness; and Bro. Neill, who came in four minutes late. Brother Ward was excused from having to answer a roll call on account of pressing business with the Postoffice Department.

Mr. J. F. Campbell of the Farm Demonstration Work, called and paid his respects to the members of the Conference.

After outlining the work for each member for the day, the Conference was adjourned by President Barrett.

EVENING SESSION.

Upon convening in the evening Brother Morris read the following from the Alabama delegation in Congress.

"At a meeting of the Senators and Representatives from Alabama, held in the Minority Room in the House office Building today, Feb. 1, 1910, with Senator Bankhead presiding, the following resolution, offered by Mr. Clayton, seconded by Mr. Underwood and favored by all the Senators and Representatives, was unanimously adopted:

Resolved, That the Senators and Representatives from Alabama heartily favor legislation for the suppression of gambling in farm products, and will support a measure or measures to that end."

(Continued on last page.)

AMERICAN STANDARD HIGH.

Wages of Labor and Cost of Living Here and Abroad.

The Labor Gazette of the board of trade of London gives the result of an inquiry made by the Imperial statistical department at Berlin into household expenditures of families of small means in Germany. The average yearly income for the skilled workman was \$458.83 and the average expenditure \$437.71, of which 51.5 per cent was spent for food alone. Among the unskilled laborers in both industrial and commercial occupations there was an average yearly income of \$411.78 and an average yearly expenditure of \$409.70, 54 per cent of which went for food alone.

Compared with this, a recent study of the standard of living in New York city, made under the Sage foundation, led to the conclusion that it was impossible for a family of average size to maintain a normal standard of living on an income under \$800 a year. This conclusion has been substantiated by an investigation by the federal bureau of labor, which showed that the average income among 1,415 workmen in the north Atlantic states, among whom the percentage of skilled labor was high, was \$834.83. Against this was an average expenditure yearly of \$778.04, of which but 43 per cent was spent for food.

Let us send you the Advance 3 months on trial.

WORKERS' PENSIONS.

System of the International Harvester Company.

PROVIDES FOR EMPLOYEES.

Company Assumes Payment of Full Amount of Pensions, and No Contribution is Required of Men—Plan and Amount of Payment.

Two years ago the International Harvester company started a pension system which, the officers declare, has given the employer and employee much satisfaction, says the Chicago Evening Post. Fifty men and one woman already are on the list, drawing from \$15 to \$63 a month. The system was put into effect Sept. 1, 1908.

"When the Harvester company decided to adopt a pension a most exhaustive study was made of the question," said G. A. Ranney, one of the organizers and at present a trustee of the pension fund. "The most important point was settled when we were informed by the officers that the company would assume the payment of the full amount of the pensions and no contribution would be necessary from the men."

In making its announcement of the establishment of its pension system the Harvester company issued the following statement:

"The directors establish the pension fund as an evidence of appreciation of the fidelity, efficiency and loyalty of their employees and have approved the following plans as the best and most liberal for those who by long and faithful service have earned an honorable retirement."

This states in a few words the policy of the company. Following are the eligibility rules laid down by the company:

(a) All employees of this company and of subsidiary and affiliated companies engaged in any capacity are eligible to pensions as hereinafter stated.

(b) All male employees who shall have reached the age of sixty-five years and have been twenty or more years in the service may at their own request or at the discretion of the pension board be retired from active service and become eligible to a pension.

(c) All male employees who have been twenty or more years in the service shall be retired at the age of seventy years, on the first day of the calendar month following that in which they shall have attained said age, unless, at the discretion of the pension board, some later date be fixed for such retirement. Persons occupying executive positions are exempt from maximum age limit.

(d) All female employees who shall have reached the age of fifty years and have been twenty or more years in the service may, at their own request or at the discretion of the pension board, be retired from active service and become eligible to a pension.

(e) All female employees shall be retired at the age of sixty years, on the first day of the calendar month following that in which they shall have attained the age, unless, at the discretion of the pension board, a later date be fixed for such retirement. Persons occupying executive positions are exempt from maximum age limit."

In computing the length of service of an employee allowance is made for time lost on account of sickness or periods during which certain departments have been shut down on account of repairs or inventory. A temporary layoff on account of these reasons which does not exceed six consecutive months is not deducted from the total length of service. In other words, if one of the men was sick for, say, four months in any one year he would be given credit for a full year's service. The subject of the total length of service is important, for the two conditions on which a pension is granted are the number of years the employee has served the company and the amount of his average wages each year for the ten years next preceding retirement.

To illustrate, if the average pay per year for the last ten years of service equals \$600 and if the service has been continuous for twenty-five years, the pension would be 25 per cent of \$600, or \$150 per year, or \$12.50 per month. Since the minimum pension has been fixed at \$15 per month, then to this regular percentage \$5.50 would be added, making the minimum \$18.

A provision which the board seems to be well pleased with is the rule which provides that the board has power to continue the pensions to widow or other dependent members of the family if in its judgment the circumstances warrant its continuance, and the board also holds the right to give the money to some member of the family if it is found that it is not being expended for the purpose intended—to maintain the family.

Another provision of the pension system which is considered to be the most liberal adopted by any concern is the announced permission that the company gives to a pensioner to do what he pleases after retiring. The acceptance of a pension thus does not prevent an employee from securing employment elsewhere, provided it is not prejudicial to the interests of the company. The granting of a pension, however, absolutely bars further employment with the company.

In cases where an employee has not reached the pensionable age, but has worked faithfully twenty years or more and on account of physical disability is obliged to retire, the pension board has power to grant a pension.