

representative Henry of Texas, and those that had been following his movement to recognize as a basis of credit and currency the commercial paper of farmers based on corn, cotton and wheat. In effect, the amendment provides that paper is not to be discriminated against for purposes of discount merely because the security of that paper happens to be supplemented with the collateral of a warehouse receipt. The modification does not discriminate in favor of or against any particular products, and under it the New England manufacturer of cloth can present paper based on his products for rediscount purposes just as can the grower of wheat, corn and cotton. The right and power to define and determine the character of the agricultural, industrial and commercial paper offered for rediscount is left to the discretion of the federal reserve board. The substitute section, modifying the second paragraph of the rediscount section, known as section 14 of the bill, may be found in the Owen-Glass bill as finally introduced in the house, August 29. This bill is printed in full in another part of this issue of The Commoner.

The administration currency bill, after nearly three weeks of discussion, was finally approved by the house democratic caucus, August 28, by a vote of 163 to 9. After agreeing to the bill, the caucus adopted a resolution, by almost unanimous vote, declaring the bill to be a party measure and that "members of this caucus are pledged for the bill to its final passage, without amendment, provided, however, the banking and currency committee may offer amendments in the house." Fewer than a dozen changes were made in the text of the bill by the caucus. The alterations, while several of them are considered important, involve in no way the substance or structure of the bill. The approval of the bill by the caucus means that it will be passed by the house in short order, as the action of the caucus is binding on the democratic members who have an overwhelming majority. In addition to democratic support, this measure will receive the support of many republican members and some progressives. The measure was reintroduced in the house by Chairman Glass, August 29, and referred to the banking and currency committee.

Democratic insurgency was voiced by Senator Hitchcock of Nebraska in the senate, August 29, in a speech condemning legislation by party caucus. He was speaking in support of his amendment on placing a graduated tax on production when it reached the proportions of monopoly. Mr. Hitchcock proposed such an amendment in the caucus, and when it was rejected and his party associates refused to concede to him the right to offer it on the senate floor he walked out of the caucus. This amendment was defeated when put to a vote in the senate, 41 to 30. Senator Hitchcock was the only democrat voting with the republicans in support of it.

Representative Britton of Illinois introduced a bill in the house to appropriate \$7,000,000 for a government armor plate plant to be operated by the navy department. His idea is to break up what he calls the "trust" now controlling the armor plate situation in this country.

In a speech before the senate September 1, in support of an amendment offered to the tariff bill proposing a 10 per cent tax on all trades where the seller did not actually own the property sold, Senator Cummins of Iowa denounced



IN FOR REPAIRS

(Uncle Sam's monetary machine is now being overhauled in the Congressional garage.)—From the Portland (Oregon) Journal.

"short selling" on the New York stock exchange, the Chicago board of trade and on cotton, produce and stock exchanges generally, as "a menace that threatens the industrial strength of the country." He asserted that the old Louisiana lottery was a "pink tea compared with this orgy of vice."

The house judiciary committee unanimously decided to recommend that a thorough investigation be made of the charges against United States District Judge Emory Speer, of the southern district of Georgia. The house passed a resolution authorizing an investigation of the charges, and the investigation, which will be conducted by a subcommittee of the judiciary committee, will probably not be undertaken before late in the fall.

President Wilson has named Henry Morgenthau to be ambassador to Turkey, and the nomination was reported upon favorably by the senate. Mr. Morgenthau is of German birth, but he came to this country as a child. He is a graduate of the New York City college and the Columbia law school, and has been actively engaged in various business enterprises of New York city for many years. In the last campaign he was selected as treasurer of the democratic national committee.

Charles J. Vopicka of Chicago has been named by President Wilson as United States minister to the Balkan states. Mr. Vopicka was born in Bohemia in 1857, and came to this country to seek his fortune when a penniless young boy.

Representative Kinkead of New Jersey, by way of proving his assertion that American beef is sold cheaper in Europe than in this country, read a letter in the house from Rev. J. J. Lawrence of Binghamton, New York, saying in England recently he bought American and Argentine beef at prices almost

50 per cent lower than the prevailing American prices.

Proposed advances of 5 per cent in freight rates on all commodities, except grain and coal, will be submitted to the interstate commerce commission about the middle of next month by the fifty-two railroads operating in the east. The proposed changes will be based upon the present first-class rate between New York and Chicago, the increase being 5 per cent flat. The printed tariffs are to be filed to meet the objections of Commissioners Clements and Marble to a consideration of the proposed advances until the tariffs were actually before the commission. In their opinion the commission has no authority to fix a minimum rate and if an increase were granted before the filing of tariffs the rate fixed would be a minimum rate, below which the railroads could not go legally even if they so desired. The aggregate expense to the railroads of compiling and printing the new tariffs, it is said, will be close to \$1,000,000.

The government's September crop report, issued September 9, shows an enormous loss in the prospective corn production and indications of the biggest wheat crop ever produced in this country. Hot weather and drought in a number of the principal corn growing states in the month ending September 1 caused a deterioration of corn, which experts calculated has resulted in the loss of 321,000,000 bushels, reducing the corn crop estimates to 2,351,000,000 bushels. The total wheat crop is estimated at 754,000,000 bushels. Weather conditions during August caused a deterioration which is estimated to have resulted in the loss of 14,000,000 bushels of potatoes, 35,000,000 pounds of tobacco and 1,000,000 tons of hay.

The urgent deficiency bill, bearing provision for the elimination of the commerce court, passed the house September 9. An amendment, intro-

duced by Representative Bartlett of Georgia, repealing the law under which five additional circuit judges were appointed to fill the new court's bench, was adopted by a vote of 181 to 78. When a similar provision reached the senate in a bill in the last congress the constitutionality of abolishing the offices of judges was doubted, a majority of the senators thought it in conflict with a provision of the constitution which guarantees office to a federal judge during good behavior. The complexion of the senate since has been changed and its action on the Bartlett amendment will be watched with much interest. An appropriation of \$100,000 to provide federal aid for destitute Americans leaving Mexico was included in the bill at the request of Secretary Bryan.

President Wilson appointed Colonel Thomas H. Birch of Burlington, N. J., as United States minister to Portugal.

The navy department has denied the published report from London that the United States government had placed a contract for Whitehead naval torpedoes with the English manufacturers. It was stated that not only had no contract been placed as alleged, but that the navy department had no intention of placing any such contract.

A movement is on foot to establish co-operative commissariats in government departments. Reports of a preliminary tryout made by employees of the Washington navy yard showed that more than \$1,125 had been saved to purchasers at the co-operative store in the last six months. The net profit on the venture, accruing to members, was 25 per cent.

In a letter accepting the resignation of W. Cameron Forbes as governor-general of the Philippines, President Wilson said: "I realize the amount of excellent work you have done in the islands, both as secretary of commerce and police and as governor-general, and I desire to thank you for your faithful service."

Joaquin Mendez, Guatemalan minister to the United States, has assured Secretary of State Bryan of that country's approval of the administration's peace plan.

The house passed the Hetch Hetchy reservoir bill granting San Francisco use of the Hetch Hetchy basin in the Yosemite valley to supplement its present water supply.

The senate committee on banking and currency gave a hearing to



GONE DRY!

—Washington Star.