

CHARGES AGAINST HOUSTON MADE

Dr. Spillman Alleges Rotteness in the Management of the Department of Agriculture

SECRETARY NOT IN SYMPATHY WITH FARMERS

Investigation of Department and Bureau of Markets Announced By House Resolution.

Editor Daily Item:

I am inclosing you copy of House Resolution 611, providing for investigation of the charges of Dr. Spillman concerning the Secretary of Agriculture. Dr. Spillman's address was delivered before the national Board of Farm Organizations February 11 and is set forth in the document I am inclosing. I think your readers will be greatly interested in the revelations set forth by Dr. Spillman of some of the inner history of the Department of Agriculture.

I am particularly interested because it shows why the bureau of markets which was the direct result of my collaboration with Mr. Lever in January 1913, utterly failed during that year to even start the great work we expected. In September of that year at the instance of the National Farmers' Union I was sent to Washington as chairman of a committee to interview Secretary Houston and urge him to make the Bureau of Markets worth something to our people. It was then that I came to the conclusion that Secretary Houston was totally out of sympathy with the farmers, and should be removed from office. It is a sad commentary on the lack of organization of the farmers that such a man should remain at the head of the Department of Agriculture for six years, and will probably stay on to the end of President Wilson's administration. I protested last year ago: When in Washington last week I was told that in view of Dr. Spillman's revelations, a movement to have Houston removed had started. I doubt if it amounts to anything. Lever has said to me on more than one occasion that he regarded Houston as the brains of the administration. I never could understand how Mr. Lever had been so deceived in Houston. I trust you will give space to the publication of Dr. Spillman's address, even if you have to do so in installments. I am sure your readers will appreciate it.

Yours truly,

E. W. Dabbs.

Whereas at the semiannual conference of the National Board of Farm Organizations on February eleventh, nineteenth hundred and nineteen, the following statements and charges concerning the United States Department of Agriculture were made by Doctor W. J. Spillman, former Chief of the Office of Farm Management in said department:

Why Data on Cost of Production are "Not Reliable"

After ten years of patient study the Office of Farm Management felt that by the summer of nineteen hundred and seventeen it had worked out satisfactory methods for determining the cost of producing practically all kinds of farm products. In these studies vast quantities of data had been collected, and several bulletins on the cost of producing various products had been published. What was mainly needed to enable the experts of the office to state current costs of most products was knowledge of current wages and prices of materials.

It happened that just at this time the President directed the Federal Trade Commission to undertake certain studies of food production and distribution with a view to determining cost at various stages and of ascertaining whether unfair practices prevailed in the trades based on food products. The Federal Trade Commission took up with the Bureau of Markets of the Department of Agriculture the matter of ascertaining cost of production of farm products. Arrangements were made for the Office of Farm Management to have charge of this work in cooperation with the Bureau of Markets.

As Chief of the Office of Farm Management, I requested letters of authorization for the purpose of sending thirteen experts from that office to the field to collect the data necessary for determining current costs. This was early in October, nineteen hundred and seventeen. Since the money available for this would lapse on July first, nineteen hundred and eighteen, it was planned to finish the work by that time.

Secretary Houston refused to grant these letters and called me to his office for a consultation. This is the conference referred to by Secretary of Agriculture in his letter to the Senate of November seventh, nineteen hundred and eighteen, in which he says: "I indicated to him (Spillman) my desire that careful consideration be given the whole matter and that a system of inquiry and interpretation be devised which would be regarded by competent students of farm economics as sound and which would furnish results reasonably reliable and creditable to the department."

Every word of that statement is deliberate falsehood. Secretary Houston made no such suggestion to me at that or any other time. What he did say at this particular interview was substantially as follows:

He first rebuked me in the sternest manner for having gone before the Garfield committee at the time the price of wheat was fixed the first time, and reminded me that I had done so without his permission. He stated that it was well understood amongst those who were in a position to know that the price to be fixed for wheat was about \$1.90, but that my testimony had resulted in the unreasonable price

of \$2.20. It made it very clear to me that I had been guilty of an unpardonable offense in this matter. I had, in fact, prepared a report to be submitted to the price-fixing committee with Mr. Houston's consent, but when it came time to present this report, Mr. Houston was conveniently out of town and I could not learn where he was. I therefore presented the report in person, and without his permission. The price I urged upon the committee was \$2.30, for at that time a farmer could get \$2.28 for his wheat by feeding it to hogs, and I argued that any price below \$2.28 would induce many farmers to feed their wheat, a result which actually occurred.

The Secretary further stated at this interview that he had made a thorough investigation of the whole subject of cost of production on the farm and that there "is nothing to it." He described his thorough investigation as follows: He had visited a cousin of his on a farm in North Carolina and had asked him the cost of producing cotton. "Well," replied the cousin, "last year I had the same acreage of cotton as this; I used the same amount of labor and fertilizer; my expenses were, in fact the same for two years. In one of these years I made half a bale to the acre and in the other three quarters of a bale. David, there is no such thing as the cost of producing cotton."

This "thorough investigation," which I may say is quite characteristic of the worthy Secretary, had convinced him of what he wanted to believe, namely, that there is no such thing as the cost of production.

Mr. Houston then said: "The farmer is not entitled to any information on the subject of cost of production. His business is to produce. The only user made of such information is for agitators like this man Baer, of North Dakota, to go out and stir the farmers up with it." He then ordered me in the most positive terms to stop all investigations dealing with the cost of production.

The next day I received from the Secretary an unsigned letter, sent ostensibly that I might suggest any changes in the wording necessary to make it effective, the first sentence of which began: "According to the agreement (Italics mine) we reached in our conference yesterday, the following projects in your office will be discontinued. He then went on to enumerate, by number, every one of our projects dealing with cost of production, including nearly half the work of the office. I sent a note to the Secretary, reminding him that these particular investigations had been requested by the Federal Trade Commission, but he did not deign to reply to this note. Under the circumstances we were compelled to desist from such of this work as required new letters of authorization.

I immediately resolved to leave the department so as to be in position to force the Secretary to change his mind about this work, as well as other work of the Office of Farm Management which he had discouraged from first. It was not until June following that I was able to complete these arrangements. Meanwhile, early in January, nineteen hundred and eighteen, Mr. E. C. Lasater came to my office and inquired as to the progress of the cost of production studies. I told him the situation, and he suggested that if I would wait a little, he could render some assistance. I told him his help would be welcome.

About the middle of January, nineteen hundred and eighteen, the Secretary received a telegram from Mr. Ike Pryor, president of the American National Livestock Association, reading substantially as follows: "The American Livestock Association, in session at Salt Lake City, would like to know the status of the investigations on cost of producing beef being conducted by your office of Farm Management. Please wire reply in time for me to read it to this convention before it adjourns tomorrow at four thirty." This telegram was sent to me to prepare a reply for the Secretary's signature. I prepared substantially the following: "The investigations on cost of production referred to in your telegram have been greatly extended and are being pushed vigorously. A report on them will be ready by the first of July."

About ten minutes after I sent this to the Secretary's office Mr. Harrison, secretary to Secretary Houston, called me over the phone and said, as nearly as I can remember: "Spillman, what in hell do you mean by sending a telegram like this over here for the Secretary to sign. You know damned well he has ordered all those investigations stopped." "Yes," I replied, "I know he has ordered them stopped, but I have a suspicion he is going to order them started again." "What do you mean by that," responded the astounded Mr. Harrison. "I mean just what the words imply," was my rejoinder. "But the telegram isn't true," insisted Harrison. "It will be true when the Secretary has signed it," I replied. "But he won't sign it," said Harrison. "I said I thought he would, and asked Mr. Harrison if he knew who Ike Pryor is. "All I know," responded he, is that he signed here as president of this association." "Yes," said I, "and that is one of the largest and liveliest bunches of men in the country, and I happen to know that they know what they are after. Please tell the Secretary from me that if he values his job he will sign that telegram."

A few minutes later I received a courteous note from Mr. Harrison, with a copy of the telegram, which he said the Secretary had signed and sent. The next day I renewed my request for the thirteen letters of authorization, and, after some wrangling, obtained them. But this was in the dead of winter, and the man could not get into the winter-wheat districts until about the first of April. We had thus lost six of the 9 months available for this particular study, a loss for which the Secretary of Agriculture is directly responsible. In the three months remaining we could not, of course, collect and digest as much data as we could have obtained had not Mr. Houston attempted to put a stop to all work of this kind. As a result some of the reports were not prepared in as good form as might be wished, but the accuracy of the results contained in them was not thereby impaired. This point is fully covered

in my letter to the chairman of the Senate Committee on Agriculture of December seventeenth, nineteen hundred and eighteen, and need not be gone over again here. I have no doubt that Senator Gore would have this letter printed and distributed if a sufficient number of requests are received for it. It was printed in full in Farm, Food, and Home January first.

In all, twenty-three reports on cost of producing various farm products were delivered to Secretary Houston, most of them on July 12th, 1918. Several of these dealt with the cost of producing beef. Included in them were the results of five years carefully kept records, by trained bookkeepers, covering one hundred and forty-one farm years and the fattening of more than forty-eight thousand steers. One of the reports on wheat was based on five years carefully kept records on a large number of farms. Yet the secretary, in his letter to the senate, regretted that he could "not send to the senate dependable data on the subject" of the cost of producing "wheat and other farm products." There is no shadow of doubt that it has all along been Secretary Houston's fixed purpose to prevent the farmers of this country from benefiting by these investigations. To accomplish this it was necessary for him, by deliberate misstatement of fact, to bring discredit on the results.

These twenty-three reports were promptly pigeonholed, as I fully expected them to be. To force them out, I appeared before the senate Committee on Agriculture the last week in August and gave the facts concerning them, together with some of the results they contained. This was the first publicity given these reports. Yet the Secretary, in his letter to the senate, states that these reports were not brought to his attention until after some publicity had been given them. This statement of the Secretary does not square with the facts.

In his determination to prevent farmers from getting any benefit from this work, the secretary resorted to desperate measures. I can not give you the full facts about this matter without exposing honest and honorable men to the fury of this brutal autocrat, under whom they unfortunately have to serve. I will say, however, that browbeating and intimidation were resorted to. I will also say, that the secretary's misrepresentation of the opinions of the committee of experts he called in. These facts could all be brought out fully in an investigation by an official body authorized to summon witnesses and compel testimony. I have reason to believe that congress would make such an investigation if the farmers of the country are sufficiently insistent in their demands for it.

This opposition of Secretary Houston to cost investigations was no sudden inspiration. Early in his administration there was circulated through the department a typewritten sheet said to have been written by a member of Mr. Rockefeller's General Education Board, and which was said to represent Mr. Rockefeller's views, in which Secretary Houston concurred. This sheet purported to outline the duties of the department should make no investigations that would reveal the profits made by farmers, or that would determine the cost of producing farm products. No representative of the department should ever under any circumstances even intimate that it is possible to overproduce any farm product. The entire business of the department was to teach farmers how to produce more than they now produce. Although the entire department has been working under these orders, and Mr. Houston has made it plain on several occasions that he desired these orders carried out, he did not have the temerity to enforce them openly. I was able, by persistent effort, to push to publication several bulletins dealing with cost of production. More than once I was severely brought to task for this. Time and again he told me he disapproved of such publications. Anyone connected with the Division of Publications can tell you the difficulties encountered by manuscripts submitted for publication when these manuscripts related to any phase of farm profits or costs. Mr. Houston did not summon up courage to stop the investigations completely until he received my request for thirteen letters of authorization for extending this work during the summer of 1917.

It will be recalled that when Mr. Houston became Secretary he was a member of the Southern Education Board, a subsidiary of Mr. Rockefeller's General Education Board of New York. The following incident throws some light on the purposes of this board. Some nine years ago, a wealthy friend of mine approached me with the statement that Mr. Rockefeller's object in establishing the General Education Board was to gain control of the education institutions of the country and see that the men employed in them are "right." Then he continued: "In this we have been quite successful with the smaller institutions, and now control all of them that are worth controlling. But the larger institutions have refused to accept our money with the strings we tie to it. Mr. Rockefeller is now going to add a hundred million dollars to this foundation, for the express purpose of forcing his money into these big institutions. He is looking for a man who can put this across. I think you are just the man for the place. There is a fat salary in it for the man who can do the trick. Think it over, and if it appeals to you let me know and I will take it up with Mr. Rockefeller through friends of mine. I think my recommendation will have considerable weight with Mr. Rockefeller."

I declined to consider the matter and said very plainly what I thought of the proposition. I have never heard of the matter again. I have no idea that Mr. Rockefeller ever heard of this proposition to me, but the incident is important in showing what people who are in sympathy with his views believe his purpose to be. I shall refer to this matter again shortly.

It will be recalled that during the administration of Secretary James

Wilson these in charge of the county demonstration work in the South, not being able to get money from congress as fast as they desired, applied to Mr. Rockefeller's General Education Board for funds and got them. At the time Mr. Houston became secretary this board was putting several hundred thousand dollars a year into this work. Secretary Wilson had not been wholly pleased with this situation, and to prevent the Rockefeller interests from getting their grasp on demonstration work over the entire country, he had secured federal funds for similar work in the Northern and Western States, and had put this work under the Office of Farm Management, of which I was then chief. This greatly offended the General Education Board and their friends in the department, and they began a campaign to discredit the work of my office. When this coterie of men had finally gotten one of their own men in for Secretary of Agriculture, they began to make it very clear that the Office of Farm Management was under ban. One of them went so far as to tell a friend of mine that Mr. Houston, before becoming secretary, had pledged himself to destroy this office. At any rate, very soon after he was inducted into office he made a public address in which the newspapers report him as saying that the Office of Farm Management was a big mushroom growth, headed by men who did not know what they were doing, and who were wasting vast sums of public money. He proposed to see that this office did not grow any in the near future. Mr. Houston has kept his word in this matter. When he came into office the Office of Farm Management had a fund of about \$330,000 a year for field investigations. This fund is now about \$218,000. This shows the kind of support this important work has had during Mr. Houston's administration.

In order to further hamper the work of the Office of Farm Management, Mr. Houston issued orders to demonstration workers in the department not to cooperate with any outside agency except Mr. Rockefeller's General Education Board. The purpose of this order was to prevent the Office of Farm Management from benefiting by funds from various sources that were being made available for demonstration work outside of the Rockefeller territory. These orders were not reduced to writing. They were delivered to me verbally by a young man who is now a clerk in the department.

Soon after Mr. Houston became Secretary the Rockefeller people established a bureau in the department, known as the Rural Organization Service. The important work of the Bureau of Markets was placed under this bureau, evidently for the purpose of seeing that its work should conform to the Rockefeller ideas. But these people made the mistake of assuming that any man who was paid a fat salary by them would do their bidding. By misrepresentation of their purposes and plans, they induced Professor T. N. Carver, of Harvard University, to become head of this new bureau. Professor Carver came to the department with real enthusiasm for his work, and at once proceeded to outline a series of important investigations on marketing of farm products, rural credits, and similar subjects. But when he laid his plans before the General Education Board they turned him down flat, with no explanation for their action. Professor Carver was much puzzled at this, but a few days later there came another typewritten sheet, said to have come from the same source as the one previously mentioned, pointing out what Professor Carver should do. It stated that the professor had not understood what Mr. Rockefeller wanted. What Professor Carver should do was to employ about half a dozen of the ablest men he could find and send them around to the various educational institutions for the purpose of interesting the professors in investigations of rural problems. It stated that Mr. Rockefeller would be very liberal with funds for this purpose.

Professor Carver sought an interview with members of the board, and asked them if their object in bringing him to the department was to remove the taint from Mr. Rockefeller's money, and force it into institutions that were now refusing to accept it. They declined to answer this question, but would not say just what they wanted. Professor Carver then told them in very plain language just what he thought of the General Education Board and its patron. Very soon after this the newspapers carried a brief notice to the effect that Professor Carver had not found his work in the Department of Agriculture entirely congenial and would probably return to Harvard at the end of the year. He did return to Harvard soon thereafter.

By this time conditions in the department had become so unbearable that I decided to take a hand in helping to remedy them. Accordingly, I wrote a resolution removing the Rockefeller funds from the department, amounting at that time to \$660,000 a year, and substituting federal funds for them. The resolution also prohibited the department from cooperating with the General Education Board or any similar organization. I asked Senator Kenyon to introduce this resolution in the senate which he did the next day. This resolution, modified in language, but not in effect, was finally embodied in the agricultural appropriation bill, and passed both houses without a single dissenting vote. It is still on the statute books.

There was consternation in Secretary Houston's office at this action by congress. One of the Rockefeller appointees in the department told a friend of mine that the secretary would like mighty well to know who wrote that resolution. If he could find out who it was he would make it blankly blank interesting for him. Secretary Houston's belated interest in cost investigations dates from the time when he began to fear an investigation by congress. Even so late as November 7th he says, in his letter to the senate: "If such investigations are undertaken," and so forth, and again, "I am taking steps to see that further studies, if made in this field," and so forth. But you

will observe that this plan of procedure is carefully chosen so that it will delay as long as possible the publication of any results that would be helpful to farmers during the present emergency. It took us ten years to develop satisfactory methods of finding the cost of producing farm products. The honorable secretary now proposes to begin all over again, and thus waste the years of valuable time already consumed in preliminary studies. It is highly important that the farmers of the country insist that this entire situation be thoroughly investigated.

I think I have now shown why the data on cost of production now in the hands of the secretary of agriculture are considered to be "not reliable."

I have nothing personal to gain in thus exposing a small part of the rottenness that has existed in the Department of Agriculture since Mr. Houston took charge of it. Possibly I have much to lose. But it is a matter of small consequence what happens to any individual. The public welfare is at stake. The Department of Agriculture needs to be thoroughly cleaned out before it can ever render the service the vast funds at its disposal justify us in expecting of it.

And Whereas the statements thus publicly made by a man but recently in a position of high responsibility in said department constitute charges against the conduct of said department by the Hon. David F. Houston, as secretary of agriculture, and his policies with reference to matters of vital interest to the agricultural interests of the nation which, if true, should be the basis of action to secure the adoption of new policies in said department to bring it in harmony with the purposes for which it was created and is maintained, and to secure such further action as will insure the confidence and cooperation of the agricultural interests of the nation in said department: Therefore be it

Resolved, That the Speaker of the House is hereby authorized to appoint a select committee of nine members of the house, whose duty it shall be to make a thorough investigation of the statements and charges so made in the speech above set forth, and the administration of said department of agriculture, and to report its conclusions and recommendations to the house.

Said committee shall have power to send for persons and papers and enforce their appearance before said committee, administer oaths to witness, and to employ clerical and other necessary assistance. Said committee or any subcommittee thereof shall have the right to sit at such times and places in or out of the District of Columbia as the committee may deem advisable.

Around-The-World Bon Fire

Boy Scouts of the World Will Celebrate the Signing of the Treaty of Peace

New York, March 29.—The signing of the peace treaty will be celebrated by the Boy Scouts of America announced today the adoption of the suggestion of the head of the British Scouts. The fires will be lighted in all sections of the country the night the treaty is signed. The fire will be taken beforehand from the statue of liberty at New York and carried as far as possible in starting the "liberty beacons."

Cardinal Mercier Coming

Heroic relate of Belgium To Visit The United States

New York, March 29.—Cardinal Mercier, of Belgium, is planning a visit to the United States within the next few months, according to Chairman Mulligan of the Knights of Columbus war activities committee.

Call For Volunteers United States Will Recruit Army for Service in Europe

Washington, March 28.—An immediate call for 50,000 volunteers for service in Europe has been prepared by the war department and probably will be published tomorrow. As an incentive to enlistment the men will be offered early duty in France as a relief for men in the expeditionary forces who wish to return home. Enlistment in this special force will be for three years. The men will be concentrated at Camp Meade, Md., and probably will be sent overseas in contingents of 1,000 strong.

War department officials expressed confidence that no trouble would be experienced in raising the 50,000 men or an even greater number if necessary. The bulk of the men are expected to come from recently discharged troops, especially those who after having been drafted and trained were prevented from going overseas by the armistice. Opportunity to see service in Germany, it is thought, will lead many of these to enlist.

A number of officers probably ten to 12, will be sent overseas with each increment of 1,000 men leaving Camp Meade. These will be used at the concentration camp to give the preliminary training necessary to whip the men into casual organizations and make the required examinations. On arrival in Europe they will take the places of officers eligible for discharge.

Awarded Croix de Guerre

Lieut. Irvin M. Richardson Won Distinction for Gallantry in Action

Col. R. C. Richardson has received notice that his son, First Lieut. Irvin M. Richardson, has received a Croix de Guerre in recognition of his gallantry at Manheules, France, in the Verdun sector, on November 11th. It was at that time that he was gassed, although he fought to the finish. He has not entirely recovered and has to be under treatment at the Base Hospital in Paris.

The Committee Enlarged


A Third Member To Be Added to Ruling Body of League of Nations

Paris, March 28.—In the executive committee of the league of nations, Reuters says it understands, will be increased from two to three, the third member probably being a labor representative.

At Camp Jackson


The Thirtieth Division in Demobilization Camp

Columbia, March 28.—When the boys of the Thirtieth Division awoke this morning they saw for the first time in many months the early morning sun throwing its rays on the soil of their home country. Tired and weary as they were last night when they lay down in their bunks to rest in the tents at Camp Jackson but few of them slept very much. They were eager for day to come that they might stir around again on ground which they call their own. Five train loads of troops came in last night. This afternoon at 2 o'clock more troops began to arrive. By the fall of night, practically the entire Thirtieth Division will be at Camp Jackson. It is a far cry from the Hindenburg line, where the men were last October, to the peaceful hills of Camp Jackson. All of the boys are looking well and hearty. The South Carolina boys are looking especially well and show no ill effects from the strenuous war in which they took part.



BANK WITH US
and you can
BANK ON US

The First National Bank
SUMTER, S. C.



The National Bank of South Carolina
of Sumter

CAPITAL	\$ 200,000.00
SURPLUS	175,000.00
RESOURCES	2,000,006.00

A bank big enough, strong enough, and liberal enough to take care of the legitimate needs of all its customers.

C. G. ROWLAND, President. F. E. HINNANT, Cashier.