State Brazos bottom holdings and invest it in good prairie land, conveniently located. We might as well quit experimenting with the Prison System and get down to a basis which we know at once and to start with, that the the soil, the seasons and conditions generally, one year with another, will be in the State's favor, and that fair returns will be received each year by the State from the labor of its prisoners.

Sugar Culture Expensive.

Whether the lands owned by the State on the Brazos are sold or not, I do not think any more should be purchased in that locality with a view to cultivating it in sugar cane. It is my deliberate recommendation, and will be, that the cultivation of sugar cane on the convict farms be abandoned as soon as practicable. It is a most expensive crop to cultivate; it is uncertain and as much subject to the seasons as other crops. In 1911 we had the biggest crop ever produced in the history of prison farming, but on Thanksgiving Day that year a freeze swept over the State extending to the coast and froze and destroyed practically all the cane in the fields, causing a loss of fully one half the crop. Then last year, the long drouth during the summer months stunted the cane's growth and the crop was very light—didn't pay fifty cents on the dollar of the cost of its cultivation.

If the Contention Is Correct.

If the advocates of "free sugar" or the admission of raw sugar into this country for refining from other countries free of tariff duty, are correct, sugar cane growing will be still less profitable when the provisions in the tariff bill now pending in Congress go into effect. Sugar refiners undoubtedly will be able to import raw sugar from Cuba, the Philippine Islands and other cane growing islands under the control of foreign governments, at a much less cost to themselves. This country does not produce enough sugar for its own consumption and that which is imported now costs the refiner the purchase price in the country of its production plus the freight plus the tariff. When a tariff bill that admits the unrefined sugar, or the raw material, free of duty, is passed, the refiner will get their unrefined sugar at its cost, on the producing market, plus the freight, and this fact will undoubtedly influence the price the domestic producer will get for his product. Whatever the effect upon the consumer of sugar may be (and I do not believe it will affect him favorably) it is admitted by the ablest advocates of the doctrine that the sugar producer will probably have to go out of business. One of the ablest men in Congress, opening the debate on the tariff bill, referring to this question and the effect it would have upon the sugar planter, said in substance that the "provision in the bill providing for admitting unrefined sugar free of duty would not go into effect for three years, and in that length of time the sugar planters would have a chance to make enough to pay their debts to the merchants and bankers before retiring from the business," which is tantamount to saying the sugar planter is now, even, working for the merchant and the banker. This is practically true with the Texas Penitentiary System as a sugar producer. The system makes nothing and has made nothing growing sugar, under present conditions, and if they are to become worse by reason of national legislation, it is time for the State to abandon the cultivation of cane now, and not wait until three years hence.

Of course, I do not suggest that these matters should be recited in amendments to the law governing the Prison System of the State. But any amended law that may be passed should make ample provision for practical business management with one responsible head, and vest in that management discretion to sell the lands now owned. The management already has discretion to plant or to abandon the planting of any crop that may prove unprofitable.

In view of the fact that a Legislative Committee has been making investigations of prison management and has received the benefit of the advice of many critics and some friends of the present law and managers, I forego a further discussion of this subject. Content with these observations, for the present, with a reiteration of the recommendations made in former messages, I sincerely ask the co-operation of the Legislature in a patriotic effort to give the people a sensible, business-like and practical law for the control of the Prison System and its management.

Respectfully submitted,
O. B. COLQUITT,
Governor of Texas.

Governor's Office,
Austin, Texas, July 21, 1913.

To the Texas Legislature:

I submit for your consideration and action the following:
The passage of an act for the retirement of $500,000 in bonds of the State of Texas issued by virtue of Chapter 7 of the Acts of the Third Called Session of the Thirty-first Legislature and appropriating funds derived by way of penalties assessed against the Standard Oil Company of New Jersey and certain amounts out of the State Treasury for said purpose; and authorizing the Governor to retire said bonds and specifying that the bonds held by the permanent Agricultural and Mechanical College Fund shall be among those retired.

In explanation of the foregoing recommendation, I am just advised that judgment has been entered in the Eighth District Court of Hunt county in favor of the State against the Standard Oil Company of New Jersey for penalties for the violation of the anti-trust laws of the State in the sum of $500,000.

Since he took the office, Attorney General Colquitt filed suit against the Standard Oil Company of New Jersey and companies alleged to be controlled by them in Texas. You are doubtless familiar with this litigation, and I deem it unnecessary to go into an explanation of it. The Attorney General and the State of Texas are to be congratulated upon the favorable termination of the suit against the Standard Oil Company of New Jersey, which has agreed to pay penalties of $500,000 for violation of the anti-trust laws of Texas. This money will be paid into the State Treasury about Wednesday of this week. There are now outstanding State Treasury warrants in a sum exceeding this amount. They have been purchased by speculators in these warrants and discounted on a basis which contemplated their non-payment for several months. If the money is permitted to go into the General Revenue Account without action of the Legislature, it will be immediately disbursed in the payment of these Treasury warrants which have been purchased at a discount as already explained.

At the Third Called Session of the Thirty-first Legislature an act was passed authorizing the Governor to have bonds lithographed in a total sum of $1,353,700.00 for the purpose of refunding and taking up a like amount of Texas State bonds maturing. These bonds at that time were held as follows: $729,000.00 by the Public School Fund; $217,200.00 by the Permanent University Fund; $24,300.00 by the Permanent Orphan Home Fund; $29,500.00 by the Permanent Blind Asylum Fund; $46,800.00 by the Permanent Deaf and Dumb Asylum Fund; $82,800.00 by the Permanent Lunatic Asylum Fund, and $1,744,000.00 by the Permanent Agricultural and Mechanical College Fund, and were bearing five per cent interest; the refunded bonds authorized by said act bear only three per cent. Since their refunding the Public School Fund and other public institution funds owning bonds have been losing two per cent interest annually.

Under an act of Congress endowing the Agricultural and Mechanical College with the bonds held by it, it is stipulated that the fund received by the Agricultural and Mechanical College must be invested in securities bearing not less than five per cent. The authorities of the United States Government are demanding of the Agricultural and Mechanical College authorities that this requirement of the Federal Statute be complied with. At the time the refunding of the bonds was authorized by the Third Called Session of the Thirty-first Legislature there was money in the State Treasury, collected from fines imposed upon the Waters-Pierce Oil Company, sufficient to pay off and retire said bonds, but the Governor used said fines in paying current expenses of the State Government, and insisted upon the refunding of the bonds herein referred to. In my opinion, the $500,000 in penalties now collected from the Standard Oil Company of New Jersey ought not to be used in defraying the current expenses of the State Government, but good public policy suggests that it be used in retiring $500,000 of three per cent bonds of the issue of 1910 so that said amount may be re-invested for the benefit of the Public School Fund, the University and the Agricultural and Mechanical College funds, in bonds bearing not less than five per cent interest.

I solicit prompt action on the part of the Legislature, and urge the speedy passage of a bill on this subject carrying into effect the suggestions herein made.

Respectfully submitted,
O. B. COLQUITT,
Governor of Texas.

ELECTION OF SECOND ASSISTANT SERGEANT-AT-ARMS.

Senator Terrell moved that J. P. Hall of Hays county be elected Second Assistant Sergeant-at-Arms of the Senate.

The motion was adopted by the following vote:
FOURTH DAY.

Senate Chamber,
- Austin, Texas,
Thursday, July 24, 1913.

The Senate met pursuant to adjournment, and was called to order by Lieutenant Governor Will H. Mayes.

Roll call, a quorum was present, the following Senators answering to their names:

Astin.  Lattimore.
Brelford.  McNealus.
Carter.  Morrow.
Clark.  Real.
Conner.  Taylor.
Cowell.  Terrell.
Darwin.  Townsend.
Gibson.  Warren.
Greer.  Watson.
Harley.  Westbrook.
Hudgeth.  Wiley.

Absent.

Collins.  Willacy.

Prayer by the Chaplain.

Pending the reading of the Journal of yesterday, the same was dispensed with on motion of Senator Terrell.

(See Appendix for standing committee reports.)

MESSAGE FROM THE GOVERNOR.

The Chair here read to the Senate the following message from the Governor:

Governor's Office,
Austin, Texas, July 23, 1913.

To the Texas Legislature:

In harmony with the requirements of Section 40, Article 3, of the State Constitution, I present to you the following additional subjects for legislation:

1. The passage of an act to regulate and supervise the sale and purchase in this State of all stocks, bonds, or other obligations of private, foreign or domestic corporations organized, or proposed to be organized for profit; and to regulate and supervise the offering or contract for sale and purchase of such stock, bonds, or other obligations of such corporation, or proposed corporation, and fixing commission and promotion fees allowed to be charged, and providing for service or process, examination fees, and exempting certain corporations from the effect of said act, providing penalty for the violation of provisions of same.

Texas is very much in need of a law to regulate and supervise the issuance of such stocks and bonds, as submitted in the foregoing subject for legislation. The Commissioner of Insurance and Banking estimates that in three years the citizens of Texas have been fleeced of eighteen or twenty million dollars by promoters of swindling and "Blue Sky" corporations; washerwomen and servants have been induced to invest their small savings in promotion schemes. Other States have driven the promoters of "Blue Sky" corporations out of business. Legitimate corporations and legitimate investors ought to be protected against such impositions. I urge upon the Legislature the speedy passage of a bill which will afford the people adequate protection.

2. The passage of an act making it the duty of the Attorney General to examine and certify, before being filed, all charters of private corporations and amendments to such charters, and also all applications for permits of non-resident corporations to do business in Texas; prescribing certain fees to be collected by the Attorney General for such services, also prescribing the fees to be collected by the Attorney General for examining and certifying to all bonds which under the law of this State he is required to examine and certify to; also requiring private corporations having a capital stock, except railroads, insurance and banking corporations, to make annual and special reports to the Attorney General on forms to be prescribed by him, and requiring a fee of two dollars to be paid to the Attorney General by the corporation making such report; providing the method by which said fees are to be paid, and appropriating the same, so far as necessary, to pay such salaries and other expenses, of the Attorney General's Department as may be authorized by the Legislature.

The foregoing subject is submitted by me for legislative action at the request of the Attorney General. In his Department a great deal of valuable work is given free of cost to those served, no fees having heretofore been prescribed by the Legislature for such service when rendered by the Attorney General.

The Attorney General has prepared a bill covering the foregoing subject, and
he estimates that if it is enacted by the
Legislature that his Department will col-
clect forty or fifty thousand dollars per
annum in reasonable fees for services
now rendered for nothing. This would
be ample to meet the full expenses of his
Department. I sincerely hope the Legis-
lature will enact such a measure.

3. The passage of an act amending
Chapter 150, General Laws passed at the
Regular Session of the Thirty-third
Legislature, relating to the application
for witnesses in felony cases, so as to re-
peal Section 4 of said Chapter, which
provides for the payment of $1.50 per
day for each day witnesses residing in
the county of the prosecution may have
been necessarily absent from their
homes or business in attendance upon
court. Section 4, of Chapter 150, re-
ferred to above, reads as follows:

"Sec. 4. All witnesses residing in the
county of the prosecution, when sum-
moned under the provisions of this Act
to appear and give evidence in any fel-
ony case, shall be entitled to one dollar
and fifty cents per day for each day they
may have been necessarily absent from
their homes or business in attendance
upon court, said fees to be paid by the
State, and the Comptroller of Public Ac-
counts is hereby authorized to draw a
warrant against the State Treasury for
same when the accounts are properly
presented to him, approved by the pre-
siding district judge, and when after in-
spection by him he finds said accounts to
be correct; provided, however, if the de-
fendant in any case who is charged with
a felony should be finally convicted of a
misdemeanor, then said witness fees
shall not be a charge against the State
in such a case, but the same shall be
charged against the defendant, and the
witnesses in all such cases shall be en-
titled to the same compensation as is
now allowed and provided by law to wit-
nesses residing in the county of the
prosecution in misdemeanor cases."

It is estimated that this section of the
law, if not repealed, will cost the State
$500,000 per annum in the payment of
witness fees in the county of the resi-
dence of witnesses. Aside from this fact
it proposes to pay witnesses of the coun-
ty of their residence a higher sum per
day than is paid under other provisions
of the statute to witnesses in felony
cases who are non-residents of the coun-
ty where the case is on trial.

Respectfully submitted,
O. B. COLQUITT,
Governor.

SIMPLE RESOLUTION.

By Senator McNealus:
Resolved, That Senator Warren be
made a member of the Committee on
Federal Relations, to fill the vacancy
caused by the election to Congress of the
Hon. Horace W. Vaughan.

The resolution was read and adopted.

SENATOR CLARK ASSIGNED ON
STANDING COMMITTEES.

The Chair, Lieutenant Governor
Mayes, announced the assignment of
Senator Clark to the following standing
committees: Insurance, Statistics and
History, Judiciary No. 2, Educational
Affairs, Military Affairs, Congressional
Districts and Public Health.

BILLS AND RESOLUTIONS.

(By Unanimous Consent.)

By Senator Darwin:

Senate bill No. 5, A bill to be entitled
"An Act to regulate and supervise the
sale and purchase in this State, all
stocks, bonds, or other obligations or
private foreign and domestic corpo-
rations organized or proposed to be or-
ganized for profit; and to regulate and
supervise the offering or contracting for
sale and purchase of such stock, bonds
or other obligations of such corporation,
or proposed corporation and fixing com-
mision and promotion fees allowed to
be charged and providing for service of
process, examination fees and exempt-
ing certain corporations from the effect
of this act, providing penalty for the
violation of the provision hereof, and
declaring an emergency."

Read first time and referred to Ju-
diciary Committee No. 2.

By Senators Gibson and Cowell:

Senate Concurrent Resolution No. 1:
Resolved, That the Senate, the House
concurring, request the Attorney Gener-
al, Treasurer's and Comptroller's De-
partment, to withhold the turning over
to the revenue fund the penalty fund of
$500,000 collected from the Standard Oil
Company by the Attorney General's De-
partment, until the Legislature makes
some disposition of same.

Read first time and referred to Com-
mittee on Finance.
To the Senate of Texas:

Gentlemen: Complying with our letter of July 23d, transmitting you the report of the Penitentiary Investigating Committee, we herewith hand you record of the evidence and statements before the committee.

Respectfully submitted,

WILL H. MAYES,
Chairman of the Committee.

JOHN G. WILLACY,
ROBT. L. WARREN,
On the Part of the Senate.

R. B. HUMPHREY,
L. TILLOTTSON,
W. O. DIFFIE,
On the Part of the House.

The above was received and filed with the Secretary of the Senate.

EXECUTIVE MESSAGES.

Governor's Office,
Austin, Texas, July 26, 1913.

To the Senate:

I ask the advice and consent of the Senate to the following appointment:

To be Commissioner of Insurance and Banking, W. W. Collier of Bexar county, to succeed B. L. Gill, resigned.

Respectfully submitted,

O. B. COLQUITT,
Governor of Texas.

Governor's Office,
Austin, Texas, July 24, 1913.

To the Texas Legislature:

My attention is called to the fact that the subject for legislation concerning the penal institutions of the State, as embodied in the call for the special session, is confined to the penitentiary system, described in Chapter 10, Acts of the Fourth Called Session of the Thirty-first Legislature.

There is urgent need for the revision of the law relating to the penal institution located at Gatesville, known as the State Institution for the Training of Juveniles.

As provided, therefore, in Section 40 of Article 3 of the Constitution, I present for your consideration the passage of an act to amend Title 76 of the Revised Civil Statutes of 1911, relating to the management and control of the State Institution for the Training of Juveniles.

Respectfully submitted,

O. B. COLQUITT,
Governor of Texas.

SENATE BILL NO. 3.

The Chair laid before the Senate, on second reading and regular order, Senate bill No. 3, A bill to be entitled "An Act providing for the election of United States Senators by a direct vote of the people in accordance with the recent amendment to the Federal Constitution; providing that when vacancies happen in the representation of this State in the Senate of the United States that the Governor may make temporary appointments and shall issue the necessary writs of election to fill such vacancy, and also providing for the holding of primaries by political parties for the nominations of candidates for the United States Senate, and declaring an emergency."

(President Pro Tem. Carter in the chair.)

There being a favorable majority committee report with amendments and a favorable minority committee report, with amendments, Senator Townsend moved that the majority committee report be adopted.

Senator Brelsford moved, as a substitute that the minority committee report be adopted.

Action recurred on the substitute motion first (adoption of the minority committee report) and the same was adopted.

(Lieutenant Governor Mayes in the chair.)

HOUSE MESSAGE.

Hall of the House of Representatives.
Austin, Texas, July 28, 1913.

Hon. Will H. Mayes, President of the Senate.

Sir: I am directed by the House to inform the Senate that the House has passed the following resolution:

Senate Concurrent Resolution No. 1, Relating to the disposition of the $500,000 Standard Oil fine fund, with amendments.

Respectfully,

W. R. LONG,
Chief Clerk, House of Representatives.

EXECUTIVE SESSION—TIME SET FOR.

Senator Hudspeth moved that the Senate hold executive session at 3:30 o'clock p. m. today for the purpose of considering the appointment of Commissioner of
ducting them, as follows: Governor's Office, Mansion and Grounds, Department of State, State Revenue Agent, Public Buildings and Grounds, Department of Insurance and Banking, State Insurance Commission, Texas Library and Historical Commission, State Tax Board, State Purchasing Agent, Public Printing, Bureau of Labor Statistics, State Inspector of Masonry, Public Buildings and Works, Adjutant General's Department, State Board of Health, Game, Fish and Oyster Commissioner, Live Stock Sanitary Commission, State Mining Board, Pure Food Commission, State Pension Department, Attorney General's Department, Department of Education, Treasury Department, Comptroller's Department, General Land Office, Railroad Commission, Department of Agriculture, Board of Water Engineers, and State Levee and Drainage Commission.

Action recurred on the committee report, with (committee) amendments. Senator Lattimore moved that the report be amended so as to provide that the bill not be printed, but be printed in the Journal, which motion was adopted.

The committee report, as amended, was then adopted.

Senator Conner offered the following amendment:

Amend the bill, page 214 of the Senate Journal, as to the salary of the school and special warrant clerk by increasing the salary of said clerk from $1300 to $1500.

Senator Real moved to table the amendment, which motion prevailed.

Senator Brelsford offered the following amendment:

Amend bill as printed in Senate Journal of August 9, 1913, page 208, under Live Stock Sanitary Commission, substitute for "salary of chairman and expenses of Commissioners" the following: "To pay per diem and expenses of three Commissioners, for the years ending August 31, 1914, $4000; August 31, 1915, $4000."

The amendment was read and adopted.

Senator Hudspeth offered the following amendment:

Amend the committee report by adding after the provision for payment of rewards, etc, page 199 of the Journal, the following: "The sum of $5000 is hereby appropriated, or so much as may be necessary, for the restoration of the Alamo property in the city of San Antonio, to be expended under the direction of the Governor and the Superintendent of Public Buildings and Grounds."

WATSON, HUDSPETH.

Senator Lattimore offered the following amendment to the amendment:

Amend the pending amendment by adding "said sum to be spent under the exclusive direction of the Daughters of the Republic."

EXECUTIVE MESSAGE.

The following executive message was received and read to the Senate:

Governor's Office, Austin, Texas, August 11, 1913.

To the Texas Legislature:

In harmony with the proclamation of the Governor convening the First Special Session of the Thirty-third Legislature, and as provided in Section 40, Article 3, of the State Constitution, I present the following subjects for legislation:

1. The passage of an act to amend Chapter 14, General Laws of the Regular Session of the Thirty-third Legislature, the same being "An Act to prohibit the sale of any imitation, label, trade mark, design, device, imprint or form of the flag of the State of Texas for advertising or commercial purposes, and prohibiting the offering or exposing for sale any article or commodity bearing such imitation, design, imprint or form of the flag of the State of Texas, and fixing a penalty for violation thereof," so as to extend the time within which persons who have heretofore used the flag of the State of Texas for such purpose may dispose of their wares and goods and comply with the law without financial loss and injury to their business.

2. The passage of an act to amend Chapter 162, General Laws of the Regular Session of the Thirty-third Legislature, the same being "An Act to amend Chapter 24 of the Acts of the First Called Session of the Thirty-first Legislature of the State of Texas, entitled 'An Act to provide for the establishment and maintenance of agricultural, horticultural, and feeding experiment stations in certain parts of Texas; to provide for proper appropriations therefor, and repealing all laws in conflict herewith, and declaring an emergency,' and providing further for a governing board for the Texas Agricultural Experiment Stations, defining the place of residence of the Director of Texas Experiment Stations," so as to prescribe the number of members constituting the governing board of the Texas Agicultur-
tural Experiment Stations, fixing their terms of office, and conforming the State law to the Federal statute, which provides for aid from the Federal government for the support of agricultural experiment stations.

3. The passage of an act to amend Article 1042, of Chapter 13, Title 126, Revised Statutes of 1911, providing for the redemption by the owners of lands or lots herefore sold or that may hereafter be sold to the State, city or town for taxes.

4. The passage of an act to reorganize the Thirty-fourth Judicial District of Texas, to regulate the time of holding the district courts in the various counties composing the Thirty-fourth Judicial District of Texas, providing for the returning of the process issued and to be issued by said courts, validating process heretofore issued by said court.

5. The passage of an act amending Chapter 7 of the Acts of the Regular Session of the Thirty-third Legislature, known as the “Suspended Sentence Law,” and an act amending Chapter 132 passed by the Regular Session of the Thirty-third Legislature, known as the “Indeterminate Sentence Law,” so as to reconcile and conform said acts as embraced in Chapters 7 and 132, General Laws of the Regular Session of the Thirty-third Legislature.

6. The passage of an act to determine the existence of vacant lands and excess lands owned by the State, creating a board to have control and direction of making of all surveys necessary for the discovery, surveying, locating and platting of said lands; providing for the appraising and sale of such lands, and also providing for the prosecution of all suits that may be necessary for the recovery thereof, and generally for the enactment of all incidental provisions necessary for the execution of the purpose of said act.

7. The passage of an act providing for the creation of corporations for the purpose of acquiring, improving, subdividing and selling unimproved lands in this State, and providing for the creation of land credit unions, whereby the owners of improved and unimproved lands, together with their tenants and prospective tenants may form themselves into an association to enable those who do not own a home to acquire and pay for the same as may be provided in said act, defining the powers of such corporations and unions, and generally regulating the same; and also prescribing the terms, conditions and powers of foreign corporations chartered for such purpose admitted to do business in this State.

8. The enacting of a law providing for the creation of a State Warehouse Commission, prescribing its duties; to provide for a system of bonded warehouses, and affording a method of co-operative marketing for those engaged in the production of farm and ranch products.

9. The passage of an act providing for the payment of deficiencies in the State government for the fiscal years ending August 31, 1912, and August 31, 1913, not already provided for.

Respectfully submitted,
O. H. COLQUITT,
Governor of Texas.

HOUSE BILL NO. 2.

(Pending Business.)

Action recurred on the pending business, House bill No. 2, the question being on the amendment by Senator Lattimore to the amendment by Senator Hudspeth. Senator Nugent moved to table the amendment to the amendment, which motion to table was adopted by the following vote:

Yea—19.

Bailey of Harris. Johnson.
Brelsford. McGregor.
Carter. Morrow.
Collins. Nugent.
Conner. Terrell.
Darwin. Watson.
Gibson. Wiley.
Greer.

Nay—5.

Lattimore. Townend.
Real. Westbrook.
Cowell. McNeals.

Absent.
Warren. Willey.

Absent—Excused.
Clark.

Senator Real moved to table the amendment, which motion to table was lost by the following vote:

Yea—11.

Cowell. McGregor.
Darwin. Morrow.
Johnson. Real.
Lattimore. Taylor.
yesterday, on motion of Senator Me-Nealus.

SIMPLE RESOLUTION.

By Senator Terrell:

Whereas, The Regular Session of the Thirty-third Legislature passed a bill known as Senate bill No. 8, being "An Act to create a State Highway Depart-
ment, and to establish a State Highway Commission, and the office of State Highway Engineer; prescribing the duties of each, and fixing the compensa-
tion for said State Highway En-
gineer," etc.; and

Whereas, The Governor of this State having some doubts as to the constitu-
tionality of certain sections of said act referred same to the Attorney General's Department for an opinion as to the constitutionality of same; and

Whereas, The Attorney General's De-
partment in an opinion furnished the Governor that certain sections of said bill were in violation of the Constitution of this State; and

Whereas, The Governor, acting upon the advice of the State's chief law offi-
cer, according to press dispatches at the time, refused to approve the pas-
sage of said bill; now, therefore, be it

Resolved by the Senate of Texas, That we recognize the importance of the good roads movement in Texas, and the need of the establishment, without further delay, of a Highway Department, to the end that technical advice on scienti-
cial road construction may be furnished to the various counties, when called upon by the State; and be it further

Resolved, That we respectfully peti-
tion His Excellency, Governor O. R. Colquitt, to submit for consideration by the Legislature at this time the ques-
tion of the establishment of a Highway Department in Texas along the lines proposed in Senate bill No. 8, which was passed at the Regular Session of the Thirty-third Legislature, and that we hereby pledge ourselves to eliminate all those points over which the ques-
tion of their constitutionality has been raised, either by the Governor or the Attorney General of this State.

The resolution was read and adopted.

BILLS AND RESOLUTIONS.

By Senator Hudspeth:

Senate bill No. 18, A bill to be entitled "An Act to recognize the Thirty-fourth Judicial District of Texas; to regulate the time of holding the district courts in the various counties composing the Thirty-fourth Judicial District of Texas; providing for the returning of the process issued and to be issued by said court, and declaring an emer-
gency."

Read first time and referred to Com-
mittee on Judicial Districts.

By Senators Conner and Carter:

Senate bill No. 19, A bill to be entitled "An Act to amend Chapter 162 of the Acts of the Regular Session of the Thirty-third Legislature of the State of Texas, entitled "An Act to provide for the establishment and maintenance of agricultural, horticultural and feeding experiment stations in certain parts of Texas; to provide for proper appropriations thereof, and repealing all laws in conflict herewith, and declaring an emergency," and providing further for a governing board for the Texas Agricultural Experiment Stations, defining the place of residence of the Di-
rector of Texas Experiment Stations, and declaring an emergency"; providing for the payment of the salary of the Director of said Experiment Stations, defining his powers and duties and also the powers and duties of the governing board and fixing their term of office; also providing that the Texas State Agricultural Experiment Stations lo-
cated at the Agricultural and Mechani-
cal College in Brazos county shall re-
main under the control of the Board of Directors of the Agricultural and Mechanical College, and authorizing the said Board to receive from the Federal government the aid that has been or may hereafter be available for it under an Act of Congress, and declaring an emergency."

Read first time and referred to Com-
mittee on Agricultural Affairs.

Morning call concluded.

EXECUTIVE MESSAGE.

Governor’s Office, Austin, Texas, August 11, 1913.

To the Senate:

In presenting to the Legislature the subject of passing a bill providing for the creation of land credit unions and a better warehouse system for storing the
products of the farmers, it was my intention to attach to my message a copy of a report made by Hon. J. S. Williams and Hon. Clarence Cuskey of extensive investigations in Europe into the handling of agricultural products and warehousing same.

These two distinguished Texans, under appointment by the Governor, accompanied the American Commission of Agricultural Co-operation on a tour of European countries for the purpose of gaining information on these and other subjects of importance to our farming citizenship. This report is a most creditable and comprehensive one, and I am transmitting it herewith to the Senate so that it may be printed as a part of my message to the legislature submitting the questions above referred to for legislation.

Respectfully submitted,

O. B. COLQUITT
Governor of Texas.

To the Honorable O. B. Colquitt, Governor of Texas; the Honorable E. B. Cushing, Chairman Board of Directors, A. and M. College of Texas; and the Honorable Peter Radford, President Farmers' Union of Texas.

Sirs: Representing, as we do, severally or jointly, the State of Texas, the Agricultural and Mechanical College of Texas and the Farmers' Union of Texas, on the American Commission lately returned from a study of rural co-operation in Europe, we beg to submit to each of you, and through you to the public, the following preliminary report of our observations.

The commission is now preparing, through a committee of compilation, a comprehensive digest of its findings with respect to the four main divisions into which it organized its labors, to wit: rural finance, including land mortgages; distribution, including the sale of farm products and the purchase of farm supplies; production, as affected by co-operative effort, and rural life in its social, educational and domestic respects. As members of the commission, charged with participation in the issuance of this final report, we deem it unbecoming to seem to anticipate its findings in detail. Moreover, there is a great mass of evidence gathered during more than two months of daily investigation by the several sections and subcommittees of the commission, which when intelligently condensed and classified will furnish a more complete compendium of information than any member or group of members could possibly prepare for the reason that the necessary division of labor by sections and committees prevented any member from hearing or seeing all that was offered or was gathered in the score or more of countries, states and provinces which were visited.

After the commission's final report is issued, we will make a further report of observations and recommendations with special reference to Texas rural conditions and problems, and in that report we hope to have the concurrence of other commissioners from Texas, to wit: Judge S. A. Lindsey of Tyler, representing the Texas Welfare Commission; Mr. Charles B. Austin, representing the American Union of Texas; and Mr. Francis W. Wozencraft, representing a group of agricultural newspapers. Messrs. Austin and Wozencraft returned with the main body of the commission in advance of us; we remained a week longer to make some further studies in the marketing of cotton and its by-products, and Judge Lindsey is still in Europe with his family. Howe we have been unable to communicate with these gentlemen in regard to this preliminary report, which we feel we must make forthwith as immediately due to you and as bearing in certain important respects upon possible legislation at the Called Session of the Thirty-third Legislature.

Commission’s Report of Main Findings.

We include herewith as a part of our own observations, the following report of the main findings prepared by the whole commission and issued to the public upon arrival in New York on July 25th:

"The American Commission on Agricultural Co-operation has completed its tour of European countries and has perfected plans to digest and compile the information obtained with regard to co-operation and the organization of rural life in European countries along financial, business and social lines. It is believed that this task can be completed before the end of the present year, when the final report of the commission will be submitted.

"The commission is deeply impressed with the vital importance of a thoroughly organized and united rural population. In this respect, the countries of Europe offer a lesson which may not long be disregarded in America without serious consequences.

"The agricultural interests of most of the European countries visited by the commission are organized along one or more of the following lines: credit, production, distribution, and social organization for the betterment of country life.

"Organizations for the provision of
credit facilities for European farmers follow the natural division into short time personal credit and long time land-mortgage credit. The organizations for the provision of personal credit facilities are as highly developed as are the systems of commercial banking. The prevailing rate of interest paid by the farmers for short time loans is from four to five and one-half per cent. The terms offered European farmers are generally better designed to meet the peculiar requirements of agriculturists than are the terms obtainable today by the American farmers.

"The personal credit organizations have the form of co-operative societies. Very often the members of these societies assume unlimited liability for the debts of the society while in other cases the societies take the form of limited liability. As a rule in European countries, the law makes little or no provision for exemptions of any kind. These short time credit societies furnish cheap, safe and elastic credit to their members by reason of their control by farmers and the organizations exclusively in the interest of farmers who operate them at nominal cost and without seeking dividend profit to such societies.

"Land mortgage credit has been organized so as to place a collective security back of bonds issued by land mortgage societies in contrast with the system of marketing individual loans upon individual mortgages. Without discussing the form of organization employed for this purpose, it may be stated that these land mortgage institutions bring to European farmers low interest rates; the privilege of repaying loans in small fixed annual installments extending over a term of years—in some cases as long as seventy-five years under the amortization plan, although provision for earlier payment is made if the borrower so desires; protection from advance in interest rates; and the practical elimination of commission charges.

Many of these personal credit societies and land mortgage associations are fostered by government grants, loans or special provisions of law. Mortgage bonds issued by commercial banks and by private joint stock land mortgage banks sell substantially on the same basis with like securities issued by government favored institutions, and both classes of banks are recognized as useful in the development and conservation of agricultural resources. In many instances private and commercial banks purchase the securities of land mort-

gage associations. Experience has demonstrated that such land mortgage bonds are liquid assets. The systems of land title registration in countries possessing such mortgage institutions practically prevent dispute of title upon mortgaged land. Provisions are also generally afforded these mortgage institutions which eliminate undue legal delays in the recovery of loans placed with defaulting borrowers. Savings and trust funds are frequently invested in securities of such mortgage institutions under sanction of law. Loans up to fifty or even sixty-six per cent are made on lands of dependable value and are considered safe and conservative and compare favorably with provincial and government bonds.

"The organizations for production and distribution of farm products follow co-operative lines. Farm products are sold by the producer at a relatively higher price and are bought by the consumer at a relatively lower price because the cost of distribution is considerably lowered by co-operative marketing which results, also, in improving the quality and uniformity of farm products and in promoting more businesslike methods in farming operations.

"It is the opinion of many of the leaders of this movement in Europe that the question of rural credit ought not to be divorced from co-operation for business purposes and the general organization of community life in rural districts. In some European countries visited, agriculture and country life interests generally are thoroughly organized and co-ordinated. The studies of the commission emphasize the necessity of defining the functions, on the one hand of the government, and on the other of voluntary organizations in promoting the development of country life. In some of these countries great emphasis is placed upon the value of voluntary associations and such State aid as involves governmental control over the activities of rural organizations is deprecated as tending to stifle the initiative of the people.

"Rural conditions, environment and temperament in Europe differ widely in the various countries and also differ from rural conditions, environment and temperament in America, as conditions differ in our several States and provinces; therefore, it may be necessary, in some cases, to modify these European systems if they are to be adapted to meet the needs of American farmers. At the same time, co-operative effort among the farmers of America might well be more generally employed and the
factual gathered should be of great value in developing methods suited to the needs of the farmers in the several sections, States and provinces.

"To this end, the American commission, with a membership in thirty-six States and in four provinces in Canada, has effected an organization with headquarters in Washington, D. C., and invites the aid and cooperation of farmers and all agricultural organizations and persons concerned in promoting a more prosperous and contented rural life as the enduring basis of our material, social and civil welfare.

"The commission desires to call attention to the geographical scope of its inquiries which were conducted in Italy, Hungary, Austria, Germany, France, England, Ireland and Wales, while sub-committees were sent to Russia, Denmark, Switzerland, Holland, Belgium, Norway, Sweden, Egypt, Spain and Scotland. In all of these countries the members of the commission were officially received by the respective governments and were given every opportunity to carry out their studies. National and local officials, central institutions, and local societies, eminent economists, leading agricultural and business men, all contributed with most gratifying willingness to the successful accomplishment of the work of the commission.

"The commission has selected two committees which will devote their entire time to drafting the final report regarding the investigation.

"The members of the compilation committee are: Dr. Benjamin L. Butternut of Massachusetts, president of the Massachusetts Agricultural College, and formerly a member of the Roosevelt Country Life Commission; Dr. John Lee Cooper, the government's expert on agricultural statistics; Mr. LeRoy Hodges, formerly immigration commissioner of the Southern Commercial Congress; Dr. Charles F. Bailey, deputy minister of agriculture, province of Ontario, Canada; Mr. Robert L. Munce of Pennsylvania, farmer.

"The members of the advisory committee are: Dr. J. E. Stubb, president of the University of Nevada; Dr. H. A. Morgan, dean of the school of agriculture, University of Tennessee; Senator John Cunningham of Ohio, farmer; Robert B. Van Cortlandt of New York, farmer and retired banker; William B. Hatfield of Michigan, editor and farmer; Col. J. S. Williams of Texas, farmer; Lieutenant Governor E. L. Daughtridge of North Carolina, farmer."

Conditions Underlying Rural Credit Societies.

"To these general observations by the whole commission we now add some reflections and suggestions with special reference to Texas conditions, for in this and in other reports on European cooperation it is important to know something of the conditions of rural life in order to draw intelligent conclusions as to the possibility of adopting the systems there to the life and times of the people here.

"In considering the personal credit societies or rural banks, as distinguished from the land mortgage associations or banks, it should be remembered, in the first place, that they are based upon intimate and stable village life, to which we have no counterpart here. There the farms are small, and the farmers are in daily social contact and are little disturbed by sectarian or political factions, because while communities differ as compared by States, sections or provinces, each local community is more or less homogeneous; the majority of each village or neighborhood are generally of one religious creed, and church and community is a powerful factor in promoting community trust and dependence; the families abide in the same place from generation to generation with few removals and with little transference of land or leasehold beyond the family connection; lands and leaseholds are held for their productive value with little thought of sale for profit; centuries of habit in close association for protection in wars of clan or class or sects and in the distresses consequent upon early political tyrannies and later agricultural and industrial servitude have developed a relation of mutuality which is almost unknown to us in this land of large areas and of aloofness, individualism and self-reliance consequent upon our totally different history, environment, necessities and methods of development.

Moreover, at the beginning of these credit undertakings in Europe there was lacking, and there is still lacking, any general system of local banking accommodation, or country banks, such as we now have in most parts of the United States, and the poor peasant was at the mercy of village usurers, who took advantage of his ignorance and preyed upon his distress. While our farmers lack the cheap credit facilities which most European farmers now enjoy, we think it may be assumed that an in-
telligent study and a fair consideration of the subject will lead to methods of rural credit which will amply serve the farmer without rude disturbance of our country banking interests which constitute so important and so helpful a factor in our agriculture as well as in our commerce.

In the second place, the European farmer borrows under systems of law which allow such small exemptions from debt judgment that, in default or failure to pay his obligation, his creditor may seize his homestead or his equipment or his other belonging with little delay or risk of loss. As a rule, only the bed upon which he sleeps, his clothes and the implement of his immediate employment are exempt from execution. We are sure that our people would not and should not consent to the abolition or the serious impairment of legal exemptions of homestead, household goods and trade equipment which protect the dependent family from adventure or improvidence or misfortune.

In the third place, all the systems of European rural credit are assisted by government grants, loans or special favors of law which are impossible under our Constitution, if not, indeed, contrary to our fundamental principles of government. Such assistance, perhaps, was necessary in Europe to lift the peasant farmer from abject poverty to comparative independence, and to enable the serf to become a proprietor by leasehold or ownership, and the experiment may well be taken to heart by our statesmen and economists as a warning of what may befall in this country if provision be not timely made for bringing to the producer, who is the creator of primary wealth, a fairer return for his labor and for arresting the present alarming drift of agricultural lands into the hands of heedless speculators and non-resident or non-cultivating landlords.

We are far from saying that the farmers of Texas may not devise a system of mutual credit. Indeed, we hope that when the European systems are fully set forth in detail and when wise beginnings are made in the co-operative selling of farm products, there will be evolved methods of mutual aid which will bring substantial relief in necessary credit without weakening the beneficent provisions of our organic and statute laws for the protection of families and dependents, or without lessening the self-reliance and the sense of individual responsibility which have made the American people the most powerful, the most cultivated, the most prosperous and the most progressive upon the earth.

Three Great Facts of European Experience.

Three facts of supreme importance stand out clearly in this instructive study.

The first is that the governments of Europe are concerned as much in the economics of agriculture as in the science of agriculture—that is, in commercializing agricultural industry and in securing the just profits as well as in promoting the increase of agricultural production. In our country, we have been generous in aiding the farmer to make two bolls of cotton grow where one grew before, but we have not seemed to care whether he received more pay for the two than for the one. Millions are spent annually by the Federal and the State governments to increase production—and all wise men approve such expenditures as warranted for the general welfare—but we venture to insist that the time has come for some instruction to be given and for some aid to be furnished in order that farm products may be sold for their economic value and that preventable loss and waste in marketing may be eliminated for the benefit of producers and consumers alike.

The second great fact of European demonstration is that under proper provisions of the law, land credit is as safe and as cheap as industrial credit. The long-time European land loan with its low rate of interest and its amortization by a fractional annual payment—the whole of interest and of payment on principal amounting to less than current rates of interest on land loans in the United States—is a blessing to the European land owner by furnishing a means of obtaining cheap money for improvement, and to the tenant or laborer by affording an opportunity to acquire a home without serious risk of the loss of his savings in the misfortune of a bad crop or even of a series of lean years.

We doubt whether our people would care for land loans, either for purchase or improvement, upon such long time as forty to sixty years as in Europe, though as to such long-time loans it may be said that they serve to capitalize agricultural industry as manufacturing and transportation industries are capitalized, and as communities obtain funds by bond sales for public improvements. A railroad stock or a manufacturing stock has a
value aside from the mortgage debt upon the property, and all great railway improvements, as most modern industrial improvements, are made wholly or in part upon bond capital. There is no economic reason why productive land of demonstrated value should not carry long time mortgage obligations for purchase or improvement, and yet be readily salable at its net value above the mortgage debt. Such mortgages in Europe rank high for popular investment at low rates of interest, and yet the land owner may easily retire the mortgage when he chooses by purchasing in the open market an equivalent of the bonds of the society or bank which issues its own obligations against its loans on lands. Thus a farmer who has made a land loan from a landschaft or from a land mortgage bank under amortization running fifty years, may at any time before the maturity of his loan, purchase bonds of the landschaft or the mortgage bank and present them in discharge of his debt, but so long as he pays his interest and amortization, never amounting altogether to more than six per cent per annum, he may not during the entire fifty years suffer foreclosure or disturbance and at the end of the full period the entire principal of his debt will have been automatically discharged.

But if a term of forty to sixty years is too long for our people, we see no reason why the amortization plan may not be adapted to terms of ten to thirty years. There is already a land mortgage bank in Illinois lending fifty per cent of appraised value, on thirty years, at six per cent interest and one per cent amortization, payable semi-annually, and we are reliably informed that it is meeting with encouraging success. The experiment is well worth the study of legislators and the owners of large tracts of land who wish to subdivide and sell their holdings. Of course, it will be understood that in speaking of land mortgages we mean only the mortgages for purchase under vendor’s lien or for the improvement of holdings above homestead exemptions.

A necessary condition of such land credit is the perfection of land titles. A disputed title is hardly known in Europe, because titles are transferred by incontestable government registry. The voluminous records of our courts, with their masses of title abstracts, abundantly exhibit the need for reform in this respect. It is safe to say that current land loans cost as much as one per cent per annum—and in some sections more—to cover the risk of imperfect titles and consequent defeat of loans. This condition not only imposes a hardship upon land borrowers and land purchasers, but the consequent litigation operates as an unjust burden upon all tax payers. Several States of the Union have already adopted systems of title guarantee or insurance whereby provision is made for the certainty of possession by a bona fide purchaser, and yet a person who may have been defrauded of land by an unlawful transaction may recover its value within a reasonable time fixed by statute for such equitable determination. A small fee for each land transfer constitutes an ample fund for the liquidation of adjudicated rights without invalidating a mortgage or disturbing a purchaser in the property he has acquired and improved.

The third great fact of present practical importance is that co-operative effort in the sale of farm products in Europe, as in certain parts of the United States and Canada where similar systems are employed, results in higher prices to the farm producer and yet in lower prices to the consumer than in sections where each farmer sells separately from his neighbors and through such middlemen and agencies of distribution as offer their services. Co-operative selling has the further effect of improving the quality of the product by developing better methods of cultivation and of packing and by reducing the time of delivery. This is especially important in the handling of perishable products. We cite an example, which is only one of thousands in Europe, to illustrate the process:

An egg society in Oldenburg, Germany, which we examined in some detail, gathers the eggs of its members three times a week. Each member is recorded in the society’s books by a number which is stamped upon the eggs from his farm. After the eggs are assembled at the society’s warehouse, they are tested by candling, and if a bad egg is found, it is rejected and the farmer is fined three marks, or seventy-five cents. The eggs are then neatly packed and dispatched to certain customers, consisting of hotels, restaurants and retail dealers, who are glad to pay a fair price for the guaranteed product. On the day we visited the warehouse the farmer was receiving twenty-one cents a dozen on the farm and the dealer was paying 23.6 plus freight, or not over twenty-two and one-half cents per dozen. The ultimate consumer, other than hotels and restaurants, was paying not more than twenty-five cents for guaranteed fresh eggs. The
total cost of distribution from producer to consumer was only three to four cents. In another society, whose members delivered the eggs to the warehouse, a premium was paid for eggs not more than four days old, and generally in all such co-operative undertakings, rigid rules are enforced for maintaining the quality of the product.

In many places in the United States, the farmer would receive scarcely more than twelve and one-half to fifteen cents in trade and the consumer would pay twenty-five to thirty-five cents for eggs passing through the hands of three or four middlemen during a period of ten days to two weeks from the nest to the table, and consequently more or less spoilage, if not spoiled, in the proportion one-fourth to one-third of the number.

This society was thus not only rendering direct economic benefits to both the producer and the consumer, but its methods of education had improved the breed of poultry in the neighboring community, had brought cheaper production by more intelligent feeding and care, and had converted into cash for many farmers a product that otherwise would bring little or no money return.

Similar methods of co-operation are practiced in all farm products, in grain selling, in market gardening, in dairying and in live stock marketing, and in the purchase of fertilizers and farm implements, in live stock insurance, hail insurance and other concerns of agriculture. Often a co-operative dairy serves to commercialize the product of a number of farmers who have only two or three cows each and would be unable otherwise to market their milk or tiller or to own the equipment necessary to prepare the product in accordance with modern standards of sanitation and excellence.

Such co-operation in the sale of farm products does not disturb legitimate merchandising, which is a necessary part of our system of commerce. Indeed, the commercializing of agricultural industry by such means tends to promote stability in all lines of trade that serve the farmer, for as he improves so those prosper who deal with him fairly and helpfully.

In many of the countries of Europe, the government encourages co-operation by direct aid by grants of money or by contributions to the expense of administration. We do not favor State grants, but we do specifically recommend that the A. and M. College establish at once, as a part of its extension work, and utilitarian endeavor, a department of rural organization under a skilled director, learned and experienced in practical co-operation, with a sufficient expense fund for correspondence, for circulating literature and for making personal visits to communities or neighborhoods and assisting farmers in this important method of securing the just market price for their products.

In this connection, we call attention to our report from Enschede recommending investigations in the comparative values of American and other cotton seed by-products, and we suggest that our own Agricultural and Mechanical College should take the lead in this important study since Texas is the chief cotton producing State of the Union.

We recommend, also, that the Farmers' Union and other rural societies begin the work or organization through local unions by practicing simple co-operation in each community, according to its needs and opportunities.

By such means and agencies we believe that a few years of patient and prudent effort will bring inestimable blessings to producers and substantial benefit to consumers. A miracle of economic reform is not to be wrought immediately, nor can organization supply defects of personal industry and thrift, but it is our deep conviction that the time has come for a diligent study of problems of agricultural economics lest a large part of our people drift into conditions so inequitable and intolerable as to tempt them in desperation to undertake rash adventures.

Cotton Marketing Most Important of All.

As intimately related to the whole subject of Southern farm economics, and concerning the chief staple of Texas agriculture and the chief source of Texas wealth, we beg now to call attention to the problem of cotton marketing. As a part of our study and as illustrative of what we are about to say, we refer to the reports of the commission's subcommittees on Egyptian production, which has been published, and on the conference of Southern delegates with cotton spinners at The Hague, yet to be made public, copies of which are attached hereto for further reference if desired. We attach, also, an unpublished report by ourselves on certain other phases of the cotton marketing problem as investigated by the undersigned in Holland, France and England, and finished too late for formal submission to the American commission before it dispersed at New York.
These investigations—which, we pause to say, should be pursued with diligence and in other directions, for we feel that we have only made a fair beginning in unraveling a gigantic trade complication or situation which imposes heavy burdens upon cotton producers—have confirmed us in our opinion as to the expediency and the necessity of a system of State regulated warehouses for storing cotton and other farm products as recommended by the undersigned to committees of the Regular Session of the Thirty-third Legislature. Briefly, those recommendations, which are resubmitted herewith, are as follows:

Local corporations, chartered under a general law, for the erection or purchase of warehouses for storing, grading and weighing cotton or other farm products.

Provision by law for the sale of bonds of local warehouse corporations by making the State, through proper officers, the custodian of the funds of the stockholders and the trustee of the corporation's assets and earnings for the security of the bonds; or by creating a general trust and guarantee society under State control, with a limitation upon profits, for the registry, safe and guarantee of such local warehouse bonds.

The creation of a State warehouse commission of three competent men empowered to prescribe rules for the sampling, grading and weighing of cotton and other farm products and for supervising the operations of warehouses, to the end that cotton may be sampled at the gin without cutting the bale, and may be stored and sold upon a bond or State officer's certificate of weight and grade, and that other farm products may be graded, stored and sold under intelligent and scrupulous State regulation, which will reduce the enormous waste now suffered as a consequence of exposure and of commercial methods which, to say the least, are sadly unscientific and which in many respects are grossly unjust to the producer. Easily preventable waste in the handling of the cotton crop of the South amounts to from four dollars to five dollars a bale, according to calculable demonstration, which constitutes a loss of $20,000,000 to $25,000,000 upon the Texas cotton crop alone—a sum staggering as it is, which we believe further investigation extending to the marketing of the by-products of cotton will multiply two-fold. It is as clearly a function of the State to establish agencies which will save so much of the people's primary wealth as it is to spend public money for the cure or prevention of live stock and plant diseases and pests, for the reduction of fire waste, or for the arrest of any general depredation upon the property of citizens.

We believe that the organization of local warehouse corporations, composed of farmers and their sympathizers, will not only serve the immediate purpose of preventing waste in marketing and of securing just prices for farm products, but will lead to the co-operation of farmers in other matters, extending ultimately to all the problems and concerns of rural life, and will gradually develop neighborly relations of mutuality that will be of great benefit to all who participate and to the social and civic welfare of the commonwealth.

In addition to a system of State regulated warehouses, or as a part of the service of the warehouse commission, we recommend the establishment of a bureau of cotton information and the adoption by the Legislature of a joint resolution inviting other cotton-growing States and countries to establish similar bureaus authorized to act in concert for the purpose of gathering information concerning the consumption of cotton and concerning cotton trade conditions throughout the world to enable our farmers to ascertain the economic value of their product. The manufacturers of more than 75 per cent of the cotton of the world are compactly organized and are enabled thereby with intelligence and profit to adjust their output to the trade law of supply and demand. Without adequate information, it is impossible for farmers to adjust their business to the same inexorable law of trade, and in the nature of things—their numbers and their separation—they can not be similarly organized. Therefore, it is necessary for the government to supply them with information of consumption, as it supplies, manufacturers and consumers with information of production. When a cotton crop of 12,000,000 bales sells for $100,000,000 more than the following crop of 10,000,000 bales, and when a succeeding crop of 14,000,000 bales sells for $60,000,000 more than the preceding crop of 18,000,000 bales, and yet all three crops are consumed, it is plain to be seen that he law of supply and demand is imperfectly executed, or is executed only as to the producer's supply and is suspended as to the consumer's demand. If nothing is to be done to correct this economic absurdity and to undo this palpable injustice to the producer, who thus is denied all the increment of his industry and all the bounty of nature, then it will be a
travesty of statesmanship for the government to continue to spend money in teaching the farmer how to increase his production, but rather he should be admonished, in common sense and self-interest, to produce the less in order that he may receive the more.

Studies extending over several years and confirmed by the revelations of our observations abroad, as well as by circumstances which we are not unable to set forth with confidence and precision, but which we are still investigating, convince us beyond reasonable doubt that under such methods as are herein proposed the price of cotton would never again fall below the cost of production, but that the product would be to Texas, the South and the nation a source of inexhaustible and increasing wealth which will make the producers prosperous and restore to our country population that degree of comfort which alone will insure contentment and revive those conditions of rural tranquility, happiness, intelligence and strength which at one time were the glory and the chief dependence of the republic.

In addition to these observations, which are reduced to the smallest possible compass on account of the limitations of the occasion, we stand ready to furnish to the Governor, to the Directors of the Agricultural and Mechanical College, to the officers of the Farmers' Union and other rural organizations, to committees of the Legislature or to other persons at interest any information in detail which we have gathered in regard to any of the European systems or institutions, or to render any aid within our power for the solution of the important problems herein discussed.

We conclude with the suggestion that whatever may be undertaken should begin with caution, should be developed slowly in the light of experience and in conformity with local surroundings, and should not be deferred or disheartened by the resistance or the inertia, by the mistakes or miscalculations which attend all efforts to change the established order or to correct evils of long standing.

In our early history as a people we profited by the mistakes of European governments, and we made sure against the abuses of governmental power. Without relaxing any of the safeguards of our industrial as well as of our political freedom, and without abating in the slightest degree that self-reliance and sturdy individualism which are the surest means of human progress, we can profit by the experiences of Europe, and we can utilize our governmental organisms for purposes of the general good and for the protection of the earnings of the people against the impositions of a greedy commercialism which is rampant the world over, and against the waste of a haphazard system of marketing farm products which has been endured so long only because our resources of soil have been so generous that we could waste and still prosper, but which should not be endured longer, because we have now come to the point where we must husband those resources or suffer.

We can not refrain from the final remark that we return with increased pride in the greatness, and with renewed faith in the ultimate destiny of our beloved commonwealth and country, but with a keener appreciation of the problems that must be solved in wisdom and with dispatch, if the march of our people's progress and happiness is not to be hindered, and if they are to maintain their leadership among the States and the civilizations of the earth.

Respectfully,

J. S. WILLIAMS.
CLARENCE OUSLEY.

FURTHER REPORT ON COTTON MARKETING.

Dr. Kenyon L. Butterfield, Acting Chairman American Commission.

SIR: Your committee appointed to make further inquiry, following the Egyptian investigation and The Hague conference, into the marketing of cotton and its by-products, beg to report:

The short time allowed for study in France and England, which seem to be the price-making countries for cotton seed oil, did not permit us to gather and verify data with sufficient detail to warrant a precise statement in figures and concrete facts. However, we were able to confirm our report on the Egyptian situation with respect to the wide discrepancy between the price of Egyptian and American cotton seed. We learned that there are practically no European imports of American cotton seed, nor have been for many years, for the reason, we were told in trade circles, that American cotton seed oil mills consume the entire American supply. Europe uses large quantities of American cotton seed meal and cake for live stock feed, and is taking from the crop of 1912 about 108,000 tons of American cotton seed oil—compared with about 110,000 tons of cotton seed oil from
Egyptian, East Indian and other seed—which is used for margarine, for cooking, for salad preparations, for soap, for lubricants, etc., and so far as we could ascertain, the American product is equal or superior to the product of other countries for such purposes.

The subject involves many questions of trade, and it will require long and patient study for intelligent understanding. We shall continue the investigation by such means as we may be able to employ and as our time may permit, but meanwhile we recommend that the Federal Departments of Agriculture and Commerce, in co-operation with Southern agricultural and mechanical colleges, institute minute and painstaking studies into the comparative values of American cotton seed and its by-products, ascertained from both commercial and scientific standpoints, for we are fully persuaded that they are not now yielding to our producers and to our industries a just return in the true reckoning of the world's markets.

As further illuminative of problems discussed in the Egyptian and Hague reports, we add a brief account of a visit made by Mr. Williams to the cotton mills of Enschede, Holland, upon the invitation of Mr. J. Barnard Van Heek, the active spirit in the organization, following The Hague conference.

These mills are only a part of extensive enterprises in Holland and Germany in which the Van Heeks are interested. Directly and indirectly they are among the largest if not the largest consumers of American cotton in the world. The Enschede establishment alone this year is using 13,000 bales of American linters and 10,000 bales of other American cotton of various grades.

It is interesting and somewhat startling to record that linters were found at this establishment of the grade which Mr. Williams sold this year for 12 cents a pound, for which this mill paid in Texas 42 cents a pound, and were woven into blankets of most attractive appearance. Such blankets sold in the United States for $1.75 to $2.25, though Mr. Van Heek offered to deliver them to buyers in the United States at 40 cents, plus freight and import duty. The product of which these blankets are made competes in the markets of the world with like products from the coollies of India and the fellahin of Egypt, whose labor is rated at only 15 to 25 cents a day, and Egyptian cotton to the amount of approximately 200,000 bales a year is imported into the United States free of duty. Samples of these 40-cent blankets, made of American linters, for which the producer received only 12 cents and the manufacturer paid 51 cents—blankets which are sold wholesale in India and elsewhere at 40 cents plus freight, and in the United States by retail at $1.75 to $2.25—were obtained by Mr. Williams, who will be glad to exhibit them to the commission or to persons at interest.

We regret that it becomes necessary to make this incidental allusion to a subject which is a matter of present national controversy, but we would be unfaithful to our obligation if we did not record a plain fact which has a direct relation to the commercial value of the South's great staple and the nation's chief commodity of export.

Mr. J. Bernard Van Heek is a member of the general committee or the executive board of the International Congress of Master Cotton Spinners which we attended at The Hague. He promised hearty support of the resolution presented to The Hague conference by Mr. Outley for official reports of cotton consumption, together with official reports of cotton production, and approved the suggestion that the reports should cover the grades as well as the volume of cotton produced as a guide to both producers and consumers in the quality as well as in the quantity of cotton desired and available.

He also heartily approved the proposal for an international bureau of cotton information covering all cotton growing countries, and endorses the efforts making for the better packing of American cotton and the correction of mis-packed bales—a number of which were exhibited at the Enschede mills. He gave assurance that if the Southern States will establish a warehouse system for grading and storing cotton under State regulation, his firm would be glad to extend their wires to such warehouses and deal directly with producers, but made it plain that there must be ample and definite responsibility behind such systems in order to protect buyers and insure prompt settlement of just claims for reclamation.

We regard it as a matter of great significance that our proposal for reports of consumption and for a bureau of cotton information have the active support of so powerful a factor in the cotton manufacturing trade of Europe, and we submit that this evidence in connection with other acts, reports and expressions gathered during our somewhat hurried but none the less careful study, warrant the diligent prosecution of these endeavors by official and organized effort. We entertain no doubt whatever that per-
severance will accomplish early and complete success of the undertaking, and will bring increased prosperity to cotton producers, greater primary wealth to our country, satisfaction to cotton consumers and stability to the entire cotton trading and manufacturing industry.

Respectfully,

J. S. WILLIAMS,
CLARENCE OUSLEY.

SENATE BILL NO. 6.

(Pending Business.)

Action here recurred on the pending business, Senate bill No. 6, pending business for this hour from last Friday.

RECESS.

On motion of Senator Bailey of Harris, the Senate, at 10:30 o'clock a.m., recessed until 2:30 o'clock today.

AFTER RECESS.

(Afternoon Session.)

The Senate was called to order by President Pro tem, Carter.

EXECUTIVE SESSION POSTPONED.

The hour, 3 o'clock p.m., time set for the Senate to hold executive session to act on various appointments by the Governor, having arrived.

Senator Willacy moved that the holding of the executive session be postponed until 8 o'clock tonight, which motion prevailed.

EXECUTIVE MESSAGE.

Governor's Office,
Austin, Texas, August 12, 1913.

To the Senate:

I ask the advice and consent of the Senate to the following appointment:

To be a member of the Board of Prison Commissioners—Hon. Ben E. Cabell of Dallas County.

In submitting the foregoing appointment, I desire to make the following statement for the information of the Senate:

The general prison law under which the penitentiaries are now being managed was passed by the Fourth Called Session of the Thirty-first Legislature, and by its terms took effect January 20, 1911. Section 4 of the act provided for the appointment of a board of three Prison Commissioners, whose terms of office should be two years; provided, that of the first Commissioners ap-
Present—Not Voting.
Bailey of Harris.  Absent.
Darwin.  McGregor.

The bill was read third time and passed by the following vote:

Yeas—21.
Brelsford.  Johnson.
Carter.  Lattimore.
Clark.  Morrow.
Collins.  Nugent.
Conner.  Real.
Cowell.  Taylor.
Darwin.  Townsend.
Gibson.  Warren.
Greer.  Westbrook.
Harley.  Willacy.
Hudspeth.  

Nays—5.
Astin.  Watson.
McNeelus.  Wiley.
Terrell.  

Present—Not Voting.
McGregor.

Senator Warren moved to reconsider the vote by which the bill was passed and lay that motion on the table. The motion to table prevailed.

REASON FOR VOTE.
I vote "yea" for the reason that I regard it important that legislation seeking to better our penitentiary system be enacted and that the near approach of the end of the session makes it necessary that the bill reach a Free Conference Committee at the earliest possible moment, that an opportunity may be had to bring out a measure upon which we may ultimately agree.

COWELL.

I vote "yea" on final passage for the same reasons that prompted me to vote "yea" on engrossment, and as are now on file.

NUGENT.

RECESS.

On motion of Senator Hudspeth, the Senate, at 11:45 o'clock a.m., recessed until 4 o'clock today.

AFTER RECESS.
(Afternoon Session.)
The Senate was called to order by President Pro Tem. Carter.

EXECUTIVE MESSAGE.
Governor’s Office,
Austin, Texas, August 12, 1913.

To the Texas Legislature:
In harmony with the Governor’s proclamation convening the First Called Session of the Thirty-third Legislature, Article 3 of the State Constitution, I and in accordance with Section 40 of present the following additional subjects for legislation:

1. The passage of acts creating independent school districts, and the passage of acts amendatory of acts creating existing independent school districts.

2. The enactment of measures on the subject of special road laws for any county or counties of this State, and for the amendment of special road laws heretofore enacted for any county or counties in the State.

3. The enactment of measures regulating, changing or fixing the time and terms of holding district court in any county or counties constituting any existing judicial district or districts in this State.

4. The passage of an act to amend Article 4954, Title 71, Chapter 15 of the Revised Civil Statutes of the State of Texas, 1911, so that the term "special or board contract or similar provision" shall be construed to have a technical meaning and not a literal meaning.

5. The enactment of a law authorizing the State of Texas to guarantee the payment of the principal and interest of all bonds that may be issued and sold by virtue of Chapter 57, Acts of the Thirty-third Legislature, approved March 29, 1913, and which provides for the issuance of penitentiary bonds.

6. The passage of an act to amend Article 6008, Title 77, Chapter 1 of the Revised Civil Statutes of the State of Texas, 1911, relating to the appointment of notaries public, and amending said article so that it shall hereafter provide that notaries public may be appointed by the Governor, with the advice and consent of the Senate, during extra sessions of the Legislature.
7. The passage of an act to amend Article 911 of the Penal Code of the State of Texas, as amended by Chapter 135, Acts of the Regular Session of the Thirty-third Legislature, so as to strengthen the powers of the Game, Fish and Oyster Commission, and to prevent sealing and netting in all passes leading from Texas bay waters into the Gulf of Mexico, etc.

8. The passage of an act to amend Section 6695, Revised Civil Statutes of Texas, 1911, as amended by Chapter 123, Acts of the Thirty-third Legislature, relating to the renewal and extension of liens that are secured by deeds of trust, mortgages or original vendor’s lien on real estate.

9. The passage of an act to amend Articles 6678, 6681, 6682 and 6683, Revised Civil Statutes of the State of Texas, 1911, regulating the manner of railroad companies and receivers and trustees thereof furnishing to shippers upon written demand cars to be loaded with freight, and regulating demurrage thereon.

10. The passage of an act amending the present laws of this State so as to permit the levying of attachment and garnishment, and other similar process on property and debts within this State, owned by non-resident individuals, firms and unincorporated associations in all cases arising out of torts as well as out of contracts, and the issuance and levy of such writs in suits based upon unliquidated as well as liquidated demands.

11. The passage of an act to amend and re-enact Articles 5585 and 5588, Title 83, Chapter 3 of the Revised Civil Statutes of Texas, relating to seawalls and breakwaters.

12. The passage of an act to create and establish the county of Lott, taken from existing territory of Duval county, prescribing its area and boundaries, and providing for its organization and election of county officials.

13. The passage of an act to authorize the Governor, Attorney General and Land Commissioner to lease the water rights in the Guadalupe river in De Witt county upon such terms and for such consideration as they may prescribe, or as may be prescribed by law, as provided in an act passed by the Regular Session of the Thirty-third Legislature, but which was passed without an enacting clause, as shown on page 69, General Laws, passed by the Regular Session of the Thirty-third Legislature.

14. The passage of acts providing for special district courts, regulating the time of holding same, in the Fifth and Twenty-eighth Judicial Districts of the State of Texas, the term of said courts to expire January 1, 1915.

15. The enactment of a law authorizing the Imperial Sugar Company and its successors and assigns, to bring suit against the State and against the Prison Commission of the State of Texas for specific performance and for damages, if any should accrue, by reason of the breach of a certain contract which will be entered into in the event the litigation is adjusted between the Prison Commission and the Imperial Sugar Company, involved in cause No. 7151, on the docket of the district court of Fort Bend county, wherein the Imperial Sugar Company is plaintiff, and Ben E. Cabell et al. are defendants, in which the plaintiff is seeking to recover 5455 acres of land known as the Imperial farm, belonging to the State.

16. The passage of an act amending Article 7137 of the Revised Civil Statutes of 1911, prescribing the term of office of constables and regulating the number of their deputies.

17. The passage of an act to amend Sections 3, 4, 7, 10 and 12 of Chapter 173 of the Acts of the Regular Session of the Thirty-third Legislature, relating to prospecting and developing minerals on lands owned by the State of Texas, and by the public free school fund, and the University and Asylum funds, so as to amend the provision which limits the leasing of such lands for oil and gas development to 200 acres when said lease is within ten miles of a producing oil or gas well, by increasing the maximum number of acres that can be leased to any one person, firm or corporation to not exceed 1000 acres.

18. The passage of an act to prohibit the creation of deficiencies and debts in the name of the State regents, directors, officers or members by governing boards of educational or ecleemosyynar institutions of the State of Texas; to prohibit the making of any contract or creating any debt inconsistent with existing laws; making invalid all such contracts and debts; prohibiting the diverting of funds, and providing penalties for violations of such an act.

19. The passage of an act in compliance with the recommendation of the Democratic State platform creating the position of public highway engineer, with jurisdiction and authority to cooperate with county officials in laying out and building better public roads, and providing for the levying and collection of
a just and equitable tax from automobile owners; providing that said tax when collected shall be paid into the State Treasury and credited to the "Good Roads Fund"; and providing further that upon the recommendation of the highway engineer and on the approval of the Governor, the money derived from the automobile tax may be used in the construction of substantial and first-class roads and public highways in those communities or counties which are willing, either by county taxes or public contributions, to supplement the allowance from said highway tax fund with double the amount appropriated from said fund.

20. The passage of an act providing for the abolition of drainage districts heretofore organized, or that may hereafter be organized under the general laws of the State of Texas, and providing for a method for the collection of claims or debts against such districts.

21. The passage of an act to redistrict the State into eight Supreme Judicial Districts so as to equalize the work of the eight Courts of Civil Appeals.

22. The passage of a bill to be entitled "An Act providing for the construction of necessary buildings for the University of Texas; for the raising of the necessary funds for such purpose by the creation of the University of Texas Building Fund out of the income of the permanent University endowment and other revenue producing funds and out of the other sources of revenue from properties of the University and the issuance and sale of certificates against said University of Texas Building Fund so created; and authorizing the expenditure of the proceeds of said certificates in payment for the construction of the buildings authorized and permitted under the act; creating the Board of Building Commissioners, whose duty it is to superintend the construction of the necessary buildings under the act and the expenditure of the funds provided therefor, and further defining the duties and authority of said Board of Building Commissioners and fixing their salary; prescribing certain duties for carrying into effect the provisions of this act of the Governor of the State, the Attorney General, the Superintendent of Public Instruction, the President of the University of Texas and the President of the Board of Regents of the University of Texas, and conferring certain authority upon the Board of Regents of the University of Texas, making an appropriation of funds derived from the sale of the certificates herein provided for the erection of the buildings and carrying out the provisions of this act, and declaring an emergency."

23. The passage of an act authorizing the Governor, under conditions to be prescribed, to sell to J. J. Kane of the city of Galveston, his heirs and assigns, or to any other person, his heirs or assigns, any right, title or claim the State of Texas has in and to certain submerged lands or lands under water on the shores of Galveston Bay in Galveston County, for the purpose of the construction of a dry dock or marine railway.

24. The passage of an act amending Article 4893, Title 71, Chapter 9, of the Revised Civil Statutes of the State of Texas, 1911, as amended by Chapter 104, General Laws passed by the Regular Session of the Thirty-third Legislature, relating to co-insurance; and the passage of an act amending Chapter 105, General Laws passed by the Regular Session of the Thirty-third Legislature, known as the "Technicability Act."

25. The passage of an act amending Chapter 67, General Laws passed by the Regular Session of the Thirty-third Legislature, which chapter relates to intoxicating liquors and prohibits the interstate shipment of same into prohibition territory, so that the provisions of said chapter will permit the shipment of alcoholic intoxicating liquors from one point in the State where it is licensed to be sold to individuals at other points in the State where its manufacture and sale is not prohibited.

26. The passage of an act to amend Articles 7435, 7442, 7451 and 7452, of the Revised Civil Statutes of the State of Texas of 1911, so as to provide for fixing the hours of opening and closing any house of business where intoxicating liquors are sold, requiring the closing of such places of business between the hours of 9:30 p.m. on Saturday night and 6:00 a.m. of the following Monday morning, and between the hours of 9:30 p.m. and 6:00 a.m. of the following morning of any week day, and authorizing recovery upon the bond and forfeiture of license of retail liquor dealers violating any
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penal law of this State relating to retail liquor dealers.

In presenting this subject for legislation it is intended only that the hours of opening and closing any house or place of business where intoxicating liquors are licensed to be sold be fixed so as to conform the civil statute herein referred to to the hours prescribed in Article 6115, Title 11, Chapter 8, of the Penal Code, as amended by Chapter 175, General Laws of the Regular Session of the Thirty-third Legislature.

27. The passage of an act to set apart a portion of Harbor Island for a State quarantine station and providing for the relinquishment of inchoate rights and refunding of payments made on such rights.

28. The passage of an act redistricting the State into thirty-one Senatorial Districts, as provided by the Constitution.

Respectfully submitted,
O. B. COLOQUIT,
Governor of Texas.

BILLS AND RESOLUTIONS.

(By Unanimous Consent.)

By Senator Johnson:

Senate bill No. 21, A bill to be entitled "An Act adding to and making a part of the Memphis Independent School District of Hall county, Texas, certain lands and territory adjoining thereto situate in Hall county, and adding thereto and making a part thereof certain lands and territory adjoining thereto situate in the county of Collingsworth, all for school purposes; giving the board of trustees of said district power and jurisdiction over said lands and territory and the inhabitants thereof; requiring such board of trustees to levy, assess, collect and pay into the Treasury annually a proportional part of a certain tax fund existing on part of said territory, and declaring an emergency."

Read first time and referred to Committee on Educational Affairs.

By Senator Johnson:

Senate bill No. 22, A bill to be entitled "An Act to create a more efficient road system for Hall county, Texas, and making the commissioners court of said county ex-officio road commissioners in their respective precincts, making this act cumulative, and declaring an emergency."

Read first time and referred to Committee on Roads, Bridges and Ferries.

By Senator Hudspeth:

Senate bill No. 23, A bill to be entitled "An Act to name the several counties composing the Sixty-third Judicial District and fix the time for holding district court therein and to repeal all laws in conflict therewith, and declaring an emergency."

Read first time and referred to Committee on Judicial Districts.

By Senator Gibson (by request): Senate bill No. 24, A bill to be entitled "An Act to amend Section 6996, Revised Statutes of Texas of 1911, as amended by Chapter 123, Acts of the Thirty-third Legislature, relating to renewal and extension of liens that are secured by deeds of trust, mortgages or original vendor's liens on real estate, and providing that said sections shall hereafter read as follows, and declaring an emergency."

Read first time and referred to Judiciary Committee No. 1.

By Senator Bailey of DeWitt:

Senate bill No. 25, A bill to be entitled "An Act to authorize the Governor, Attorney General and Land Commissioner to lease the water rights in the Guadalupe river in De Witt county upon such terms and for such consideration as they may prescribe, and providing priority of interest in leasing and also providing means of adjusting damage for the destruction of dams or property now owned by certain persons, and providing for the number of dams to be erected by any person, firm or corporation; the manner of measuring water and further providing for the manner of distributing power and regulating the sale of same, and also regulating the terms under which a sale of leasehold may be made and fixing the rights of purchasers of said leaseholds, and declaring an emergency."

Read first time and referred to Judiciary Committee No. 1.

By Senators Brelsford, Warren and Bailey of DeWitt:

Senate bill No. 26, A bill to be entitled "An Act to amend Article 6092, Title 27, Revised Statutes of Texas, 1911, providing for the appointment of notaries public, and declaring an emergency."

Read first time and referred to Committee on State Affairs.
EXECUTIVE MESSAGE.

Governor's Office,
Austin, Texas, August 14, 1913.

To the Texas Legislature:

In harmony with the proclamation of the Governor convening the First Called Session of the Thirty-third Legislature, and as provided by Section 4 of Article 4 of the Constitution, I present to you the following additional subject for legislation:

The passage of an act authorizing the city of Nacogdoches, a municipal corporation, to sell to the United States of America a portion of the Main Plaza for a Federal building site.
Respectfully submitted,

O. B. COLQUITT,
Governor of Texas.

ADJOURNMENT.

Senator Clark, at 6:20 o'clock p. m., moved that the Senate adjourn until 10 o'clock tomorrow morning.

Senator Johnson moved as a substitute, that the Senate recess until 8:30 o'clock tonight.

Action recurred on the longest time first, and the motion to adjourn was adopted by the following vote:

Yeas—16.

Astin.  Harley.  
Clark.  Lattimore.  
Collins.  McNealus.  
Conner.  McNealus.  
Cowell.  Taylor.  
Darwin.  Townsend.  
Gibson.  Wiley.  
Greer.  

Nays—13.

Bailey of De Witt.  Oliver.  
Bailey of Harris.  Terrell.  
Brelsford.  Warren.  
Carter.  Watson.  
Hudspeth.  Westbrook.  
Johnson.  Willacy.  
Nugent.  

Absent.

Morrow.  Real.

APPEIXDIX.

PETITIONS.

By Lieutenant Governor Mayes:

Atlanta, Texas, August 13, 1913.
Chairman of Senate, Austin, Texas:

We appreciate the fairness of your honourable body in meting out justice to our very deserving friend, the Hon. Dr. A. C. Oliver.

W. H. ERAMBERT, JR., ET AL.

By Senator Hudspeth:

Relating to the restoring the Alamo to the custody of the Governor and Superintendent of Buildings and Grounds.

RESOLUTIONS SIGNED.

The Chair, Lieutenant Governor Mayes, gave notice of signing, and did sign, in the presence of the Senate, after their captions had been read, the following resolution:

House Concurrent Resolution No. 2, Requesting the Governor to submit subject of appointment of notaries public.

House Concurrent Resolution No. 8, Granting District Judge Swayne leave of absence from the State.

COMMITTEE REPORTS.

(Floor Report.)

Austin, Texas, August 13, 1913.
Hon. Will H. Mayes, President of the Senate.

Sir: Your Finance Committee, to whom was referred Senate bill No. 35, A bill to be entitled "An Act appropriating the sum of five thousand dollars, or so much thereof as may be necessary, to pay the contingent expenses of the First Called Session of the Thirty-third Legislature, and declaring an emergency."

Have had the same under consideration, and beg leave to report same back to the Senate with the recommendation that it do pass, and be not printed.


(Floor Report.)

Austin, Texas, August 14, 1913.
Hon. Will H. Mayes, President of the Senate.

Sir: Your Committee on Insurance, Statistics and History, to whom was referred Senate bill No. 42, A bill to be entitled "An Act conferring certain additional power and authority upon State banks and trust companies, chartered and operating under the general laws of the State, authorizing such institutions to create and maintain 'Land Loan Departments,' and regulating the manner,
majority of the resident property taxpayers, qualified voters of such county or political subdivision, or any defined district now or hereafter to be described and defined, thereof, voting thereon to issue bonds to any amount not exceeding one-fourth of the assessed valuation of the real property of such county or such political subdivision or any defined district now or hereafter to be described and defined, and to levy and collect taxes to pay the interest on such bonds and to provide a sinking fund for the redemption thereof, for the purpose of constructing, maintaining, and operating macadamized, gravelled or paved roads, and declaring an emergency."

The committee report, which provided that the bill be not printed, was adopted.

The bill was read second time and passed to engrossment.

On motion of Senator Willacy, the constitutional rule requiring bills to be read on three several days was suspended and the bill put on its third reading and final passage by the following vote:

**Yeas---28.**

Astin.  J. Attimore.  
Bailey of Harris.  McNeila.  
Breland.  Morrow.  
Carter.  Nugent.  
Clark.  Oliver.  
Collins.  Taylor.  
Conner.  Terrell.  
Cowell.  Townsend.  
Darwin.  Warren.  
Gibson.  Watson.  
Greer.  Westbrook.  
Harley.  Wiley.  
Hudspeth.  Willacy.

**Absent.**

Johnson.  Absent---Excused.

**Real.**

Sen. Willacy moved to reconsider the vote by which the bill was passed, and lay that motion on the table.

The motion to table prevailed.

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**EXECUTIVE MESSAGE.**

Governor's Office, Austin, Texas, August 15, 1913.

To the Texas Legislature:

In harmony with the proclamation of the Governor convening the First Session of the Thirty-third Legislature, and as provided by Section 40, of Article 4, of the Constitution, I present the following subject for legislation:

The passage of a bill to be entitled "An Act conferring additional authority upon the Prison Commission of the State and the Governor of the State relative to the issuance of bonds under the provisions of Chapter 57, Acts of the Regular Session of the Thirty-third Legislature, known as Penitentiary Improvement Bonds, and authorizing said Commission, with the approval of the Governor, to issue said bonds, in their discretion, as serial bonds, making the same payable at any time as may be determined, provided the time of payment shall not exceed that specified in the act authorizing the issuance of the bonds; conferring upon the Commission authority to execute the bonds with or without the ten year option of payment; and conferring upon the Commission, with the approval of the Governor, authority to execute said bonds so that any holder or purchaser thereof may have the option of making said bonds registered bonds instead of coupon bonds, and authorizing their transfer only on the books of the State Treasurer; authorizing and requiring the Governor to endorse on the bonds that the faith and credit of the State is pledged to the payment of the bonds and interest thereon, and that the State guarantees the payment of the same; providing that the law shall not be construed to repeal any law heretofore passed by the Legislature, but that this law shall be cumulative thereof, and declaring an emergency."

In a former list of subjects presented for your consideration was included the proposition that the Legislature authorize the State to endorse upon the Penitentiary Improvement Bonds already
Johnson. Absent.

Rea. Absent—Excused.

Senator Westbrook moved to reconsider the vote by which the bill was passed, and lay that motion on the table. The motion to table prevailed.

EXECUTIVE MESSAGE.

Governor's Office,
Austin, Texas, August 15, 1913.

To the Senate:

I ask the advice and consent of the Senate to the following appointments:
To be members of the Board of Managers of the State Orphan Home at Corsicana—John S. Callcutt of Navarro county, in place of John H. Rice, resigned; and Walter Montgomery of Navarro county.

To be members of the Industrial Accident Board, as provided for by Chapter 178, General Laws of the Regular Session of the Thirty-third Legislature—Hon. Jos. D. Sayers of Travis county, to be chairman and attorney of said board; Hon. W. J. Moran of Tarrant county, as the labor representative.

Respectfully submitted,
O. B. COLOQUITT,
Governor of Texas.

BILLS AND RESOLUTIONS.
(By Unanimous Consent.)

By Senator Cowell:

Senate bill No. 51. A bill to be entitled “An Act to amend Article 611, Title 18, Chapter 1, of the Revised Civil Statutes of the State of Texas, relating to the maturities of county bonds, and declaring an emergency.”

Read first time and referred to Judiciary Committee No. 1.

By Senator Cowell:

Senate bill No. 52. A bill to be entitled “An Act to amend Article 832, Title 18, Chapter 2 of the Revised Civil Statutes of the State of Texas, relating to the issuance of road bonds, and declaring an emergency.”

Read first time and referred to Committee on Roads, Bridges and Ferries.

By Senator Hudspeth:

Senate bill No. 53. A bill to be entitled “An Act to create a special district court for El Paso county, Texas, to be known as the Special District Court of El Paso county; to prescribe its jurisdiction; to limit its existence; to fix its terms; to conform all writs and process of said court to the district court of said county and to such changes as are made in the jurisdiction of said court by this act; to empower the judge of said special district court and the judges of the Thirty-fourth Judicial District court and