

ways, and that 30 ships can be built on these 10 ways without affecting existing construction.

We feel, therefore, that, by adding 10 ways to the amount of ship-building we are now doing in Portland, we can turn out 30 vessels for the Shipping Board, of either the French or British type, more rapidly than any other shipbuilders in the country can do, and we are positive that we can get the lumber and men for this work without upsetting in any way existing conditions.

Trusting that this gives you the information which you desire, we are
Very truly, yours,

THE FOUNDATION Co.,
By _____, President.

THE FOUNDATION Co.,
New York, August 21, 1918.

Mr. M. D. FERRIS,
Manager Contract Division, Emergency Fleet
Corporation, 120 North Broad Street, Philadelphia, Pa.

DEAR SIR: Referring to our conversation of yesterday regarding construction of wooden ships for the Emergency Fleet Corporation in yards operated by us for the French Government at Portland and Tacoma, beg to advise we have a complete 10-way yard at both Portland and Tacoma for turning out a complete ship, and we are now closing a contract with the French Government and completing the deliveries of 40 complete ships for them. We have idle ways at both yards at the present time.

We have received word from the French commission that they desired to place additional boats in these yards, but they advise us they have received word from the Shipping Board that they will not be permitted to complete any further boats in this country, and they ask us what arrangements can be made for the disposal of the yards.

We propose to build for the Emergency Fleet Corporation 10 boats in each yard, making arrangements with the French Government for a yard rental or a depreciation charge for the use of the yard for this construction, and we would like to close contracts with the Fleet Corporation on a basis proportionate to that arranged for for barges in our Newark yard, as they will be operated under similar conditions and would occupy the yard at the same time with the French boats we are already constructing on a similar basis.

We would be pleased to discuss this matter with you in detail at an early date.

We have understood in conversation with Mr. Schwab that he desired what additional wooden boats the Fleet Corporation would build, to be built in the Northwest, and we believe we have two of the most complete and efficient yards in this territory, employing in the neighborhood of between 5,000 and 6,000 men.

Yours, very truly,

THE FOUNDATION Co.

[Copy of telegram.]

AUGUST 28, 1918.

M. D. FERRIS,
Contract Division, United States Shipping Board,
Emergency Fleet Corporation, Philadelphia, Pa.:

Can you give us any further news regarding contract with the Fleet Corporation for wooden ships in our Portland and Tacoma yards as per our proposal of August 24?

THE FOUNDATION Co.,
W. C. HEBARD.

[Copy.]

UNITED STATES SHIPPING BOARD,
EMERGENCY FLEET CORPORATION,
Philadelphia, Pa., September 4, 1918.

THE FOUNDATION Co.,
Woolworth Building, New York City.

GENTLEMEN: Receipt is acknowledged of your telegrams of August 28, relative to your proposal of August 21 to construct for the Shipping Board 10 vessels each in your Portland, Oreg., and Tacoma, Wash., yards upon ways erected and operated for the French Government.

In reply you are advised that our present program includes only a sufficient number of vessels of the type that you desire to construct to keep the ways busy in those yards which are now building for the corporation.

It is regretted, therefore, that we can not at this time consider the construction of vessels at the plants above named.

Yours, very truly,

HOWARD COONLEY,
Vice President.

[Copy of telegram.]

NEW YORK, September 18, 1918.

Mr. JOHN W. DOTY,
The Foundation Co., New Orleans, La.:

Hebard phones from Washington just had final conference with Schwab, with result nothing for the French. Tacoma must be closed up. Portland will be given work for the Fleet Corporation. Hebard writing you full particulars to San Francisco.

THE FOUNDATION Co.,
A. R. MURRAY.

THE FOUNDATION Co.,
New York, September 9, 1918.

Mr. CHARLES M. SCHWAB,
Director General United States Shipping Board,
Emergency Fleet Corporation, Philadelphia, Pa.

DEAR SIR: We wish to call your attention to the 10-way shipyards at Portland and Tacoma owned by the French Government and operated by us. The French Government closed a contract with us for forty (40) wooden vessels in these yards, with an option of two lots of 40 more, and at the time of the expiration of their option with us they expressed a desire to exercise this option and build additional wooden vessels, but they were advised by Mr. Hurley that no more wooden vessels could be built in this country for France. Naturally our thought and the thought of the French Government was that the output of these yards was to be utilized by the United States Government, and with their consent we proposed to the Fleet Corporation to build boats in these yards for the United States Government.

We were informally advised by Mr. Ferris yesterday that it was not the policy of the United States Government to build any wooden vessels in these yards, but suggested to us that we secure contracts to build for private account.

If the policy of the Emergency Fleet Corporation now is to cut down on further wooden-ship construction, and the Fleet Corporation for this reason has no use for our Portland and Tacoma yards, can we not in this case be given permission to build ships for the French Government and in this way keep these two organizations going?

We understand from the French Government officials that they are in most urgent need of ships. We have established for them on the Pacific coast these two yards, which are among the most efficient wooden yards in this country.

We have launched to date 25 vessels and have delivered 17 finished ships to them. We have eight vacant ways at the present time, and are launching and delivering two vessels about every 10 days.

We have built up an efficient organization of some 6,000 men, experienced in the construction of wooden vessels, and the people at Portland and Tacoma have all given us their earnest support in the matter of accommodations, with the understanding and desire that this venture be made as permanent as possible, and the question of closing down of these yards, in the face of the fact that our allies are in such urgent need of additional tonnage, seems worthy of your earnest consideration.

We would respectfully ask, therefore, that we be permitted to build 20 wooden steamers of about 3,000 tons dead-weight capacity in each of these two yards for the Government of the Republic of France, and would be pleased to know what your views are on this matter.

Very truly, yours,

President.

VALIDATION OF WAR CONTRACTS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 13274) to provide relief where formal contracts have not been made in the manner required by law.

Mr. CHAMBERLAIN. Mr. President, at the time the Senate took a recess last evening there was pending before the Senate a proposed amendment to this bill offered by the junior Senator from Nevada [Mr. HENDERSON], and the Senator from Utah [Mr. SMOOT] had proposed an amendment to it, which was accepted by the Senator from Nevada. I am willing to accept, so far as I am able to do so, the proposed amendment and let it go to conference.

The PRESIDING OFFICER. Is there any objection?

Mr. WOLCOTT. Mr. President, before that amendment is adopted I desire to offer an amendment to the amendment offered by the Senator from Nevada.

On page 2 of the amendment offered by the Senator from Nevada, as printed, on line 7, I move to strike out all of the remaining portion of the paragraph, beginning with the word "the"—that is, I move to strike out the words "the production of which was requested or demanded by the War Industries Board, the Shipping Board, the Department of the Interior, or other agency of the Government"—and insert in lieu thereof the matter which I send to the desk.

The PRESIDING OFFICER. The Senator from Delaware offers an amendment to the amendment of the Senator from Nevada, which will be stated by the Secretary.

The SECRETARY. In the amendment offered by the junior Senator from Nevada it is proposed to strike out the words "the production of which was requested or demanded by the War Industries Board, the Shipping Board, the Department of the Interior, or other agency of the Government," and to insert in lieu thereof the following words:

the production of which by any claimant or claimants was requested or demanded by personal solicitation of or personal inducement to such claimant or claimants made by the War Industries Board, the Shipping Board, or the Department of the Interior.

Mr. HENDERSON. Mr. President, I realize the urgent necessity for early action on this bill by the Senate. I agree with the Senator from Oregon [Mr. CHAMBERLAIN] that the Senate should take quick action and get this bill passed and to conference. Therefore I am not going to delay the passage of the bill so that it may go to conference, and I will accept the amendment offered by the Senator from Delaware in order that we may get to conference with it.

Mr. LENROOT. Mr. President, in a matter of this importance, involving, as this amendment does, several millions of dollars, it does not seem to me that it should go through the Senate merely upon acceptance on the part of the Senator who offers the amendment. I should like to have the Senator who offers this amendment explain what his amendment accomplishes and how it changes the pending amendment.

Mr. WOLCOTT. Mr. President, I had not expected to make any remarks on the amendment offered after I learned that the Senator from Nevada was willing to accept the amendment. My opinion was that the amendment as introduced by the Senator from Nevada was entirely too broad in its scope. The thought occurred to me that under the language of the amendment as submitted by the Senator from Nevada certain cases could be compensated for which have no standing in law or equity entitling them to any compensation.

I will illustrate my thought by putting a case. Let us suppose that somebody embarked upon a plan of business expansion and laid out money, not as a result of any inducement

offered by any Government department or any Government agent but simply in response to some sort of general propaganda that was carried on by the Government in the form of publicity, advertisements urging people to produce and work and get busy to help win the war; and let us suppose that a person induced by that very indefinite solicitation embarked upon that program, as I say, of business expansion and lost by the operation. It occurs to me that that individual ought to receive no remedy under this bill. Therefore it seemed to me that the amendment as drawn was entirely too broad, and the amendment which I have offered to the amendment is designed to limit the remedies which might be availed of under the amendment offered by the Senator from Nevada.

I will say to the Senator that my purpose was not by any means to extend this remedy, but rather to restrict it, and I think the language that I have drawn to an extent undoubtedly does restrict it.

Mr. FRELINGHUYSEN. Mr. President, I shall not make any objection to the amendment of the Senator from Nevada; but I simply want to point out to the Senate that attaching to a bill an amendment of this character, which is not germane to the subject of the bill, is a practice which should be stopped. Matters of this character delay the progress of a bill, because they involve additional controversy in the conference committees.

Here is a bill which affects the business interests of the country to a far greater extent, I think, than the Senate realizes. For two months we have been considering this measure in committee. It is nearly three months since the armistice was signed. At that time the business interests of the country and the manufacturing interests of the country had to face a reduction in production and had to face the cancellation of orders, and for that period of time they have been awaiting the adjustment of the Government contracts. Now, the business man or manufacturer desirous of converting his factory or his house to the civilian trade can not do so while the payments for the large contracts he has made with the Government are in abeyance.

It is necessary, therefore, that this bill should be passed, in order that relief may be granted these business men and manufacturers in the country. Two billion dollars are involved in the bill. There are several billion more involved in contracts that are lawful contracts awaiting settlement. Let us assume it is \$7,000,000,000 that must very soon be released to the manufacturers and business men in this country or else we will have an industrial panic, and it is imminent. I do not believe there is a Senator on this floor who is not directly interested in the bill who has not some manufacturer or business man in his State or community who is striving now to get a settlement with the Government for the goods he has sold to it or manufactured for it.

The Assistant Secretary of War told me this morning that the passage of this bill is imperative, because the failure to pass it will increase the idleness that now exists in the country. He said these manufacturers can not continue the employment of labor unless these contracts are settled.

I was also informed this morning that there is such a surplus of labor that 800,000 soldiers who have been discharged by the Army are roaming the streets seeking employment and can not find it. They have been in many of the cities assembled by the Bolsheviks, and through that sympathy they have been induced to form soldiers' societies to protest against the treatment of the Government in bringing them back here and discharging them and not providing employment for them. You can readily see that the most beneficent thing we can do for these men is to release these funds to the manufacturers of the country so that they may continue the employment of men who have been thrown out of employment by reason of the suspension of the activities of these manufacturing concerns. The situation is imminent. There is trouble ahead, and we will have been fiddling here while Rome was burning. I think there ought not to be one moment's delay in passing the bill. I feel that we should not put an amendment on the bill which is entirely foreign to the subject matter which is contained in it as a contract bill.

Mr. HENDERSON. Mr. President, I am not going to take up the time of the Senate to reply. The men who come within this amendment and will be granted relief are just as loyal and as patriotic and need the assistance just as badly as the contractors referred to by the Senator from New Jersey. I would not think of introducing this amendment and asking for its passage if I thought it would seriously interfere with the passage of the bill now before the Senate. But I do not believe it will. I am not going to take the time of the Senate, because I realize the urgency of quick action on the measure.

Mr. FRELINGHUYSEN. In this connection I am going to ask the chairman of the committee in charge of the bill whether he believes this amendment would delay the action of the conferees on the bill?

Mr. CHAMBERLAIN. I do not think so, Mr. President. If it does, of course if the Senator desires to make a point of order, that course is open to him. I want to agree with the Senator from Nevada in his statement that the men who are affected, while not numerous, will be just as seriously affected as the larger contractors of the Government. As a matter of fact a number of the governmental institutions which are mentioned in the amendment have asked men in the West to contract for manganese ore, for instance, and for chrome ore, and they have gone to a good deal of expense in undertaking to do so. They complied with all the demands the Government made upon them. I do not think it will interfere with the proceedings under the bill itself.

Mr. FRELINGHUYSEN. With that statement, I am perfectly willing to have the amendment agreed to.

The PRESIDING OFFICER (Mr. WALSH in the chair). The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. FLETCHER. I should like to ask unanimous consent to correct what is plainly an error, as I think the RECORD will show. There ought to be a comma after the word "profit," on line 9, page 11. The Senator from Wisconsin [Mr. LENROOT] was the author of that amendment, and I believe he agrees to the correction. I ask unanimous consent, therefore, that that amendment, page 11, line 9, be corrected, so that there will be a comma after the word "profit." I am using the reprint of the bill. Then I ask that the words "so canceled," the last words in line 12, on page 11, which are unnecessary and somewhat ambiguous and confusing, be eliminated, so that the sentence would end with the word "order," in line 12.

Mr. CHAMBERLAIN. I have no objection to that amendment.

The PRESIDING OFFICER. Can the Senator refer to the original bill and not to the reprint?

Mr. FLETCHER. It does not appear in the original bill. It is an amendment. I am referring to the reprint which was laid on our tables this morning.

The PRESIDING OFFICER. The Chair inquires if the Senator refers to the last two words in section 2?

Mr. FLETCHER. Precisely. The words "so canceled" should be eliminated, and a comma should be inserted after the word "profit," in line 9.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so amended.

Mr. LENROOT. Mr. President, with reference to this same proviso, the reprint does not show a proviso I offered that was accepted by the Senator from Tennessee, reading as follows:

Provided further, That the foregoing proviso shall not apply to any contract executed in compliance with all statutory requirements.

I looked at the RECORD, and I think the Senate did adopt it, but I will reoffer the amendment to clear it up inasmuch as it does appear. It was accepted by the committee yesterday.

Mr. CHAMBERLAIN. May I ask if the Senator is offering that to the reprint or to the original?

Mr. LENROOT. To the reprint, on page 11.

The PRESIDING OFFICER. The Secretary will state it.

The SECRETARY. On page 11 of the reprint of the bill, after line 12, insert:

Provided further, That the foregoing proviso shall not apply to any contract executed in compliance with all statutory requirements.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. LENROOT. I wish to call the attention of the chairman to what seems to me requires a verbal amendment on page 9 of the reprint, line 9. The word "to" should be inserted after the word "as" so as to read "as to the interpretation."

Mr. CHAMBERLAIN. I think that suggestion is proper, Mr. President.

The PRESIDING OFFICER. Without objection, that change will be made.

Mr. JONES of Washington. I wish to ask the chairman of the committee about the situation as developed in our State to see whether or not the bill covers it. I ask the chairman whether the bill would cover contracts made with the United States Spruce Production Corporation for the production of spruce in connection with airplanes?

Mr. CHAMBERLAIN. If there was an agency of the War Department—

Mr. JONES of Washington. I understand there was.

Mr. CHAMBERLAIN. I think the bill is broad enough to cover it. The Senator is referring to a telegram he received from the West this morning?

Mr. JONES of Washington. No; I did not receive any telegram this morning, but I received a letter the other day setting out that certain firms in our State were directed to get out spruce for the Army. I will read an extract from the letter of one of the attorneys who has been representing those people. He names the parties, and he says:

Each of these parties cut spruce logs to short noncommercial lengths upon written orders from Gen. Disque. The logs were ordered stored and not sold on the general market. In some instances the logs were removed by the Government. Shortly before the armistice was declared a general order was made releasing all such logs, so that the owner could sell in the general market. Owing, however, to the logs being of short length and the general market having been closed by Government orders for so long, the logs were not and are not merchantable except at a great loss.

Then he says further:

A large amount of spruce logs was cut to Government order in logging camps under the actual direction of the Government at wages fixed by the Government. When under these circumstances the owner is forbidden to sell in the general market, and the market is thus destroyed, I consider that there is a legal obligation, as well as a moral obligation, upon the Government to take the logs so cut.

Further he says:

The War Department has appointed a contract board, to whom claims based on contracts are to be presented. But this board takes a position that it has no authority to allow any claim where there is no written contract.

This letter was referred to the War Department by Representative JOHNSON of our State, and he received a reply from the War Department under date of January 28, 1919, signed by Paul D. Elgin, second lieutenant, A. S., A. P., in which he says:

In this connection please be advised that all spruce operations were under the auspices of the United States Spruce Production Corporation, which was formed for the purpose of getting out spruce in the Pacific Northwest. There has been organized by this corporation a regular contract board, the functions of which are to make decisions and awards in such cases. It therefore appears as though, should the decisions of this board not be satisfactory to claimants holding contracts, that these claimants would have recourse to the courts, as in the case of any corporation, and the United States Spruce Production Corporation has a separate entity from the United States Government.

In case of intangible claims it is believed that there is no authority of law to pay on same. However, it is the principle of the officers of the United States Spruce Production Corporation to submit a list of worthy claimants to whom it is believed the Government owes a moral obligation.

Your letter has been referred to the United States Spruce Production Corporation and no doubt will receive due consideration.

That second lieutenant seems to take the position that this United States Spruce Production Corporation is an entirely different entity, and I suppose that that is true, although it must have certainly been an agency of the War Department; and he takes the position that if its award or action is not satisfactory these people have a right to go to the Court of Claims. I understood that this bill was to cover situations like that. I really did not know that a corporation had been organized to get out spruce. I am satisfied that a great many people out there thought they were acting directly for the War Department. This writer says in the letter that a great deal of this work was done under the orders of a general officer—Gen. Disque—who was a general in the Army.

I want to be sure that the legislation proposed here would cover cases of that kind, and I desire the opinion of the chairman, because, of course, he has gone into the subject very carefully.

Mr. CHAMBERLAIN. Mr. President, I am inclined to believe that the bill is broad enough to cover it, but no man can guard any legislation against the decisions of the Comptroller of the Treasury. He might rule that such a claim as that did not come within the provisions of the bill. But assuming, as the Senator has said, that the corporation was formed under the law providing therefor, which was suggested by Mr. Ryan, former Assistant Secretary of War, while he was head of the aircraft production, I do not see anything in the bill which would preclude claimants from pursuing their remedies in the civil courts to establish a claim against the Government for the damages that they suffered; and if a claim were established against the corporation it would really be a claim against the Government, and it seems to me that there would be no court which would decline to order the payment. If the claimant preferred to pursue the remedy provided by the present bill, I think he could do so.

Mr. JONES of Washington. These people are needing the relief just as much as anybody else covered by the bill. If the other people are not sent to the Court of Claims and to the almost endless operations of the court, these spruce people ought not to be sent there.

Mr. CHAMBERLAIN. This corporation was simply an agency of the War Department, Mr. President.

Mr. JONES of Washington. I think so.

Mr. CHAMBERLAIN. It was duly organized; and taking that view of it, it seems to me these persons would come within the provisions of the bill where they had contracted with a governmental agency. And it was a governmental agency; it was established at the request of the War Department.

Mr. JONES of Washington. That is true.

Mr. LENROOT. Will the Senator yield?

Mr. JONES of Washington. Yes.

Mr. LENROOT. May I suggest to the Senator that if the corporation he speaks of is a separate entity, then there can be no question as to the invalid contracts that are taken care of by the bill? Their contracts with a corporation would not be subject to the statutory requirement, and the corporation would settle at once. If they are not a separate entity, then of course they do come under the provision of the bill as an agency of the War Department.

Mr. JONES of Washington. I want to call the Senator's attention to the statement contained here in the letter that these people furnished spruce logs at the direct request and under the orders of Gen. Disque, and that a board of award of this corporation is taking the position that they can not recognize any contract that is not a written contract.

Now, I do not want these people to be left out of the provisions of the bill if they are not covered by it because they were getting this spruce, of course, for the War Department, directed to do so by the Government of the United States. They were acting directly under the orders of the Army officials, although those Army officials may have been officials of a corporation that was organized under legislation passed by Congress.

Mr. LENROOT. May I ask the Senator whether Gen. Disque, in any of those orders, was acting as a member of the corporation or as a member of the War Department?

Mr. JONES of Washington. They dealt with him as Gen. Disque, of the War Department, but I presume that really he was an official not only of the War Department but of this corporation that was organized apparently within the War Department. I do not know very much about the organization of the corporation. I did not know that it had been organized until I saw the letter from this second lieutenant of the Army.

Mr. McKELLAR. Mr. President—

Mr. JONES of Washington. I yield to the Senator.

Mr. McKELLAR. If the Senator will look at the first paragraph on page 4 and the first paragraph on page 5, he will see they are very similar and broad enough to cover the case he mentioned. On page 4 it reads:

That whenever during the war emergency and prior to November 12, 1918, any individual, firm, company, corporation, or foreign government has made an agreement with the Secretary of War, or with any officer or agent acting under his authority.

If this Spruce Corporation is an agent of the Secretary of War, and unquestionably it is, it comes directly within the provisions of the bill beyond the shadow of a doubt.

Mr. JONES of Washington. I wanted to get some expression like that from the members of the committee having the measure in charge. It seems to me that the language of the bill clearly covers this corporation.

Mr. McKELLAR. Absolutely.

Mr. JONES of Washington. As an agency of the War Department?

Mr. McKELLAR. Absolutely.

Mr. JONES of Washington. I hardly know how language could be made very much plainer, but I wanted to get some expression from members of the committee.

Mr. FLETCHER. There would seem to be no question about it, under the policy referred to by the Senator from Tennessee, because the very next clause reads:

Or with any agency of the Government authorized to procure for the War Department.

This was certainly an agency authorized to procure this spruce.

Mr. POMERENE. I wish to offer an amendment to section 4.

The PRESIDING OFFICER. Before we proceed with that the Chair announces that the amendment to section 2 as amended will without objection be agreed to.

Mr. POMERENE. May I have the attention of the chairman of the committee? In section 4, line 15, and I am referring to the reprint of this morning, after the word "construed," I move to insert:

To validate any agreement, contract, or order procured by fraud or.

The PRESIDING OFFICER. Without objection the amendment will be agreed to.

Mr. McKELLAR. After line 26, on page 14, I propose the following amendment:

And provided further, That the names of such contractors and the amounts of such partial or final settlement shall be filed with the Clerk of the House for the information of Congress and printed in the CONGRESSIONAL RECORD or as a public document 10 days before the confirmation and payment is authorized by the board.

Mr. CHAMBERLAIN. Mr. President, it does not seem to me that it ought to be necessary to tie up these claims further by the publication of information which can be obtained at any time. I can not say too often and insist too strenuously that this measure is of very vital importance to the industrial and economic life of the country at this time. Here are \$2,000,000,000 of capital that ought to be liquid which is absolutely tied up, and many of the industrial corporations that complied with the demands of the Government and came to the relief of the Government at a time when their assistance was needed are in practical bankruptcy now.

Mr. McKELLAR. In view of what the Senator says, if he will allow me to interrupt him, I will perfect the amendment by changing the last line. I will strike out all after the word "document" and add "within 10 days after such confirmation." That is not going to hold up anything at all.

Mr. President, this is a provision of the House bill, and its purpose is to provide for publicity as to these contracts. It is a very valuable provision and it ought to remain in the bill. I do not want to tie them up, and I have changed the language so as to prevent tying up payments at all. What it will do will be to furnish publicity, which after all is the greatest deterrent in the world against fraud and in the matter of deception on the Government.

Mr. CHAMBERLAIN. I still do not see the necessity of putting that amendment on the bill. The information which it is sought to give and the publicity which it is intended it shall give can be obtained at any time by a resolution of the House or Senate or by a concurrent resolution of the two Houses or upon the demand of any Senator or Member of the House, who can call upon the War Department every day or every week if he wants to know the progress of these adjustments. It simply ties up the payment of these claims.

Mr. McKELLAR. It does not.

Mr. CHAMBERLAIN. I take a little different view, possibly it is the wrong view, from the Senator from Tennessee. I believe there is still some honesty in the War Department and in the officials of the Government. I believe that the great mass of men are honest. I believe that this law will be administered honestly and I believe it will be administered efficiently under the stringent provisions of the bill as it has been so far agreed upon. I do hope the Senator will not undertake to further encumber the adjustment of these accounts, which it is absolutely necessary to settle as quickly as possible.

Mr. TOWNSEND. Will the Senator from Oregon yield for a question?

Mr. CHAMBERLAIN. Certainly.

Mr. TOWNSEND. I have not been able to be present at all the discussion or much of it on these two bills. I am as heartily in sympathy with an early adjustment as possible of these accounts as can be had. I know the necessity of it. I want to ask the Senator from Oregon if he can tell me in a few words the difference between the Hitchcock bill and the committee bill?

Mr. CHAMBERLAIN. The Senator from Nebraska [Mr. Hitchcock] is going to offer his amendment and he will point out the differences, I think, from his viewpoint, and I shall be glad to make a statement in reply.

Mr. TOWNSEND. Very well.

Mr. CHAMBERLAIN. I assume the Senator from Nebraska is going to do that now.

Mr. HITCHCOCK. That is my intention.

Mr. CHAMBERLAIN. I am sure the Senator from Michigan will have the differences pointed out.

Mr. TOWNSEND. That is very satisfactory.

Mr. FLETCHER. Mr. President, with reference to the pending amendment, I will say I am in accord with the Senator from Oregon. I wish the Senator from Tennessee could see his way clear to omit the amendment, because, as the Senator from Oregon has pointed out, it is information available to any Senator or available to Congress at any time. To provide in the law that the whole detailed statement, giving the names of all the contractors and the amounts of the partial or final settlements, shall be filed with the Clerk of the House and published for the information of Congress in the CONGRESSIONAL RECORD within a limited time, 10 days after the confirmation of the settlement, seems to me to be an unnecessary requirement.

I have no objection to the publicity idea, and I think perhaps all this information will either actually be called for, and it can

be called for; but why put in a provision of that kind and impose upon the board and the machinery here organized for the adjustment of these claims all this work and require them to do it within a limited time after the confirmation of the settlement? I think it is unnecessary, and it will simply impose additional work and a lot of details that the situation does not call for.

I would be glad if the Senator from Tennessee would withdraw the amendment and let us vote on the bill. His amendment requires that within 10 days after the confirmation of any of the settlements or adjustments a detailed report must be made. Does not that hold up the entire work?

Mr. McKELLAR. The Senator did not read the amendment. It does not apply to that at all. It provides that they shall merely report within 10 days after the confirmation. I have changed the language of the House.

Mr. FLETCHER. I know that.

Mr. McKELLAR. I will wait until the Senator gets through.

Mr. FLETCHER. I understand the change the Senator made was not to strike out "ten days" but to strike out the word "before" and insert the word "after."

Mr. McKELLAR. No; it is very different; it strikes out the word "payment." The payment can be made just as it is under the bill. It does not interfere with payment at all, but merely gives the country and Congress information as to what is done.

Mr. FLETCHER. But it must be all furnished 10 days after confirmation.

Mr. McKELLAR. Absolutely. I take it the Senator would not believe that it would do any good if furnished 10 years after confirmation.

Mr. FLETCHER. Of course not, but it is to be furnished 10 days after the confirmation of such contracts. You can not make a settlement with A; you can not make a settlement with B; you can not close any transaction at all; you have got to wait until all the contracts are adjusted and then make the settlement.

Mr. McKELLAR. The Senator does not understand the amendment. It does not provide any such thing. Those words have been stricken out. I ask the Secretary to read the amendment, and I am sure the Senator will find that his objections to it are wholly without any ground.

The PRESIDING OFFICER. The amendment will be read.

The SECRETARY. At the end of line 26, page 14, of the reprint, following the word "agreement" and before the period, insert:

And provided further, That the names of such contractors and the amount of such final or partial settlement shall be filed with the Clerk of the House for the information of Congress and printed in the CONGRESSIONAL RECORD or in the Official Bulletin or as a public document within ten days after such confirmation.

Mr. FLETCHER. That means exactly what I said, that we have got to take the names of all the contractors and the names and amounts for such partial or final settlement, and all those must be filed with the Clerk of the House or otherwise be disposed of according to the amendment within 10 days after such confirmation. In other words, it seems to me that you can not close with one contractor or with two or three contractors, but you must wait until you are prepared to file this statement, and it must be done within 10 days after all the adjustments are made.

Mr. McKELLAR. Mr. President, I think the criticism of the Senator from Florida and the Senator from Oregon applies to the part that is stricken out of this amendment. This is a House provision, and it is reasonable to suppose that the House had some purpose in adopting it. It is a very wise amendment.

The Senator from Oregon says he still believes that there are some people who are honest. I do, too; but we are providing for those who may be dishonest, and there may be some. There have been some in the past. We are enacting this kind of a law every day. If all people were absolutely honest we would not need laws of this kind; we could just proceed without them.

This is a reasonable provision, and I will say to the Senator that it is a very necessary provision. It will take very little time to put in the names of the contractors, and the amounts that contractors have received at the hands of the Government, and have it published in the CONGRESSIONAL RECORD or in the Official Bulletin. I want to stop here long enough to say that I struck out the words "Official Bulletin," because I do not think that they ought to be there. I do not think that publicity would be sufficient, but it will be the simplest matter to comply with it. It puts no hardship on the contractor, and surely no contractor in the country is going to object to publicity as to the amount paid him.

I am standing by the contractor. I do not believe that any honest contractor in this country will for a moment object to having his name put in the Record with the amount that has been paid to him. I know they will not do it, and I am sur-

prised at Senators saying that it is a reflection upon the contractor. They should be delighted to have the amount published and their names published showing what they received. No honest contractor will object to it.

Mr. FLETCHER. May I ask the Senator if he means that adjustment and settlement be made with contractors, say one, two, three, four, or five, and then that communications be sent to Congress giving the lists of names, the amounts, and so forth?

Mr. MCKELLAR. Of course, that is all it is.

Mr. FLETCHER. Then, that would mean that the department must be continually sending down lists of contractors with whom the department has settled?

Mr. MCKELLAR. Of course; and that is what the departments are for.

Mr. FLETCHER. And that may either be published in the shape of a public document or in the CONGRESSIONAL RECORD?

Mr. MCKELLAR. Certainly. I am sure when the Senator comes to think about it he will not object, and that no other Senator will object to a provision which is so manifestly right and proper when we realize how much money is going to be paid out upon these contracts.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Tennessee [Mr. MCKELLAR]. [Putting the question.] The yeas seem to have it.

Mr. MCKELLAR. I ask for a division, Mr. President.

The PRESIDING OFFICER. A division is called for. Those in favor of the amendment will rise and stand until they are counted. [A pause.] Those opposed will rise. [A pause.] The amendment is lost.

Mr. MCKELLAR. I ask for the yeas and nays, Mr. President. The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. THOMAS (when his name was called). I transfer my general pair with the Senator from North Dakota [Mr. McCUMBER] to my colleague, the Senator from Colorado [Mr. SHAFROTH], and vote "nay."

Mr. WARREN (when his name was called). I ask if the junior Senator from North Carolina [Mr. OVERMAN] has voted?

The PRESIDING OFFICER. He has not.

Mr. WARREN. Then I withhold my vote, as I have a pair with that Senator.

Mr. WOLCOTT (when his name was called). I have a general pair with the senior Senator from Indiana [Mr. WATSON]. I transfer that pair to the senior Senator from California [Mr. PHELAN], and vote. I vote "yea."

The roll call was concluded.

Mr. BRANDEGEE. I have a pair with the senior Senator from Tennessee [Mr. SHIELDS]. In his absence, I transfer that pair to the junior Senator from New Jersey [Mr. BAIRD], and vote. I vote "yea."

Mr. STERLING. I have a general pair with the Senator from South Carolina [Mr. SMITH], which I transfer to the Senator from Minnesota [Mr. NELSON], and vote. I vote "yea."

Mr. POLLOCK. I desire to announce the absence of the senior Senator from South Carolina [Mr. SMITH], who is detained on account of illness. I should like this announcement to stand for the day.

Mr. SHEPPARD. I desire to announce that the Senator from Nevada [Mr. PITTMAN], the Senator from Rhode Island [Mr. GERRY], the Senator from Kansas [Mr. THOMPSON], the Senator from Colorado [Mr. SHAFROTH], and the Senator from Georgia [Mr. SMITH] are detained on official business.

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from Rhode Island [Mr. COLT] with the Senator from Delaware [Mr. SAULSBURY];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Maryland [Mr. SMITH];

The Senator from New Mexico [Mr. FALL] with the Senator from Wyoming [Mr. KENDRICK];

The Senator from West Virginia [Mr. GOFF] with the Senator from Oklahoma [Mr. OWEN];

The Senator from Ohio [Mr. HARDING] with the Senator from Alabama [Mr. UNDERWOOD]; and

The Senator from Michigan [Mr. SMITH] with the Senator from Missouri [Mr. REED].

The result was announced—yeas 41, nays 12, as follows:

YEAS—41.

Ashurst	Curtis	Hale	King
Bankhead	Fernald	Hardwick	La Follette
Beckham	France	Henderson	Lenroot
Borah	Gay	Hitchcock	McKellar
Brandegge	Gore	Jones, N. Mex.	Martin, Ky.
Cummins	Groun	Kellogg	New

Nugent	Smith, Ariz.	Townsend	Weeks
Page	Spencer	Trammell	Wolcott
Pollock	Sterling	Vardaman	
Pomerene	Sutherland	Wadsworth	
Sheppard	Swanson	Walsh	

NAYS—12

Calder	Frelinghuysen	Moses	Sherman
Chamberlain	Jones, Wash.	Penrose	Thomas
Fletcher	Kirby	Robinson	Williams

NOT VOTING—43.

Baird	Kendrick	Norris	Simmons
Colt	Kenyon	Overman	Smith, Ga.
Culberson	Knox	Owen	Smith, Md.
Dillingham	Lewis	Phelan	Smith, Mich.
Fall	Lodge	Pittman	Smith, S. C.
Gerry	McCumber	Poindexter	Smoot
Goff	McLean	Ransdell	Thompson
Harding	McNary	Reed	Underwood
Hollis	Martin, Va.	Saulsbury	Warren
Johnson, Cal.	Myers	Shafer	Watson
Johnson, S. Dak.	Nelson	Shields	

So Mr. MCKELLAR's amendment was agreed to.

Mr. SMITH of Arizona. Mr. President, I desire to make a parliamentary inquiry. I have been detained from the Senate on business and do not know whether or not the amendment to this bill proposed by the Senator from Nevada [Mr. HENDERSON] has been adopted.

The PRESIDING OFFICER. It has been adopted.

Mr. SMITH of Arizona. I offer to add, as an amendment at the end of that amendment as adopted, what I send to the desk.

The PRESIDING OFFICER. The amendment proposed by the Senator from Arizona will be stated.

The SECRETARY. At the end of the amendment submitted by Mr. HENDERSON it is proposed to add—

That the importation of Egyptian long-staple cotton into the United States is hereby prohibited for the term of six months from the date of the passage of this act.

Mr. SMITH of Arizona. Mr. President, we see in the adoption of the Henderson amendment, as I will call it, and the amendment which I have proposed, the ramifications of that injustice which has been done under the cry of necessity for instant preparation for the greatest war in the history of all time. I am not here complaining of any mistakes which have been made; I only wonder that more have not been made, when we stop to consider the enormous responsibilities which have been resting on the Government and on the country.

Take the question which my amendment is supposed to cover—and it is not a part of the Henderson amendment, but is a mere addition at the end of that amendment in the pending bill. The United States commandeered, as I understand, all the spindles that were used in the weaving or the spinning of long staple cotton. The growth of that commodity is limited to a small point in the State of South Carolina, I think; to the southern part of the State of California; and to a large part of the irrigable lands in Arizona. Agents of the Government from the different departments went to the people of Arizona who were raising this cotton and insisted that it was just as important to raise long staple cotton as it was to contribute to a liberty loan. They were told that they were standing there doing nothing while their boys were fighting for their country in Europe; that they could raise cotton there which it was necessary for the Government to have. That cotton has been proven to be the strongest-fibered cotton in the world; it is not of the highest grade in some particulars, but in fiber it is the strongest cotton in the world. Those people were told to put in every acre of that cotton they could; that the Government would need it for gas masks which were found to be superior to any other in the world; and that the Government would need it, especially on account of the strength of its fiber, in airplanes, in balloons, and in all of those aerial necessities which became so important as the war advanced.

Acting under that suggestion, the people of my particular locality—the people of Salt River Valley—almost quintupled, and certainly quadrupled, the planting of this variety of cotton. That was done under the influence of those who had come from the United States Government, putting the argument in the terms I have already stated, but, as I believe, in a much stronger way.

Now, the question arises as to the commandeering of the spindles which afforded the only market for this cotton. There was the persuasion of the agents of the United States to those people to put more and more—every available acre—of their land into this cotton for Government purposes, with the assurance—I can not say there was any absolute guarantee, but with the assurance—that they could not lose on it.

But the armistice came; the war stopped, and these people are now left with the cotton crop of two years on their hands, which was selling, before the Government commandeered these

spindles, at 70 cents a pound. Since then, with the cotton there, the cotton weavers have concluded that they will not pay 70 cents, or any other number of cents, per pound for the cotton. The result is that the owners of the cotton are subject to any reduction in price which the cotton spinners may now impose upon them.

This proposed inhibition of the importation of Egyptian cotton is not in any sense the imposition of a protective duty. It is the only way I can conceive whereby these cotton raisers can obtain redress from a condition which the persuasion of the agents of the Government brought upon them, which induced them to put all they had into cotton. However, it means bankruptcy if this remedial legislation is not adopted. They have been placed in their present position by an effort to help the Government in the hour of its need. I think there are some 35,000 bales, probably 70,000 bales, being imported from Egypt for the very purpose of enabling the spinners to take advantage of this condition and thus bankrupting these men; and yet the Government of the United States stands aside and permits the introduction of this competing cotton into the United States. This is evidently wrong. It seems to me that some obligation rests on the Government to protect these cotton growers from that calamity.

Mr. BORAH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Idaho?

Mr. SMITH of Arizona. Yes.

Mr. BORAH. It seems to me that the Senator from Arizona makes out a pretty strong case, but would the Senator be willing to incorporate in his amendment a nonimportation clause for wool also?

Mr. GAY. And for sugar?

Mr. SMITH of Arizona. No, I would not, for I do not know that wool, according to the prices, has suffered any and I do not know that sugar has suffered any.

Mr. BORAH. But here is the situation with reference to wool: The Government took over the wool, has possession and control of it, and now is not only selling its wool at auction to the manufacturers but is permitting the importation of wool from other countries, which destroys entirely the wool market of the western woolgrower.

Mr. SMITH of Arizona. That may be very true; but there was no effort made by the United States Government to induce the growing of wool in one particular part of the country where only a certain peculiar kind of wool could be grown, a kind that could only be used for certain articles essential to the Government. The Senator's illustration is much too broad for him to attempt to apply it to the remedy that I am now seeking.

Mr. SMOOT. Mr. President, I know the Senator from Arizona wants to be correct in any statement that he makes. I desire to say to him that the Government of the United States bought every pound of wool that was produced in the United States during the year 1918, and it finds itself now with 400,000,000 pounds of wool on hand. The program at first was to throw the wool on the market and sell it for whatever it would bring, or, in other words, to salvage it. The woolgrower had been encouraged in every possible way to produce every pound of mutton and every pound of wool that he could produce, without guaranty as to prices. So far as last year's clip was concerned, the prices paid were satisfactory under conditions existing, although if they had been allowed to sell at the world's market prices they would have received much more than they did.

Mr. SMITH of Arizona. Now, will the Senator permit me right there to ask him what relation that bears to the matter I am discussing? Why, in the argument that I am attempting to make for the relief of suffering people, should there be injected the question of wool or of wheat? Whatever was done with them has been done. The wool has been bought under guaranty, and it is held under guaranty, which applies to the whole production of the United States. There was not a separate distinct quality of wool that the Government had to have in order to carry on the war itself, as was the case with the long-staple cotton to which I have referred.

Mr. SMOOT. Mr. President, the Government did not only have to have one grade of wool, but it had to have every grade of wool.

Mr. SMITH of Arizona. I understand that; and that wool was grown everywhere.

Mr. SMOOT. That makes no difference where the wool was grown.

Mr. SMITH of Arizona. If it does not, the Senator and I can not see an argument when it faces us.

Mr. SMOOT. The Senator asked me what relation the wool had to the cotton. This is the relation: They are both used for the manufacture of cloth—

Mr. SMITH of Arizona. Long-staple wool and short-staple wool are grown in every State of the Union. They have no relation at all to the particular kind of cotton to which I am referring, grown nowhere in the world except in Egypt and in certain small areas in the United States, and an absolute essential to the Government.

Mr. SMOOT. Mr. President, long-staple wool is not essential in war any more than the short-staple wool; in fact—

Mr. SMITH of Arizona. I know that, and neither one of those commodities has anything to do with this case. They are both like the "flowers that bloom in the spring."

Mr. SMOOT. If they have nothing to do with the case, I do not see why there should be any legislation to affect any of them.

Mr. SMITH of Arizona. I am not asking for any legislation in regard to short-staple wool, or any of the other matters of which the Senator speaks.

Mr. SMOOT. I am speaking of short-staple cotton and long-staple cotton.

Mr. SMITH of Arizona. My amendment has not a thing to do with short-staple cotton. I would not have a word to say if it was the short-staple cotton that was affected.

Mr. SMOOT. No; I presume not; but I can not see a particle of difference between cotton and wool.

Mr. SMITH of Arizona. Well, I can; and that is the difference between us.

Mr. SMOOT. The Government owns 400,000,000 pounds of wool, and they are going to sell it in competition with the woolgrower the coming year. The domestic production of long-staple cotton, what little there is of it raised in the United States, will only answer the demand of America to a limited extent; whereas the 400,000,000 pounds of wool on hand will be about all domestic wool that will be consumed within the coming year.

Mr. SMITH of Arizona. How does the Senator know what the Government proposes to do with the wool?

Mr. SMOOT. I know, because the sales have been advertised, and some of them have already taken place.

Mr. SMITH of Arizona. Well, then, I presume the wool which the Government bought at a good high price has been sold at a good high price, for I have not seen any very serious decline in that market.

Mr. SMOOT. It is not a question of what the Government owns now; it is a question of what effect the prices obtained at forced sales of wool will have upon the wool that is yet to be grown and clipped this year.

Mr. SMITH of Arizona. I understand that; but I am not talking about wool, which, I repeat to the Senator, can be grown and sold in every State of the Union and imported from practically every country on earth. I am talking about a specific commodity, the production of which is confined to a limited number of acres and which the Government has simply set aside for its own use.

Mr. FLETCHER. Mr. President, may I ask the Senator if it is not a fact that the price fixed for wool was with the consent of the woolgrowers?

Mr. SMITH of Arizona. Unquestionably.

Mr. FLETCHER. And under agreement with the woolgrowers?

Mr. SMITH of Arizona. Unquestionably.

Mr. SMOOT. I wish to say, in answer to the Senator, that if the Government had not controlled the price of wool, wool would have advanced to a dollar a pound.

Mr. FLETCHER. I am not questioning that; but I am saying that an agreement between the woolgrowers and the Government was reached as to the price. That is how it was adjusted.

Mr. SMITH of Arizona. I thank the Senator for his suggestion.

Mr. FLETCHER. I wish to say further, as the Senator from Utah speaks about the domestic production of long-staple cotton being only sufficient to supply in a limited way the demands of the country, that, as a matter of fact, the sea-island cotton growers, the long-staple cotton growers, have last year's crop largely on hand and this year's crop in the warehouse. The demand for cotton here is not equal to the supply; there is produced in this country more than the country needs, and to some extent it is exported; but not only is the home market for our home product taken away from us by the importation of Egyptian cotton but the price is reduced to a point where the grower can not produce it. That is the situation with

reference to long-staple cotton. When we were short in tonnage, when the world was crying and begging for ships, the ships were used to bring in 90,000 bales of Egyptian cotton, 750 pounds to the bale, last year, to take the market away from the long-staple cotton growers in our country. That is the fact about it.

Mr. SMOOT. Mr. President, in answer to the Senator from Florida—

Mr. SMITH of Arizona. I have the floor, Mr. President, and I decline to wait until this debate is ended.

Mr. SMOOT. Will the Senator yield to me to answer one of the statements made by the Senator from Florida?

Mr. SMITH of Arizona. Yes; I will yield to the Senator once more.

Mr. SMOOT. Mr. President, I simply wish to say, in answer to the Senator from Florida, that so far as the wool growers of this country are concerned, they were asked to send representatives here and agree upon a price with the Government. No objection was voiced on the floor of the Senate to the Government compelling in a way the wool producers to accept the price put upon wool, but when the question of putting a price upon cotton was raised in this country there was an objection from every cotton State in the Union.

Mr. SMITH of Arizona. What has that to do with this argument? The Senator insists on putting all the objections and criticisms he can possibly find into my contention for an absolutely just and equitable provision.

Mr. WARREN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Wyoming?

Mr. SMITH of Arizona. I yield.

Mr. WARREN. Mr. President, without regard to the cotton end of this colloquy, I wish to say that the RECORD should show a correct statement about wool. The Senator from Florida is mistaken in supposing that the Government entered into an agreement with the wool men that was satisfactory to them. The Government insisted that the woolgrowers should handle their wool in a certain way, but did not make any price. The Government insisted that the most it would do would be to act with the dealers, that there would have to be licenses for them to sell any wool; that growers could ship the wool to the commission men, and that the Government would then examine the wool, grade it, and pay whatever the price was supposed to be on the 30th day of the previous June, which was 10 to 25 per cent less than the market was on the day that this proposition was made.

Mr. SMITH of Arizona. Now, Mr. President—

Mr. WARREN. If the Senator will let me finish—

Mr. SMITH of Arizona. But I care nothing about the wool situation.

Mr. WARREN. Mr. President, I presume the Senator does not.

Mr. SMITH of Arizona. Well, we raise as much wool in my section of the country as is raised in the Senator's section.

Mr. WARREN. I wish that were true, but it is slightly incorrect. I shall finish my remarks unless the Senator requests me not to do so.

Now, so far so good. The wool of last year went to the Government, the cessation of the war prevented the use of the larger share of it, and the Government was overstocked.

The Senator states that there was no encouragement offered the woolgrowers to increase sheep and wool. On the contrary, the Agricultural Department of the Government has been urging repeatedly and insistently, month after month for more than two years, that there should be more sheep and wool grown; the matter has been advertised, and inducements and enticements have been given for men to raise more and more.

I have not said anything about cotton, and I am not going to do so; that stands by itself; but I want the RECORD to show the wool situation correctly. The wool men have been in exactly the same condition as are the long-staple cotton growers, so far as being encouraged to grow a great crop is concerned. That crop is now a surplus, and is not only being sold to-day at auction but it is understood—in fact, the Government has stated positively—that it will be sold from time to time at a rate as nearly as possible like that which wool brings in foreign countries.

Mr. SMITH of Arizona. Mr. President, I hope there is no man with better temper or with more patience than myself, but I give warning now that I will not be interrupted by any other woolgrower nor anyone else who seeks to apply to wool the argument that I am attempting to make. Everybody in the two Houses of Congress knows the history of wool for the last 60 years, and everyone knows, coming to politics, that as soon as the miserable prohibitory tariff was taken off of wool that com-

modity went up. That is going to settle the wool argument so far as I am concerned.

Mr. President, let me get back to my argument. The growers of long-staple cotton, to whom I have referred, acting under the impetus given by the Government and under the implied promise of the Government, exerted themselves to produce this cotton. It was at the time selling for 70 cents a pound, and to-day in the open market it is worth 70 cents a pound; but the gentlemen who do the spinning, relying on an importation from Egypt through England, are disposed to wait until they can supply themselves with the cheaper Egyptian cotton, after the farmers in the Salt River Valley and those in southern California spent as much as \$5 a day for a man to pick cotton, and an inexperienced picker at that, on land that would pay them \$200 an acre for hay alone. They responded to the plea made to them, quadrupled the planting of cotton, and now, following the armistice, they find themselves left without a market, with two years' cotton on their hands, and with the prospect of being absolutely ruined by the importation of Egyptian cotton through England.

My amendment only goes to the question of stopping that importation for six months, to squeeze the gentlemen who are trying to beat these men down to a price that they will pay, the legitimate price, for that sort of cotton in the industries that they are now conducting. That can be done by stopping the importation for six months, and then they will come and give the usual price for this cotton. If you do not do it, they will stand and absolutely be smothered by the Egyptian-raised cotton imported into the United States, I should like to say to my friend the Senator from Utah, imported without any duty on earth, and that against men paying \$5 a day for labor to pick it alone.

I ask that that importation be prohibited for six months. A limited portion of South Carolina, probably one of the other Southern States, and every one of the western-southern growers of cotton, as I said, quadrupled the amount of their land devoted to it for the purpose of meeting the Government's demand; and when the armistice is declared they get notice that the Government does not want it and will not take it! I am simply asking that that importation be stopped until these men have a chance at the market; and these gentlemen will sell their woven long-staple goods at just as high a price with the Egyptian product as they will sell them with the Arizona product paid the legitimate 70 cents a pound.

So, Mr. President, it seems to me that if we are adjusting the rights of people we should look a little to those in my country, who have gone away beyond every demand of this Government in every liberty loan, who have gone away beyond every demand of the Red Cross, who have gone beyond every demand of any people asking money for the purpose of protecting our wounded or caring for our sick on the battle fields of Europe. I am asking for this measure of relief for those induced by the Government to plant this cotton, and then ruined by the Government through the importation of English cotton.

My friends, it seems to me that no stronger appeal could be made under any sort of case than is made by these people, who, under what they call the hottest sun in the world, are striving every day of their lives to convert the desert into habitable homes. And now, when they have contributed liberally to every relief the Government ever asked, and have made an over-subscription, and a large oversubscription, to liberty bonds—I think probably exceeding, taking it county by county, any State in the Union—when we come to the staple product of all those men, who contributed largely, many of them borrowing the money on their cotton crops, to buy great amounts of Government bonds, they are to be told: "Your market is to be killed, your money to be taken from you, that the Egyptian cotton grower or the American spinner may use your disaster to his own advantage."

Mr. SMITH of Georgia. Mr. President, I wish the Senate to understand distinctly the difference between long-staple cotton and cotton as it is ordinarily termed.

The amendment of the Senator from Arizona applies to long-staple cotton. It is as different from the ordinary lint cotton, the great southern crop, as wool is different from long-staple cotton. It is raised largely in southern California, in Arizona, somewhat upon the coast of South Carolina, a small amount—probably 20,000 bales—in the coast counties of Georgia, and some in Florida. The total production of long-staple cotton in the United States amounts, I think, to about 200,000 or 250,000 bales.

Mr. SMOOT. I do not think it is quite that much.

Mr. SMITH of Georgia. Probably about 200,000 bales; and this amendment does not apply to the great cotton crop of over 11,000,000 bales. This amendment proposing to protect long-staple cotton comes from the Senator from Arizona. It does not

come from the southern cotton growers, seeking protection for their crop. But I want to mention to you a few facts about long-staple cotton, and the just complaint that the people of Arizona and southern California and other long-staple cotton growers have with reference to it as compared with other cotton.

Ninety thousand bales of Egyptian long-staple cotton, 750 pounds to the bale, have been admitted to the United States by the War Trade Board this year already. They admitted freely Egyptian long-staple cotton, while they were refusing licenses and restricting licenses for the exportation of our great short-staple crop. The War Trade Board, as late as the latter part of November, was rationing even Spain in its consumption of cotton, limiting exportation to 35,000 bales a month and requiring the shipper, before he could obtain a license to export, to show the name of the manufacturer to whom he had sold the cotton and to further show that the manufacturer was not receiving more than his pro rata of the amount that was being rationed to Spain.

Mr. HITCHCOCK. Mr. President, does not the Senator think he should say, on behalf of the judgment of the War Trade Board, that the enormous demand was for cargo space going to Europe for export, and it was difficult to find any space in export cargo but a comparatively easy matter to find space in ships coming to the United States?

Mr. SMITH of Georgia. If there was not cargo space going to Europe, why did they restrict the licensing of cotton going abroad? If we could not get the cargo space to go to Spain, why refuse to permit our cotton growers and our cotton merchants licenses to export if they could get the space? I do not think the Senator from Nebraska is right about it. I think it was a deliberate purpose to restrict shipments of short-staple cotton.

Mr. HITCHCOCK. The Senator does not deny that our exports are enormously in excess of our imports, and have been for the last three or four years, and that it has been a much harder matter to find cargo space for export purposes than cargo space for import purposes?

Mr. SMITH of Georgia. That was undoubtedly true before the armistice, but not since; but when the cotton merchant found his space and had his ship there was no reason why he should not have been given a license to ship his cargo; and my complaint is that when cotton merchants had the ships and were prepared to export, the War Trade Board restricted the trade and suppressed exportation without just cause, to the damage of one-fourth of the country at least and, indirectly, to the damage of the entire country, because the exported cotton sold abroad at liberal prices would help make our international balances and bring back gold to enrich and give vitality and life to all the industries of the country.

I do not know that this amendment would help much the people of Arizona now, because 90,000 bales of 750 pounds each of long-staple cotton have already been brought in; but the rationing of Spain in November to 35,000 bales a month, and requiring the party shipping to show a manufacturer as purchaser before a license would be issued, and that the manufacturer only had his pro rata portion, was utterly indefensible. Why?

The excuse was given that they were afraid Spain would accumulate a large amount of lint cotton and, after the blockade was raised and the war was over, sell it to Germany. Well, why should they not do so? If the blockade was raised and the war was over, and, according to the agreements settling the peace terms, Germany or Austria was entitled to buy cotton, if Spain wanted to buy it in the meantime and accumulate it, why should she not do it?

The trouble is that whenever you suppress an exportation of an American product by regulation, while you may injure an enemy abroad or you may interfere with somebody's foreign trade, you certainly strike a blow at your American producer as well. I view this subject from the standpoint of American interests. I view the right to do an export trade, not in the interest of the foreign country that buys but in the interest of the American exporter who sells; and, again, when we buy from a foreign country we buy because we believe the product will help our own country; and, again, if our citizens desire to buy I view it from the standpoint of the interest of the American citizen who desires the product, and if the product is needed here you injure our country by hindering importation.

The Senator from Utah said that the suggestion of fixing a price on cotton raised objection from all over the country. I wish he would mention the exact time to which he refers. Does the Senator refer to the proposed price-fixing by the War Trade Board last fall?

Mr. SMOOT. I do.

Mr. SMITH of Georgia. I wish to reply, then, briefly.

Mr. SMOOT. The Senator does not deny the fact that there was a discussion as to the fixing of a price?

Mr. SMITH of Georgia. Undoubtedly there was; and I wish to make a few remarks on that subject.

Mr. SMOOT. And the Senator objected, and I had no objection to his objecting.

Mr. SMITH of Georgia. I wish to make just a few remarks upon that subject. I wish to show that it was right to object and protest against the proposed price fixing referred to by the Senator from Utah.

The War Trade Board had as much right to fix a price on cotton last fall as the man in the moon had, and no more, and it had no more power to maintain the price if fixed.

Mr. SMOOT. And they had just the same right to fix it on cotton as they had on wool.

Mr. SMITH of Georgia. The relation was entirely different. They had no right to fix the price on wool.

Mr. SMOOT. That is what I say.

Mr. SMITH of Georgia. They did not. They agreed with the woolgrower as to what the Government would pay for the wool that the Government bought. They did not fix the price on wool except in that way.

Mr. SMOOT. Why, Mr. President, they demanded that they buy every pound of wool produced in the United States; and not only that, but no one was allowed to buy a pound of wool unless he was licensed by the Federal Trade Board, nor could he sell a pound.

Mr. SMITH of Georgia. Was there any act of Congress authorizing such a procedure?

Mr. SMOOT. Oh, I have not said that they were authorized.

Mr. SMITH of Georgia. They had no more right to prevent you from selling where you pleased than I have, as a private citizen, if no act of Congress controlled the subject.

Mr. SMOOT. But they did say to every dealer and to every person in the United States, "You can not buy a pound of wool unless you hold a license for it, nor can you sell a pound of it unless you are granted a license."

Mr. SMITH of Georgia. The Government traded with the woolgrowers and agreed on a price.

Mr. WARREN. Mr. President, I know the Senator wants to be right.

Mr. SMITH of Georgia. I do.

Mr. WARREN. That is not quite correct.

Mr. SMITH of Georgia. What was the price they agreed on?

Mr. WARREN. No price whatever was agreed upon, except that, as the Senator said a moment ago, they first said that unless the United States Government's proposition was accepted by the wool men they would provide that nothing could be done in the wool business except under license. That was the first proposition. The second proposition was that if the woolgrowers could find ways to raise the money by shipping their wool through commission houses the Government would then grade that wool, or have it graded, and have it appraised, and would pay then, as near as could be on each grade determined, the rate of the year before on the 30th of June. The wool men, after a few days' consideration, said that although there was no law for it, they understood the power of the Government to destroy the market; and while they felt that it was too low, they were willing to accept it if the Government would protect the market until it became normal again, which the Government, of course, has not yet done. They discovered a willingness on the part of the War Industries Board to support the market for another year by asking Congress to continue the powers of the War Board through the year to enable them to do it, which I believe was finally considered unconstitutional, and it has fallen to the ground, and wool with it; and the wool will have to go on to the market for whatever it will bring.

Mr. SMITH of Georgia. What I am really interested in doing just at this time is protesting against any authority placed in the Government anywhere to take any private citizen's goods at an arbitrary price. I deny that the Government can legally do it, or that Congress can give them the right to do it.

Mr. WARREN. The Senator is right about that; but under the circumstances, with the war on, they could during active war indirectly accomplish exactly what they sought to do; and the growers of wool, as patriotic as the cotton growers and as all other people in the country, simply accepted the situation.

Mr. SMITH of Georgia. I regret to have an impression go over this country that we live under a Constitution that allows Congress or the administration to take the property of a private citizen at an arbitrary price. It "riles" me to have the suggestion made.

Mr. WARREN. I want to agree with the Senator just as emphatically as he has stated the matter, but I think the Senator will remember that we sang very low and whispered rather

than shouted and did pretty much as we were commanded to do during the stress of war, and I do not know that we regret it.

Mr. SMITH of Georgia. Yes; and it is a marvelous record of patriotism by the people of this country—their willingness or their readiness, without complaint, to submit to things that I do not think ought to have been done in many instances.

Mr. WARREN. High and low, without regard to parties, vocations, or circumstances.

Mr. SMITH of Georgia. But I just did not wish to let the opportunity pass without expressing my protest against the view that the Government can arbitrarily take any man's property by a price fixed either through Congress or through the President.

Mr. WARREN. I agree with the Senator.

Mr. SMITH of Georgia. It may be valuable in the future to have it known that no such power is vested in our Government.

I wish to say that one of the most remarkable occurrences of this character happened with regard to linters in connection with cotton. Linters were selling at about 6 or 7 cents a pound. Linters are the small fibers scraped at the cotton-oil mill from cotton seed, left on the seed by the cotton gin. The gin takes off the spinnable cotton; and this substance, called linter, is a very small, fine fiber that is not removed by the gin and can not be spun.

Mr. SMITH of Arizona. Just a fuzz on the seed.

Mr. SMITH of Georgia. They were selling for about 6½ or 7 cents a pound when the Government determined, with the war inaugurated, that the Government needed linters to make munitions. The Government went further. It determined that it wanted more linters than the seed normally scraped would produce, and desired part of the hull scraped off, adding a sharp fiber, which made the linters more valuable for munition purposes, and the oil men put in machinery for the purpose. They agreed first with the War Industries Board on a price of 4.62 cents per pound, substantially less than the market price. They at once put in the machinery preparatory to producing these additional linters, and they made a sort of a contract for the sale of their linters. After the armistice came about it was really an amusing thing to see the kind of contracts they had made. A little organization had made the contract for all of it for the Government. They had no contract with the Government that was worth anything, and the little concern that had made it could not have financed any of it; and yet these splendid business men just absolutely took anything they were told to take and did anything they were called upon to do, and the explanation of it was, "We did not consider our rights. We were told by our Government that something was needed of us, and we proposed to carry it through"; and I have no doubt the wool men were moved in very much the same way.

Mr. WARREN. It was all "the war." Everything in the last two years up to the time of the armistice has been "the war." The swing of the small whip, the words "it is for the war," have been all that was necessary to carry through almost anything, no matter how absurd or expensive, and have it become the law of the land for the time being.

Mr. SMITH of Georgia. Now, I have come down to the remark of the Senator from Utah [Mr. SMOOT], to which I wish to refer and which I desire to distinguish from all these other conditions.

The wool was needed by the Government, and the wool men gave it up for whatever the Government called on them to give it up for. The cotton linters were needed by the Government, and the oil men and the cotton men gave it up, under contracts that were worth little, after expending large sums of money to fit their oil mills to handle it, and I approved their patriotic course; but when the proposition was made for the War Industries Board to raid the ordinary lint cotton the Government was not using a bale of it. The Government did not want a bale of it. The Government never has taken a bale of it. The Government had bought its supplies of cotton manufactured goods by contract from cotton manufacturers. They bought the cotton. The entire Government consumption would not amount to 10 per cent of the cotton crop. The Government consumption, I am informed, would not amount to 10 per cent of the lint cotton raised in our country. Now, when they proposed for the War Industries Board to fix the price of lint cotton the Government did not intend to buy it and stabilize the price. It did not offer to. It did not have any need for it. There was no act of Congress authorizing the Government to underwrite the price, and I want the Senator from Utah to follow my distinction.

It occupied an entirely different situation from the linters. The Government wanted none of it. It did not intend to buy a bale of it. It had no authority to underwrite the price of a bale. It was in the market for none of it; and for the

War Industries Board to undertake to fix a price upon a commodity which the Government did not need nor wish to use, which the Government was not authorized to buy, and which, if the Government fixed a price upon it, it had no authority to maintain, was arbitrary and indefensible. I said at the time that the Government could not fix a price on cotton that anybody was obliged to take or that anybody was obliged to pay. The Government itself needed none of it and was not going to buy any of it, so the Government was not in the market to maintain the price at all; and the whole suggestion and the whole movement was inexcusable. I knew that if they fixed a price nobody would be obliged to sell at it and nobody would be obliged to pay it.

As to the linters, the situation was entirely different. The Government needed them, and I helped induce and advised those producing linters to do whatever the Government wanted and let the Government have them; but the lint cotton proper occupied an entirely different situation, and therefore I did without hesitation say that the suggestion was preposterous. If the Government had wanted 10,000,000 or 6,000,000 bales of the cotton, then the situation would have been entirely different.

Mr. WEEKS. Mr. President—

The PRESIDING OFFICER (Mr. KIRBY in the chair). Does the Senator from Georgia yield to the Senator from Massachusetts?

Mr. SMITH of Georgia. I yield to the Senator.

Mr. WEEKS. I am not sure that I see the connection between the proposition which is pending and this bill; but I want to ask the Senator from Georgia, who knows so well about the cotton situation, if we import any long-staple cotton from any other locality than Egypt?

Mr. SMITH of Georgia. I think not.

Mr. WEEKS. The reason why I am led to ask that question is that we have a rather serious trade complication pending now relative to action taken by Great Britain prohibiting the importation of shoes into Great Britain. That was taken as a war measure, I understand. The United States in the past has sold very considerable quantities of shoes to Great Britain. At least half a dozen of the large manufacturers have maintained stores there, some of them several stores, and they feel materially the effects of this prohibition. If we prohibited the import of long-staple cotton, does the Senator believe that it would have any effect on this prohibition of the importation of shoes into Great Britain?

Mr. SMITH of Georgia. I think that the brightest traders in the world live on British Isles, and they will always take care of themselves; and if they have something that they wish to sell you that you will not buy unless they give you a chance to sell to their people what you wish to sell, I think they could undoubtedly be reached by action of that character.

Mr. WEEKS. Mr. President, I presume this may sound a little like a foolish question; but I presume the Senator would object to a prohibition of the exportation of our cotton to Great Britain for 30 days, or thereabouts, until some arrangement was made about the shoe question?

Mr. SMITH of Georgia. I certainly would, because that would do a great injustice to our people.

Mr. WEEKS. But the Senator does think that if we prohibited the importation of long-staple cotton it might have some influence in adjusting the other question?

Mr. SMITH of Georgia. I think the suspension of the exportation of short-staple cotton would have a tremendous influence upon it.

Mr. WEEKS. I suppose it would.

Mr. SMITH of Georgia. I think that to suspend the shipment of foodstuffs to Great Britain would have even a controlling effect. I think we are in a position absolutely to make Great Britain treat us fairly in all matters of trade if we have the nerve and force to do it. I would think it improper to pick one product of the United States, to the exclusion of all others; but if it were deemed advisable to say that no American products should go to Great Britain until she admitted our shoes and other products fairly, I would be willing for cotton to take its place among all the others and bear its part of the burden. I would not be willing for it to be singled out to be deprived of a market unless we followed the same course as to other commodities.

Mr. KING. Will the Senator yield?

Mr. SMITH of Georgia. Yes.

Mr. KING. I have listened to a portion of the argument of the Senator from Georgia.

Mr. SMITH of Georgia. No; I have not been making an argument.

Mr. KING. I think the Senator has been making a very persuasive one. It has been so persuasive and so eloquent

that I am inclined to think that perhaps other products ought not to be overlooked, and I suggest to him the advisability of including in the amendment the words "potash, manganese, and pyrites," because those products are in substantially the same situation as the products for which the Senator has been contending. I ask the Senator if he will consent that those words be added to the amendment, after the word "potash"?

Mr. SMITH of Georgia. This is not my amendment. It is the amendment of the Senator from Arizona. I have not been speaking in behalf of the amendment. I have been speaking really as the result of a remark made by the Senator from Utah [Mr. Smoot] that the suggestion of putting a price on cotton raised great objection from all over the country. I wanted to take this opportunity of drawing a distinction between the status of cotton and many other commodities which the Government handled, and to justify the position which I took last September, when the President and the War Trade Board broke the price of cotton to the injury of the South of \$500,000,000. Cotton was selling at 38 cents a pound when they undertook to interfere with it. They announced that they were going to fix the price or stabilize it or regulate the sale of it or create a single purchasing agent who should buy for our allies and all purchasing supplies in our country, thereby eliminating all competition among purchasers in the United States, and thereby forgetting that the Sherman Antitrust Act was ever passed. When that was done they broke the price of cotton. They broke the market and drove it down to a loss on the crop of over \$500,000,000.

Then, finally, when they announced at the end of about six weeks that they had nothing to do with it, that they had no power to fix the price, no power to maintain a price, no money with which to buy any of it, no desire to buy any of it, the War Trade Board stepped in and was restricting the issue of licenses and checking the export of cotton.

I condemned, then, the talk of price fixing for cotton, because, really, they had no power to do it. I knew they would not buy it. I knew the Government did not buy it. I knew the Government had no money to buy it with, and it could not make anybody use it, and could not make anybody buy it, and that the suggested manipulation of the crop would break the market down, as it did. I was not discussing the merits of the amendment of the Senator from Arizona. I have pointed out the unauthorized interference with cotton, to the damage of the cotton grower and our entire country.

Mr. BORAH. I understand the Senator from Arizona is willing to include wool.

Mr. SMITH of Arizona. No; I have told three or four Senators that I am not. I should like to have a vote on the amendment. I expect in the heat of debate, as we often do, I may have referred somewhat roughly to the fact that I would not be interrupted any more in this particular argument by the question of wool. If I have any number of friends anywhere in the world it is among the woolgrowers of Arizona. If I have political friends anywhere in the world, even my attitude on free wool never broke them down in their kindness to me. So no accidental or unthought remark of mine in debate could be construed by the Senator from Wyoming, with whom I have been acquainted in public life for over 30 years, or my friend from Utah, who knows my kindness toward him, to be any lack of appreciation of my friends. I publicly express my apology, if such is necessary, and disclaim any intent of ever having alluded in any but the kindest and the pleasantest terms to either of the friends I have mentioned.

Mr. SMOOT and Mr. BORAH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. CHAMBERLAIN. Mr. President, while this discussion is intensely interesting, I do hope we may be able to get a vote on the bill to-night so that it may go to conference. Therefore I ask that we may have a vote on this amendment.

Mr. SMOOT. Mr. President, I did have the intention of referring to some statements that have been made here to-day, but I do not think any good would come from a discussion of the merits of the protection of the wool interests and the long-staple cotton growers of the country. We know that both of them find themselves in a rather precarious situation. I do not know what is going to happen to the woolgrowers of this country in the coming year. Nobody can tell; nor can I say what is going to happen to the long-staple cotton growers of the country; nor, Mr. President, can I say what is going to happen to the general business of the country. I have taken a little of the time of the Senate in the past to call attention to facts and to express the opinion that it will not be long before there will be a great deal of suffering not only among the growers of wool

and cotton but among the laborers of the country as well. Conditions are such that it could hardly be otherwise.

So whatever has been said here to-day I know that the Senator from Arizona will not claim that it has been said in any spirit of criticism. The statement made by the Senator from Arizona in relation to long-staple cotton embraced facts that I am fully aware of. I know what an important crop it is. I have bought hundreds and hundreds of bales of it and used it in the manufacture of what we term tricots, sold in this country from one end to the other.

I think the Senator from Arizona perhaps will remember that upon this floor I have stated time and time again that a thousand times rather would I as a manufacturer use long-staple cotton than the mungo and shoddy that is used so much by manufacturers of woolen goods in the United States, and not only in the United States but in all the world.

So, Mr. President, when the amendment was offered I immediately thought, as I stated, of the condition of the wool-grower. I immediately thought of our potash producers in the State of Utah. I immediately thought of the manganese miners of the country, who by the Government were pleaded with and almost commanded to open their properties and who borrowed money and erected plants to produce it because it was wanted so badly by the Government for carrying on the war.

Mr. President, I know men who have not only put every cent they have on earth in the plant, but they have borrowed every cent they could from their friends and put up everything in the way of security they had for the loans they had to make. I wish to say that those same men had scarcely produced the first carload of manganese ore before the armistice was signed, and they were closed down.

Mr. SMITH of Georgia. I know three men in my State who put up \$200,000 that they had of their own and borrowed \$500,000, and now unless the Government accepts it as a burden upon all the people they will lose it.

Mr. SMOOT. That is only one case out of hundreds.

Mr. SMITH of Georgia. They did it at the earnest request of the Government for immediate action, stating that the legislation was going to be passed and that they must not wait until the legislation which authorized the contract was passed.

Mr. BORAH. Mr. President—

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

Mr. SMOOT. I do.

Mr. BORAH. The wool situation and the long-staple cotton situation, of course, are both very serious. I think, aside from all humorous remarks, we all concede that to be the case. But could it not all be remedied by appropriating \$100,000,000 and purchasing the wool upon hand and keep the people of Europe from freezing to death? It seems to me that while it is yet difficult to get through a nonimportation clause we would not have any difficulty in passing an appropriation bill to buy the wool and the long-staple cotton, and why not buy the manganese and potash? There is no bottom to the Treasury.

Mr. SMITH of Georgia. Does the Senator think the destitute of Europe require it?

Mr. SMOOT. I suppose the Senator asks that as a general question.

Mr. BORAH. I ask it as a general question, and I ask it as a serious question, because the precedent in that respect has been established.

Mr. SMOOT. I think there is quite a difference between buying food—for a person has to have food or starve to death—and giving a man a new suit of clothes where he has an old suit to keep him warm.

Mr. BORAH. Suppose he has no suit at all?

Mr. SMOOT. Then I think the country in which he lives should take care of him and clothe him.

Mr. BORAH. It is not only a question of humanity, but a question of decency.

Mr. SMOOT. I know exactly how the Senator from Idaho feels in relation to the \$100,000,000 appropriation, and I want to say, as I said the other day, that I sympathize with him a great deal in what he said.

Mr. BORAH. I am trying now to invoke the precedent. I want the benefit of the combined wisdom of 53 votes. I am perfectly willing to surrender my judgment and have the precedent carried to its lawful conclusion and take care of the wool men, because they will be ruined, there is no doubt about it, and to take care of the cotton men, and to take care of the potash men. There is one way to do it, and that is to appropriate money and buy the product.

Mr. CUMMINS. I desire to suggest that the Senator from Utah ought to include the hog men as well. They may suffer because the price of hogs may go down presently.

Mr. SMOOT. They will not suffer in the price of hogs, at least for the month of February, because I notice in the morning press that the price will be 17½ cents for the month of February.

Mr. CUMMINS. They will want it after February.

Mr. SMOOT. Oh, yes; but I say there is quite a difference between financial ruin and death. I would a thousand times rather lose every dollar I have on earth than to lose my life. I take it for granted that the \$100,000,000 that was appropriated was for the purpose of saving lives. Nobody will lose his life if the Government does not appropriate for the purchase of wool and nobody will lose his life if we do not purchase the manganese or the potash. That is the difference.

Now, I ask the Senator from Arizona if he wants a separate vote on his amendment without putting potash and manganese and pyrites and wool upon it?

Mr. SMITH of Arizona. I should very much prefer a vote on my amendment, because I believe—

Mr. SMOOT. I am perfectly willing, as far as I am concerned, to have the Senate vote on the amendment. Then if the Senate agrees to it, I wish to say to the Senator I shall reserve the right to offer an amendment to the amendment, because that certainly can not hurt, and the whole question then will be in conference.

Mr. SMITH of Arizona. I appreciate that.

Mr. BORAH. I do not think it is a fair way to treat long-staple cotton, to compel it to make this fight single handed and alone. We ought to give it what support we can, and therefore it ought not to be permitted to die in isolation and without assistance from those who are in like condition. I wish the Senator from Utah would put in wool.

Mr. SMOOT. I reserve the right to put it in if the amendment of the Senator from Arizona is agreed to. If the Senate adopts the principle of it, then I want, of course, to offer my amendment; but I think it is fair to the Senator from Arizona to comply with his request.

Mr. SMITH of Arizona. I simply request a separate vote on my amendment. I appreciate the humorous efforts of my distinguished friend from Idaho [Mr. BORAH]. He does not seem to treat it with the seriousness he displays when advocating other matters. When it comes to the question of bringing men to ruin by reason of the action of the Government itself he treats it humorously. And this is not a prospective ruin, it is a present ruin. If anything bad happens to wool I shall regret it as much as any Senator on the floor. If anything bad should happen to many industries of the country I should regret it as much as any Senator on the floor. I am only asking for that article which relates to my part of the country. I am pleading for those who have been induced to go into bankruptcy, pledging their money on the hope of selling their cotton, investing it in bonds, and they stand to-day under the hammer of the sheriff if we do not prevent the importation of English cotton here, with the heartlessness of the cotton manufacturers using this English importation as a means of breaking them and at the same time England prohibiting the importation of American shoes.

I hope the Senate will give me a vote on the amendment separately, and I sincerely contend that for those whose hopes stand in the balance now it is a question of salvation from absolute ruin. I should like the sense of the Senate on the necessity of the amendment.

The PRESIDING OFFICER. The question is on the adoption of the amendment of the Senator from Arizona.

Mr. SHERMAN. Mr. President, may I inquire from the Senator who offered the amendment whether he will accept this amendment to the amendment:

Nor shall any Indian corn be imported into the United States during that period.

Mr. SMITH of Arizona. Is that suggestion made in humor or in earnest?

Mr. SHERMAN. No; I am in earnest.

Mr. SMITH of Arizona. I did not know.

Mr. SHERMAN. I never jest in this body.

Mr. SMITH of Arizona. The Senator makes some very humorous suggestions sometimes.

Mr. SHERMAN. The trouble is with the interpretation the audience puts upon the suggestions. I am a little ahead of the procession sometimes.

Mr. SMITH of Arizona. I thought we were the greatest exporters of corn in the world. I speak to the Senator in all seriousness. In view of the immediate effect of the amendment, in which I am deeply interested, I ask him as a favor to me to let us have a vote on the amendment independently.

Then if the Senator thinks his amendment is of sufficient importance he can offer it.

Mr. LEWIS rose.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. SHERMAN. I have not yielded the floor, but I will yield to my colleague if he desires.

Mr. LEWIS. No, Mr. President, I rose to address the Senate upon the bill for a moment or two. I do not wish to interrupt the Senator. I prefer to yield to the request of the Senator from Arizona for a vote before I take the floor.

Mr. SMITH of Arizona. I hope we will have a vote.

Mr. SHERMAN. Mr. President—

Mr. CHAMBERLAIN. May I interrupt the Senator?

Mr. SHERMAN. Yes, sir.

Mr. CHAMBERLAIN. This bill is of such very great importance that I shall ask the Senate to remain in session this evening until a vote is had upon it if Senators will stay and help it through.

Mr. SHERMAN. Mr. President, I shall not take much time, I will say to the Senator from Oregon. I am in dead earnest about my amendment, notwithstanding what my friend from Arizona may think.

Corn is now coming through the Atlantic coast ports from Argentina. Those imports have broken the price of corn. Farmers in the northern Mississippi Valley have loaded up, under the request of the Government, on both stock hogs and hogs now almost ready to go into the market, into which are fed high-priced corn. The farmer last year put out a large acreage of corn. A good deal of his surplus corn is in the crib yet, especially in the case of the farmer who is raising a large quantity of it. About the time he begins to think of marketing his hogs the price is broken upon all the primary markets of the country because of the Argentine importation. I think it would be fair to stop some of the other agricultural importations in order to protect him and make it rather a symmetrical system all around.

No doubt I will surprise the Senator from Arizona by saying to him that I am going to vote for his amendment. I believe in the particular application but not in quite so intense a form. In the summer of 1913, if you will refer to the CONGRESSIONAL RECORD, I proposed on the tariff bill then pending to protect the long-fiber cotton of the United States and said it ought to be done. Since the English engineers built the dam at the second cataract in the Nile they have doubled the entire arable tract of the Nile Valley. There was only a limited area there from the time of the Pharaohs down to the present, because it was natural irrigation. This artificial addition to the cotton land has doubled the area, and not all but the greater part of the long-fiber cotton, outside of the areas named by the Senator from Georgia, come from this one competitive district. England is merely a port of transshipment.

Long-fiber cotton, as every one in the cotton trade or every cotton spinner knows, is used in the higher forms of cotton manufacture. Laces and the higher forms of ladies' lingerie of all kinds, requiring a particular form of cotton, draw on this supply. The importation of 90,000 bales, at an average of 750 pounds to a bale, is a very serious blow to the long-fiber cotton industries of this country.

I said in the summer of 1913 that I believe in protecting this form of cotton. As to the short fiber, the upland cotton, you can compete with the world; you fear nothing from any competitor; but on this particular kind of cotton I believe in the principle. It was rejected at that time, but merely because it was unseasonable. I have not changed my adherence to the principle.

I intend to vote for the amendment offered by the Senator from Arizona, particularly. The protection is a little high. Absolute prohibition is not quite my idea of a tariff schedule. But it is temporary, and I hope by an application of the intensive form of a remedy a more diluted form will permeate the earth and will afterwards percolate its way into the majority in this Chamber.

Mr. THOMAS. Let the amendment be read.

The PRESIDING OFFICER. The amendment will be read.

The SECRETARY. At the end of the amendment offered by the junior Senator from Nevada [Mr. HENDERSON] insert:

That the importation of Egyptian long-staple cotton into the United States is hereby prohibited for the term of six months from the date of the passage of this act.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. TOWNSEND. Let us have a yea-and-nay vote on the proposition.

The yeas and nays were ordered.

Mr. THOMAS. Mr. President, as there is to be a yea-and-nay vote upon this amendment I wish to say a word before the

vote is taken. I did not intend to speak upon the bill because I realize how vastly important its early passage is.

The purpose of the bill is to meet a great emergency, arising from the sudden termination of hostilities and of contracts for munitions and other supplies needed for the proper prosecution of the war. That emergency is a great one. It affects thousands of contracts and hundreds of millions of dollars. The Committee on Military Affairs held hearings and received a great deal of information from different parts of the country as to the character of these contracts and the imminence of the necessity for taking some care of them. Among other things we were informed that unless this measure or some similar one should be enacted into law by or before the 1st day of February a great many institutions would have to shut down, resulting in throwing to idleness literally hundreds of thousands of employees, particularly in great manufacturing centers like Cleveland, Detroit, Pittsburgh, and similar places throughout the country on the Atlantic seaboard.

Mr. President, this bill should not be encumbered, however great the necessity, however meritorious the condition, with so many of these extraneous matters. They not only take up an immense amount of time for their consideration but in the event they become component parts of the bill they will make the administration of the bill so much more cumbersome and dilatory.

Moreover, Mr. President, I do not believe in converting a bill of this kind into a protective-tariff measure. I conceive that there is abundant ground for the Government taking care of certain producers in the country who not only at the invitation but almost at the command of the Government invested a great deal of money in the effort to produce and for the purpose of producing things which before the war we obtained from other countries and which are not at present available but absolutely indispensable.

They ought to be taken care of, but to load this bill down with all these subjects is going to postpone its enactment. It is going to make its administration extremely difficult. The very emergency which we are now seeking to avoid will be upon us before we know it unless we forget these other matters and devote ourselves to the enactment of the bill practically as it was reported from the committee.

So, Mr. President, I hope that these conditions will be borne in mind when the vote is taken upon the pending and similar amendments. I do not know what the condition of long-staple cotton is, nor the condition of wools, nor the condition of some other commodities which may need and probably do need the immediate attention of Congress, but let us take those things in their order. Let us get rid of this exigency as soon as possible and then proceed with the business of the Senate.

The PRESIDING OFFICER. The Secretary will call the roll on agreeing to the amendment of the Senator from Arizona. The Secretary proceeded to call the roll.

Mr. KING (when his name was called). I have a general pair with the junior Senator from Tennessee [Mr. McKELLAR]. Not knowing how he would vote on this question, I withhold my vote.

Mr. MARTIN of Kentucky (when his name was called). I have a general pair with the junior Senator from New Hampshire [Mr. MOSES]. Not knowing how he would vote on this question if present, I withhold my vote.

Mr. THOMAS (when his name was called). I transfer my pair with the Senator from North Dakota [Mr. McCUMBER] to the senior Senator from New Hampshire [Mr. HOLLIS] and vote "nay."

Mr. UNDERWOOD (when his name was called). I desire to inquire whether the junior Senator from Ohio [Mr. HARDING] has voted?

The PRESIDING OFFICER. He has not voted.

Mr. UNDERWOOD. I have a general pair with the junior Senator from Ohio, and not knowing how he would vote if present, I withhold my vote.

Mr. WOLCOTT (when his name was called). I transfer my pair with the senior Senator from Indiana [Mr. WATSON] to the senior Senator from Virginia [Mr. MARTIN] and vote "nay."

The roll call was concluded.

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from Rhode Island [Mr. COLT] with the Senator from Delaware [Mr. SAULSBURY];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Maryland [Mr. SMITH];

The Senator from New Mexico [Mr. FALL] with the Senator from Wyoming [Mr. KENDRICK];

The Senator from West Virginia [Mr. GOFF] with the Senator from Oklahoma [Mr. OWEN];

The Senator from Ohio [Mr. HARDING] with the Senator from Alabama [Mr. UNDERWOOD];

The Senator from Michigan [Mr. SMITH] with the Senator from Missouri [Mr. REED]; and

The Senator from Connecticut [Mr. BRANDEGEE] with the Senator from Tennessee [Mr. SHIELDS].

Mr. OVERMAN. I notice the absence of my pair, the senior Senator from Wyoming [Mr. WARREN]. I have a general pair with that Senator and therefore withhold my vote.

Mr. KELLOGG (after having voted in the negative). I have a general pair with the senior Senator from North Carolina [Mr. SIMMONS]. I transfer that pair to my colleague [Mr. NELSON] and will let my vote stand.

Mr. MYERS (after having voted in the negative). Has the Senator from Connecticut [Mr. McLEAN] voted?

The PRESIDING OFFICER. He has not.

Mr. MYERS. I have a pair with that Senator, but I transfer it to the Senator from California [Mr. PHELAN] and will let my vote stand.

Mr. STERLING. I have a pair with the Senator from South Carolina [Mr. SMITH]. Not knowing how that Senator would vote if present, I withhold my vote.

Mr. WILLIAMS. I have a standing pair with the senior Senator from Pennsylvania [Mr. PENROSE]. I understand he has not voted.

The PRESIDING OFFICER. He has not.

Mr. WILLIAMS. I transfer that pair to the Senator from Oklahoma [Mr. GORE] and vote "nay."

The result was announced—yeas 10, nays 42, as follows:

YEAS—10.

Ashurst	Johnson, Cal.	McNary	Trammell
Bankhead	Jones, N. Mex.	Sherman	
Fletcher	Lewis	Smith, Ariz.	

NAYS—42.

Beckham	Henderson	Nugent	Swanson
Borah	Hitchcock	Pittman	Thomas
Chamberlain	Jones, Wash.	Poindexter	Thompson
Cummins	Kellogg	Pollock	Townsend
Curtis	Kenyon	Pomerene	Wadsworth
Fernald	Kirby	Ransdell	Walsh
France	Knox	Robinson	Weeks
Frelinghuysen	La Follette	Shafroth	Williams
Gay	Lenroot	Sheppard	Wolcott
Hale	Myers	Smoot	
Hardwick	New	Sutherland	

NOT VOTING—44.

Baird	Harding	Moses	Simmons
Brandeggee	Hollis	Nelson	Smith, Ga.
Calder	Johnson, S. Dak.	Norris	Smith, Md.
Colt	Kendrick	Overman	Smith, Mich.
Culberson	King	Owen	Smith, S. C.
Dillingham	Lodge	Page	Spencer
Fall	McCumber	Penrose	Sterling
Gerry	McKellar	PheLAN	Underwood
Goff	McLean	Reed	Vardaman
Gore	Martin, Ky.	Saulsbury	Warren
Gronna	Martin, Va.	Shields	Watson

So the amendment of Mr. SMITH of Arizona was rejected.

Mr. LEWIS. Mr. President, I beg the Senate to indulge me for, I trust, not any length of time, to express the hope that this measure may receive immediate and earnest consideration from the Senate. Let me not mask the fact that the constituency of my eminent colleague [Mr. SHERMAN] and myself, representing the State of Illinois, and particularly the city of Chicago, is largely interested in what would be the outcome of this measure, and naturally I am interested in seeing it pass, but, Mr. President, I am interested to see it pass for another reason.

It has been shown by the Senator from Colorado [Mr. THOMAS], in an observation here a moment past, that there is a threat that thousands of men, indeed hundreds of thousands, would likely be thrown out of employment if this measure should fail to remedy wrongs which those who are interested feel that it will remedy.

Mr. THOMAS rose.

Mr. LEWIS. I yield to the Senator.

Mr. THOMAS. I said not a "threat," but an "apprehension."

Mr. LEWIS. I accept the substitute, that there is a fear, an apprehension, that such will be the result. For that reason, Mr. President, I naturally agree with the Senator that we should take any steps that could avoid it.

But, Mr. President, at this particular juncture, if the chairman of the committee will allow me a moment to refer to a subject cogent with this measure, it is this: I wish to deprecate the tendency which we gather here and there from expressions from the Senate as well as from other parts of the country that we are on the eve of some great industrial depression. I wish to oppose my view against that alarm. I wish to stand against Congress converting itself into the "Reds" against industry.

Mr. President, this measure has been made necessary because it seeks to remedy a wrong. It is not being brought forward merely to give employment to men. It is brought forward to prevent losses. There has been a general cry going out from different quarters of the country that we are likely to have a great industrial depression. You are frightening the toilers of the country into the belief that they are to be hungry; there are those who circulate, in their sincerity, the impression that there are to be bread lines. The eminent secretary of the Federation of Labor, a kindly hearted, sincere-souled gentleman, made such a statement before committees of Congress. It was flashed all over the world. You have struck terror by these statements into the minds of millions of toilers of this land, and created the belief that they are soon to be out of employment and walk the streets. They can not see ahead of them the developments of to-morrow. They simply stand affrighted and riven to the spot in the terror of a threatened hunger.

We have made the business man feel that there is bankruptcy that impends over him like a cloud. We have caused the commercial and the industrial man to feel that, for reasons of our own, from some knowledge we have of our international policy or of some domestic course we are about to take, we are conscious that he is to be driven into a distress of commercial depression that may mean his whole business loss.

Mr. President, nothing has been afflicted upon public life that is so startling, so wrong, and so unjustified as are these declarations. I invoke the eminent Members of this body to reflection, and it is to the thought that in the next 10 years this land of ours will have the greatest prosperity in all forms of industry and pursuit that it has ever enjoyed in any decade of its history. Why? Because, if Senators will reflect, and those who have sent out these alarms of danger will but contemplate a moment, here is central Europe like a burned habitation; it still smolders in its ruins, and it has got to be supplied. We are the richest Nation in the world. We are the only people with the money, the only people so situated by our opportunities as to be able to supply them. We have the resources of men; we have the money; we have the toilers; and, Mr. President, we have the genius.

Mr. President, not only will we supply central Europe but Britain and France will likewise be dependent upon us.

You need only move a step further yonder in the Orient, and by the newly knitted relations between Japan and China the doors of a more liberal trade will be now open to us, which before has been denied. That land, also, these manufacturers will supply, giving great demands for new toil. Sir, millions of men will be called into action. Sir, there is South America. Let the thoughtful man feel and reflect that heretofore Germany has had that trade, and that now, because of our contiguity and our relation to those countries, this trade must come to the United States.

Mr. President, it must be plain, therefore, that we are to be the supply house of the earth. Here in our own land I make bold to speak of what is a clear policy of our own just ahead. With the Government taking charge of the railroads, if it shall continue that policy, millions and millions of dollars' worth of new construction must be had; new improvements must be undertaken; millions of men upon railroad development alone must be called. As to the telegraph and the telephone, the same thing is to be repeated.

Mr. President, it is evident that in mechanics, in science, in shipbuilding, particularly, there will be still more hundreds of thousands to be engaged and employed.

Then, sir, let us reflect, let us contemplate, and let us cease this cry of distress. Let there be no more proclaiming of havoc to our country when it must be apparent to all that in supplying all of these demands we will be the country to which all having these desires must take their resort and refuge.

Sir, with the passage of the bill that repairs the wrongs to these manufacturers, coupled with the things that will transpire in the immediate future, let our people be patient and remember that all we are doing is transferring the world from a war status to a peace status; from war industries over to peace industries. In the meantime there is a little confusion; in the meantime there may here and there some distress. There are, of course, complications, but that there is any impending commercial disaster upon our country for the days to come none but a thoughtless man will assert, and that we are to have the greatest era of prosperity and success for our country, for our workmen, our toilers, our business men, and our captains of industry, so called, every reflecting man must concede.

Therefore, Mr. President, for the passage of this measure I invoke the Senate that we cease sounding alarms and call the attention of our country to the truth around us; that the

present policies of this Government promise a prosperity in the next decade unequalled in any of the past. What we should do before the country and the world is to invite them to the truth and to proclaim "all is well."

I trust the measure may have a speedy passage.

Mr. KENYON. Mr. President, may I ask the Senator from Illinois a question? I intended to do so before he concluded.

Mr. LEWIS. I yield to the Senator from Iowa.

Mr. KENYON. I am greatly interested in what the Senator from Illinois has said and I am in accord with his idea that we are to see the greatest prosperity in this country that perhaps we have ever experienced. We have the historic assurance of such fact in the events in our country after the Civil War. But I wish to get the Senator's viewpoint. That prosperity is to come, undoubtedly, in the course of several months or possibly a year; at any rate it is not far away. Now, does the Senator mean that during this transition period we must have nothing to say, nothing to do, and nothing to propose here about the question of unemployment? I have been concerned about that, perhaps needlessly. We have had hearings before the Committee on Education and Labor. The Assistant Secretary of Labor this morning and statisticians from the Labor Department appeared before us, showing that whereas on December 10—I think the report was of that date—there were about 10,000 unemployed men in the country, a week ago to-day there were 212,000, and the reports for to-day, not all in, show that there will be more this week.

We will have to pass through the transition period; men will be out of employment; and I have thought Congress ought to do something in the way of a commission of public works, which I have proposed, to carry on the delayed public works in this country, the Government in cooperation with the States, in communities where there is a labor surplus, and purely as a remedy, you might say an insurance policy, against unemployment. Does the Senator feel that in urging those things we are disturbing the conditions in the country?

Mr. LEWIS. Mr. President, if the Senator has concluded his inquiry, let me make my position clear to him. In the first place, I quite approve of the continuance of public works, particularly when necessary for the public benefit. What I was seeking to explain and what I am very anxious to have the Senate quite appreciate is that however much during the transition period there may be necessity to provide for the temporary distress to which I have alluded we should have it understood that it is but a temporary stage; that Congress does not believe that such will be the general condition for the indefinite future, but that it only arises because this period of transition in transferring from the mechanisms necessary for war to those which will be necessary for peace uses. In the meantime I accept anything that can legitimately be undertaken to continue workmen in employment; but I would that the suggestions were given to us so soon as possible by men such as the able Senator from Iowa now addressing me, who must know, being familiar with the history of his country, that these conditions are but temporary and that the immediate future is filled with the promise of complete prosperity to the toiler, the business man, and the country at large. I am only anxious that we shall not by making these provisions for temporary necessities leave the impression that anyone here is suffering from the fear or indulging the terror that bankruptcy, or distress, or general devastation is to be visited upon our country.

Mr. KENYON. Mr. President, I do not think anyone indulges in that, but I do think there is need of action along the lines I have indicated to meet the temporary situation until we come to the era of prosperity.

Mr. LEWIS. I assume, if I may be pardoned—and then I will yield the floor—that the Senator caught my observation, that should the Government continue the policy which I have advocated of taking control of the railroads, the telegraph and telephone lines, and the building of ships, in these there should be extension and enlargement of the undertakings that would give employment to all idle workmen.

Mr. WEEKS. Mr. President, it is not a gracious position to interpose comment adverse to the picture which has been held before the Senate by the Senator from Illinois [Mr. Lewis]; yet I am in very considerable doubt about the correctness of his view. I am not going to take the time now to discuss the question in any great detail, because I hope this bill may be considered and passed this afternoon; but I want to call his attention to the fact that the situation in this country and in the world now is quite different from what it was after the Civil War. A comparison of the two periods can not be easily made. For four years previous to the Civil War we had had unusual depression in the United States; we had been going through a

panic. We were just recovering from that condition and the business of the country was ready to go ahead when the Civil War came on. Then we were a developing country short of labor, and there was every incentive for good times for a period after the war. Conditions to-day are quite different, in my opinion, and unless business men take cognizance of world conditions to-day and prepare to meet them they are living in a fool's paradise, and I do not think it is wise to induce anyone to conduct his business under those conditions.

Mr. HITCHCOCK. Mr. President, I should like to inquire whether the committee bill has now been perfected?

Mr. CHAMBERLAIN. I do not understand that there are any other amendments to be offered except the amendment of the Senator from Nebraska.

The PRESIDING OFFICER. The Chair will state that there are no amendments pending.

Mr. HITCHCOCK. Mr. President, my amendment is in the nature of an amendment to the House bill; and after it is adopted, if it shall be adopted, a vote will then come as between the committee substitute for the House bill and my substitute for the House bill. I have therefore waited until the Senate committee substitute could be fully perfected. I shall therefore ask, Mr. President, for the reading of my proposed substitute, for I think it has not been read.

The PRESIDING OFFICER. The Secretary will read the amendment offered by the Senator from Nebraska.

The SECRETARY. In line 3, page 1, after the word "That," it is proposed to strike out all down to and including line 24, on page 3, and insert:

Where during the present war and prior to November 12, 1918, officers or agents acting under authority of the Secretary of War have placed orders or made contracts with manufacturers or contractors for war supplies or materials, or for the performance of work thereon, or for the construction or enlargement of plants or other preparation necessary to furnish supplies or materials for the War Department, the procurement of which has heretofore been authorized by Congress, and any of said orders or contracts has been partly or wholly performed, or expense has been incurred by the manufacturer or contractor prior to the 12th day of November, 1918, in preparation or partial execution of said contract or order, the fact that any such contract or order or agreement has not been made in the form or signed in the manner required by law shall not invalidate the same if it was entered into in good faith and lacked only the sanction of a contract in legal form. Nothing herein provided, however, shall be held to validate any contract, order, or agreement given or made by an officer or agent of the War Department not legally qualified or authorized to give a formal legal contract, except where such officer has acted as the representative of a superior officer authorized to make such contract, nor to permit an officer to make such contract with any company, corporation, or firm in which he has, or had at the time, directly or indirectly, any interest.

SEC. 2. That in all cases as above included it shall be lawful to make payments under the terms of the contracts or orders so made or given to the extent that performance thereof has been made, expenditures incurred, or supplies thereunder have heretofore been received and accepted by the United States, provided that payment in such cases shall not exceed the fair value of the supplies or materials delivered to and accepted by the United States, together with remuneration for expenditure properly incurred in preparing to perform said contract, orders, or agreements.

SEC. 3. That in case of the cancellation, suspension, or annulment of any contract, order, or agreement as described in this act by the Secretary of War, or officers or agents acting by his authority, and in cases where no property or supplies have been delivered to and accepted by the United States, or where only partial delivery and acceptance has been made, contractors shall file with the Secretary of War within 60 days after the passage of this act any claim for remuneration arising out of the discontinuance, cancellation, or suspension of such contract, agreement, or order, properly itemized and set forth. Each claim shall thereupon, or as soon as possible, be transmitted to and filed with the commission hereinafter provided for, together with a statement attached thereto showing the amount, if any, which the War Department deems to be justly due to said claimant. If the claimant shall file a statement offering to accept the amount awarded by the War Department in full for said claim, the commission shall, within 10 days, order the same paid in the absence of evidence that it is excessive.

SEC. 4. That for the adjustment of all claims arising out of the cancellation of contracts, orders, and agreements for supplies or materials of war, as described in the foregoing paragraphs of this act, there is hereby created an adjustment commission to be composed of three members to be appointed by the President and confirmed by the Senate, one representing the War Department, one representing the Department of Justice, and one representing the business interests of the country, none of whom shall be interested in any contracts with the Government or have an interest in any firm or corporation having war contracts, who shall hold their offices for one year and receive as compensation a salary of \$10,000 each. It shall be the duty of said commission promptly to examine and pass upon all claims for compensation and reimbursement arising out of cases as set forth in this act for supplies furnished, expenditures or obligations necessarily incurred, or materials purchased under faith of contracts in legal form or orders received from officers and agents of the Secretary of War as heretofore set forth.

SEC. 5. That in each case, as soon as the commission has made an award, the contractor shall be entitled to receive the same upon giving receipt in full of all demands against the United States arising out of the transaction, or if the contractor is not satisfied with the amount so awarded he shall be entitled to receive, and shall receive at once, 75 per cent of the amount that has been awarded him and he shall thereupon be entitled to appeal the case to the Court of Claims which is hereby given jurisdiction to hear the case and render final judgment in such sum as may be required to reimburse the contractor for supplies and materials delivered to and accepted by the United States and expenditure necessarily incurred in good faith in the partial performance of the contract or order above referred to, or in preparing for the same.

SEC. 6. That in no case, however, shall any award either by the commission or the Court of Claims include prospective or possible profits on any part of the contract beyond the goods and supplies delivered to and accepted by the United States, and a remuneration for expenditures necessarily incurred in preparing to perform said contract or order so canceled.

SEC. 7. That the purpose of this act being to secure prompt settlement of claims, the commission is authorized to make its own rules and regulations and to hear and determine the issues informally and promptly upon presentation of the case. The commission is authorized to appoint, under such rules and regulations as it shall prescribe, one or more regional boards of examiners to serve in such districts throughout the country as the commission shall fix and determine, to investigate and determine the facts concerning claims, legal or equitable, that may be presented as herein prescribed. The members of such board shall be composed of one representative of the War Department, one representative of the Department of Justice, and one from the business interests of the region, none of whom shall have any interest in the contract, directly or indirectly, and receive no compensation, save and except such per diem compensation as shall be fixed by the commission. Whenever the commission shall refer to any such regional board of examiners any claim, they shall proceed informally to hear the parties, take the proofs, and return the same promptly to the commission with their recommendation thereon.

SEC. 8. That the sum of \$50,000, or so much thereof as may be necessary, is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for the reasonable expenses of said commission, to be paid out upon the warrant of the chairman, who shall be chosen by the commission from among their own members, and approved by the secretary, who may be selected by the commission, and who shall receive a salary of not exceeding \$5,000 for the period of one year, or so much thereof as may be necessary, to be determined by the commission.

Mr. HITCHCOCK. Mr. President, there is a very radical difference between the bill as reported now from the Committee on Military Affairs and the bill which I introduced and which the committee unanimously reported several weeks ago. There is also a very decided difference between these two bills and the bill which has come over from the House of Representatives. All of these bills assume to do the same thing, but they do not as a matter of fact do it, and what is attempted in each case is attempted in an entirely different way.

The bill which I introduced purports to validate about 7,000 defective contracts, and it relates in its provisions to none but defective contracts. These contracts aggregate in their possibility something in the neighborhood of two thousand million dollars—an amount of money large enough, it seems to me, to cause the Congress to provide for the adjudication of the amounts due with care and caution.

The bill which has been before the Senate, and which is now fathered by the committee, does the most unheard-of thing of making the War Department, which entered into these illegal contracts—some of them in direct violation of law, and some of them, as the Senator from Tennessee [Mr. McKellar] has intimated, probably made by officers having interests in the concerns with which they contracted—the tribunal to decide what is due under these contracts. Now, if that were a proposal to make the Secretary of War the judge, I, for one, would be willing to accept it, or to accept the decisions of any other responsible man or men. But to say that an executive department, composed of thousands of employees and hundreds of officers shall be a tribunal to pass upon contracts that it has made strikes me as something which the country will not consider safe, and which is certainly most extraordinary.

The bill which I have introduced, and which the committee at first reported, first provides for the validation of all these contracts or informal orders made in good faith upon which the contractor has proceeded to the expenditure of money or to the delivery of supplies. Those are all to be validated if they were made in good faith, however irregular, and if the contractor has proceeded on that good faith to carry out his side of it.

The second provision sets forth the rules of payment. The contractor shall be paid for all that he has delivered to the Government, and he shall be remunerated for all materials purchased and obligations incurred, and for all expenditures undertaken in the performance of the contract which the War Department has canceled.

The third provision provides for the cancellation of the contracts, and provides that within 30 days after the passage of the bill contractors shall file their claims with the War Department, and that thereupon the War Department shall examine them with the machinery that it has, and shall attach to each claim a statement of what the department feels is due. Then the claim, with the attached statement, is to be filed with the commission which this bill creates—a commission of three men appointed by the President, one representing the War Department, one representing the Department of Justice, and one representing the business interests of the country. If the contractor files with the commission at the same time or subsequently an offer to accept the award which the War Department has made, the amount of money shall be paid to him within 10 days,

unless evidence has meanwhile come to the commission that the claim is excessive. That makes this commission of three men responsible, with the aid of the War Department, for any award made. It puts the War Department in a position where none of its officers will be able to render an award for an excessive amount, because what they say is merely a recommendation, and must have the sanction of the commission before the contractor becomes entitled to it. If the contractor refuses to accept the amount, however, the commission shall hear both sides; and if the department already has its evidence ready, and the contractor will have his evidence ready, it is a very simple matter for three business men informally, as the bill provides, to decide what is right, or reasonably so; and when the decision is reached, if the contractor chooses to accept it, he gets his money at once. If he wants to appeal to the Court of Claims, he shall be paid 75 per cent of what has been awarded him, and then the Court of Claims will merely pass upon the disputed part.

Mr. BORAH. Mr. President—

Mr. HITCHCOCK. I yield to the Senator.

Mr. BORAH. This presents the real crux of this legislation, and there is practically no one in the Chamber except those who are committed to the other side of the controversy. I am going to suggest the absence of a quorum. I do not do it for the purpose of delay, but I see nothing to be gained by a discussion when there is practically no one here to hear it.

The PRESIDING OFFICER (Mr. KING in the chair). Does the Senator from Nebraska yield for that purpose?

Mr. HITCHCOCK. I have not any objection, Mr. President.

The PRESIDING OFFICER. The absence of a quorum is suggested. The Secretary will call the roll.

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

Ashurst	Johnson, S. Dak.	Overman	Sutherland
Bankhead	Jones, N. Mex.	Page	Swanson
Beckham	Jones, Wash.	Pittman	Thomas
Borah	Kellogg	Poindexter	Townsend
Chamberlain	Kenyon	Pollock	Trammell
Curtis	King	Pomerene	Wadsworth
Fletcher	La Follette	Robinson	Walsh
France	Lewis	Saulsbury	Warren
Gay	McKellar	Shafroth	Weeks
Gerry	McNary	Sheppard	Williams
Hardwick	Martin, Ky.	Sherman	Wolcott
Henderson	Moses	Smith, Ariz.	
Hitchcock	New	Smoot	
Johnson, Cal.	Nugent	Spencer	

Mr. McKELLAR. I announce the absence of the senior Senator from Tennessee [Mr. SHIELDS] on account of illness.

The PRESIDING OFFICER. Fifty-three Senators have answered to their names. A quorum is present.

Mr. HITCHCOCK. Mr. President, my bill provides that within 30 days after its passage the contractors shall file all their claims with the department; that the department shall use its machinery to make up a statement as to what is due on each claim, and send each claim to the commission; that if the contractor is willing to accept it, within 10 days the money shall be paid him, unless evidence develops that it is excessive; that if he is not willing to accept it, the commission shall promptly hear the case. If he accepts the award by the commission, it shall be paid him. If he declines to accept it, he shall be entitled to 75 per cent and take the balance to the Court of Claims. My bill also provides, however, that no future profits or possible or prospective profits shall be taken into account; that the contractor shall receive simply profits upon what he has delivered to the Government, or remuneration for expenditures which he has incurred in getting ready to perform the contract. In other words, he is to be made good for any expenditures, and have a profit on everything he has delivered.

I have referred to the other bill. The other bill makes the War Department the judge, the tribunal, to try these cases, involving two thousand million dollars and 6,000 contracts. The War Department, which made the contracts, is to be empowered under the present committee bill to try them and to decide on the right and the wrong—not any one man or any three men in the War Department, but possibly 150 or 200 officers, some passing upon one, some passing upon another, and nobody responsible for the result.

I am not disposed to criticize the War Department. I think the War Department, as at present organized, is immensely improved over what it has been; but I do say that the people of the United States who have the taxes to pay will resent the idea of intrusting to this department, composed as it is of so many different branches and officers, the performance of acts which must necessarily be judicial acts in deciding what is due on a contract.

That is not all. This bill contains carte blanche authority to the Secretary of War to validate contracts, even when the contractor has not spent a cent nor delivered a single dollar's worth of goods. In other words, if he has made a contract for \$10,000,000 worth of goods with a contractor, under the first paragraph of section 1 the Secretary of War is authorized to validate that contract, which may be illegal or defective, and carry out the contract, or settle it in any way he pleases.

Is that a proper power for Congress to intrust to the Secretary of War, or anybody else, in dealing with a contractor who has merely received a contract, who has not spent a dollar under it, who has not delivered a dollar's worth of goods under it? Why, it might be a contract entered into only the day before the armistice; and yet in that first paragraph the Secretary of War is given carte blanche authority to validate it, and go on with it as he pleases. Now, I do not think any contract defective in form should be validated unless the contractor has incurred obligations or has spent money on it.

Mr. BORAH. Mr. President—

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

Mr. HITCHCOCK. I yield to the Senator.

Mr. BORAH. Under this authority of which the Senator speaks, could the Secretary of War validate and go ahead and carry out these contracts which we have had up heretofore incidentally with reference to purchasing cantonment sites, and so forth?

Mr. HITCHCOCK. As the bill was first drawn that authority existed. I am inclined to think it has been eliminated, as far as real estate is concerned; but there is practically no limit to the power of the Secretary of War to validate a contract, even when the contractor has not turned a wheel or done a thing toward carrying it out.

Mr. THOMAS. Mr. President—

Mr. HITCHCOCK. I yield to the Senator from Colorado.

Mr. THOMAS. Let me ask the Senator if the last three lines on page 4 of the reprint of the Chamberlain bill do not obviate that criticism?—

That such waiver shall not validate such contract or procurement order in so far as any claim for unearned profits may be involved.

Mr. HITCHCOCK. Mr. President, I do not think they do; and that particular provision is entirely contradictory of a provision later ingrafted into the bill, which provides that profits on the unearned part of the contract may be taken into account. For instance, it says:

That in no case shall any award either by the Secretary of War, the commission, or the Court of Claims include prospective or possible profits on any part of the contract beyond the goods and supplies delivered to and accepted by the United States and a remuneration, which may include a reasonable profit for expenditures and obligations or liabilities necessarily incurred in performing or preparing to perform said contract or order so canceled.

That is directly contradictory to the provisions of section 1, and I do not know how they would be construed.

Mr. THOMAS. Mr. President—

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

Mr. HITCHCOCK. I yield to the Senator.

Mr. THOMAS. I think the provision last read by the Senator applies to contracts which are partially performed, and only those.

Mr. HITCHCOCK. Under one construction of the provision that is so; but I think there is some question about his right even then. In fact, there are now so many contradictions that have crept into the bill that it is not consistent with itself. It was, to my mind, a rather preposterous document the way it was drawn—to create an executive branch of the Government into a tribunal and allow it to award claims of two thousand million dollars by men who are not known to the country, and by a department in which the responsibility for any act is not fixed.

It has been claimed that the advantage of this particular bill is that it would hurry the settlement of these claims. I deny that. The very machinery in the War Department which is depended upon to act as a judicial machinery can and will be used by the department to decide what in its opinion should be paid. If that decision is reached and the contractor accepts it and nothing comes before the commission within 10 days to indicate that it is excessive, the commission will order the payment and be responsible for the payment; and the country will know that this commission, composed of three men named by the President and confirmed by the Senate, has ordered the payment.

But that is not all of the very extraordinary provisions of the committee bill.

After creating the War Department into a tribunal to hear and try and pass upon and render a decision on its own contracts, to which it was a party, this extraordinary bill provides that the Department of Justice, another executive branch of the Government, may appeal to the commission from the decision of the War Department—a most contradictory and preposterous situation, having one executive branch of the Government step in and censor another branch of the Government and appeal from it. It will compel the Department of Justice to examine all of the contracts made by the War Department, if it performs its duty to the public.

Mr. TOWNSEND. Mr. President—

Mr. HITCHCOCK. I yield to the Senator from Michigan.

Mr. TOWNSEND. May I ask the Senator what is the shortest time, under his bill, within which claims may be paid?

Mr. HITCHCOCK. The shortest time under my bill might be 15 days. A contractor is permitted to file his claim with the War Department within 30 days after this bill passes. The War Department says it has machinery to say what is due on it. It says it can act quickly. If it can, it can attach to that claim a statement of what it says is due, and file it with the commission. If the contractor accepts it, it can be paid within 10 days. If the contractor objects to it, then it will be heard by the commission.

Mr. TOWNSEND. Has this commission an indefinite life?

Mr. HITCHCOCK. No; one year.

Mr. TOWNSEND. It could not be continued, then, like the old Spanish War Claims Commission, for a number of years?

Mr. HITCHCOCK. Not with my consent. I believe that a commission of men giving their whole time to the matter can pass upon all the controverted questions. I believe that a very large percentage of the decisions reached by the War Department, when they say "So much is due on this contract," will be accepted by the contractors, and they will be ordered paid by the commission within 10 days; and if the contractor is not willing to accept that amount he can take 75 per cent of it and appeal the rest.

To my mind, it is a very important matter that these cases should be heard quickly; it is a very important matter that whatever is due these contractors should be paid to them soon; but it is also a very important matter that the Congress of the United States should avoid giving an executive department of the Government, composed of so many officers whose names are not known to the public, *carte blanche* authority to settle these contracts and compound them.

My bill deals only with the six or seven thousand contracts that are invalid now. It deals only with the contracts that the Secretary of War cancels. It gives money to the contractor only when he has expended money upon the good faith of the contract which he has made. But this committee bill, as it is proposed here, authorizes the Secretary of War to validate any contract in writing, however defective, even if the contractor has not expended a dollar under it or delivered a dollar's worth of goods to the Government; and I say that is giving too much power to any executive officer. Of course, too, as the Senator from Tennessee [Mr. McKellar] says, the worst part of it is that we do not intrust it to the Secretary of War. There are so many of these cases that when we say "the Secretary of War" we mean perhaps 20, 30, 40, or 50 different officers under him, to each one of whom these matters may be assigned. It is an irresponsible way of reaching decisions, in a manner which is just going to open the door to all sorts of fraud and favoritism.

Naturally this department, with all these various officers, has its favorites, its prejudices, and its friendships. I do not think it is right for these unnamed individuals to be given in this bill *carte blanche* authority to act as judges in cases on which they have already passed.

The committee could not very well avoid the commission idea which the Senator from Tennessee [Mr. McKellar] and I have introduced into the bill, but they make it a commission of appeals, and make the difficulties of appeal so great that there is no protection for the public. There is no appeal unless the Department of Justice steps into the War Department and makes an appeal. A real affront has got to be perpetrated by the Department of Justice against the War Department in order to protect the public where an appeal is necessary.

There is only one way, in my opinion, Mr. President, for this legislation to be done safely, and that is to do as we did after the Civil War, create a responsible commission to hear these cases, to give to the War Department full machinery to decide cases quickly, to provide for the earliest possible payment to the individual, and if he is not satisfied with all of it give him 75 per cent of what the commission awards and let him appeal on the balance.

Mr. LENROOT and Mr. McKellar addressed the Chair.

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

Mr. HITCHCOCK. I yield to the Senator from Wisconsin. I think he rose first.

Mr. LENROOT. I am informed that during my absence from the Chamber the Senator argued that the amendment adopted yesterday at my instance, excepting from the validation of contracts any unearned profits, was inconsistent with the McKellar amendment, which permitted a reasonable profit upon expenditures and obligations actually incurred. Am I correct in that?

Mr. HITCHCOCK. It struck me as inconsistent, although it might be construed as applying only to this particular paragraph.

Mr. LENROOT. It does; but even applied to that paragraph it is not at all inconsistent, because where the expenditures are made profits may be earned and would be earned; and in allowing under the McKellar amendment a reasonable profit, it is an earned profit we are allowing and not an unearned one.

Mr. HITCHCOCK. That is not an important matter.

Mr. McKellar. I suppose it is in order now to perfect the amendment of the Senator from Nebraska. I will ask the Senator to take the print of the committee bill as amended and turn to page 11. I desire to offer section 3 of the committee bill as amendment No. 1, to come in its regular order, section 4 of the committee bill to come in its regular order, and section 5, on page 14 of the committee bill, to come in its regular order, as amendments to the bill; then, on page 3, the proviso at the bottom of the page, being a part of the House bill as amended by the Senate this morning. I offer those four as amendments to the Senator's bill, and I hope he will accept them.

Mr. HITCHCOCK. I understand that the amendments to which the Senator from Tennessee refers are all amendments that have been put in upon the floor of the Senate as safeguards to the committee bill.

Mr. McKellar. That is true.

Mr. HITCHCOCK. I am willing to accept them.

The SECRETARY. Insert section 3 as amended in Committee of the Whole, all of section 4, and all of section 5, with the proviso added at the end:

Provided further, That the names of such contractors—

And so forth.

Mr. McKellar. That is right. The amendments have been accepted. Let the Chair put the question.

The PRESIDING OFFICER. The Chair understands that the Senator from Nebraska accepts the amendments offered by the Senator from Tennessee as parts of his amendment.

Mr. HENDERSON. I also ask the Senator from Nebraska if he will accept the amendment I offered, which was also adopted.

Mr. HITCHCOCK. I am willing to accept the amendment of the Senator from Nevada which he offered and which was adopted by the Senate.

Mr. McKellar. The subcontractor's amendment was not put in. I call the attention of the Senator from Ohio, if he desires to put it in.

Mr. POMERENE. I certainly do.

Mr. McKellar. I think it ought to go in.

Mr. POMERENE. There were two amendments which I had offered to section 4.

Mr. HITCHCOCK. I will accept both of those. They have been adopted by the Senate and are properly a part of the bill, just the same as they were of the other bill.

The PRESIDING OFFICER. The Chair understands that the Senator from Nebraska has accepted all the amendments referred to by the Senator from Tennessee, the Senator from Ohio, and the Senator from Nevada.

Mr. CHAMBERLAIN. Mr. President, I am not going to object to the acceptance of any of these amendments to the so-called Hitchcock bill, but I think that they ought to be discussed separately before they are accepted, because I question very much if some of them will fit into the terms of the pending Hitchcock amendment. However, if the Senator from Nebraska is willing to accept them as they are I make no objection.

The PRESIDING OFFICER. Without objection, the amendments suggested will be considered as having been accepted as a part of the original amendment of the Senator from Nebraska.

Mr. CHAMBERLAIN. Mr. President, the criticisms which the Senator from Nebraska levels against the bill which has been pending in the Senate for the last two days, that it is a jumble and unintelligible, will more than apply to his proposed amendment with the amendments which have been adopted and which do not fit into the bill which he has before the Senate now.

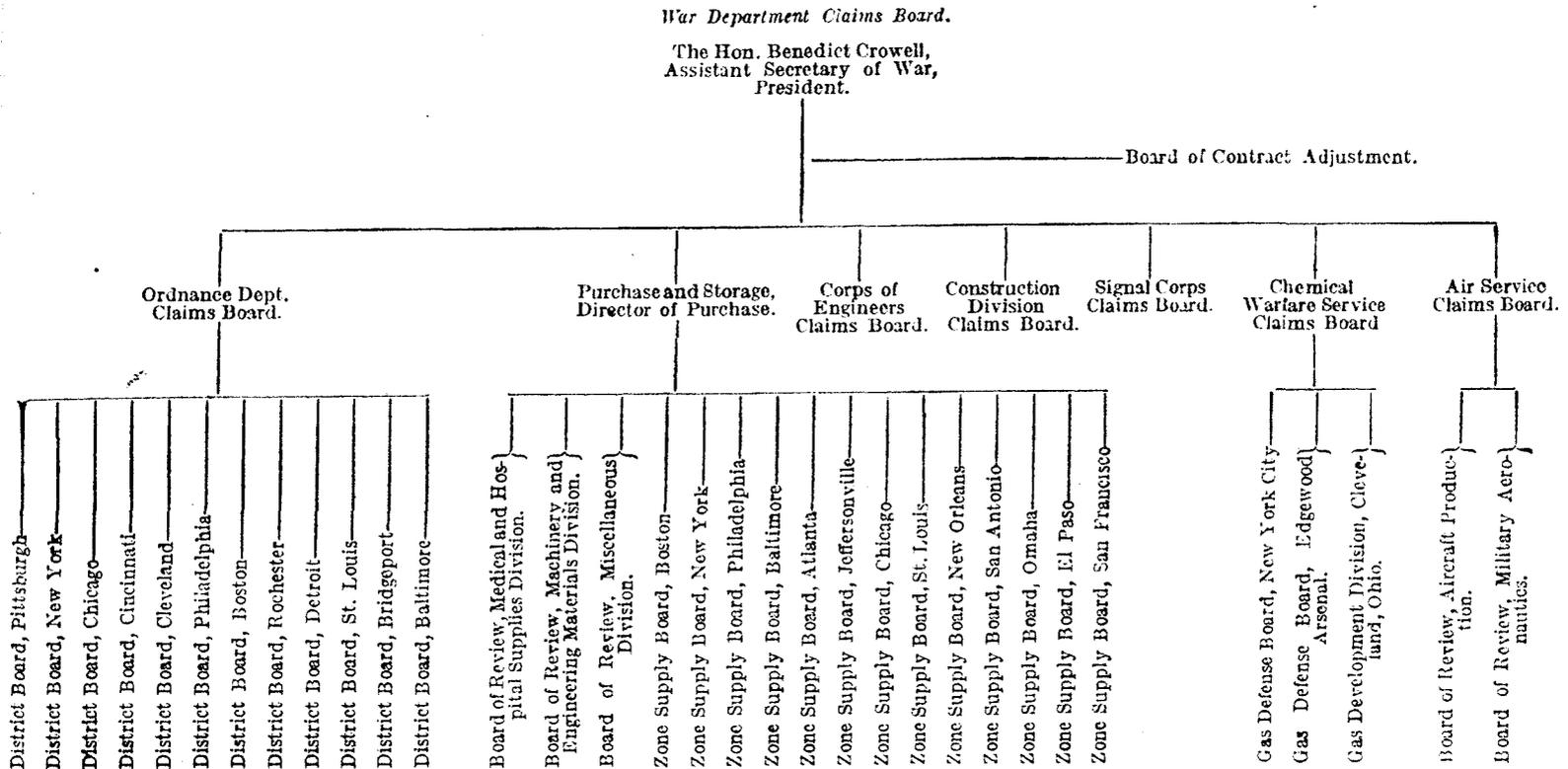
Mr. President, I have not yet called the attention of the Senate to the tribunal which is to adjust these claims. The Senator from Nebraska makes the sweeping charge that there has been turned over to the War Department, an executive or administrative branch of the Government, the determination of matters which have been illegally done by them, and wherever illegality is found it is due to the inefficient methods of that department.

Mr. President, that is not entirely correct. In order to show exactly the tribunals which adjust these claims and that have been working on them since the 11th day of November I present

and ask to have inserted in the Record a diagram showing the different tribunals that are adjusting these claims now that are sought to be validated by the pending measure. It takes a vote of the Senate to permit the diagram to go into the RECORD.

The PRESIDING OFFICER. The Senate has heard the motion of the Senator from Oregon that the diagram which he presented shall go into the RECORD as a part of his remarks. [Putting the question.] The ayes have it, and the motion is agreed to.

The diagram referred to is as follows:



Mr. CHAMBERLAIN. Mr. President, let me call attention to the fact that the Hitchcock bill does not validate any claims. As a part of that diagram and to go in juxtaposition with it I ask to have inserted in the RECORD the list of persons who constitute the several boards and the titles of the boards which are to hear and determine these claims.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon? The Chair hears none, and it is granted.

The matter referred to is as follows:

List of boards supervising and passing upon the adjustment of contracts in the War Department.

WAR DEPARTMENT CLAIMS BOARD.

President, Hon. Benedict Crowell, the Assistant Secretary of War, director of munitions.

Mr. G. H. Door, assistant director of munitions.

Brig. Gen. George W. Burr, assistant to Maj. Gen. Goethals, director of purchase, storage, and traffic.

Brig. Gen. Herbert M. Lord, director of finance, purchase, storage, and traffic division.

Lieut. Col. Herbert H. Lehman, assistant to Maj. Gen. Goethals, director of purchase, storage, and traffic.

Special members: Mr. W. H. Davis, Col. C. A. McKenney, Maj. H. L. Goodhart, Maj. Harry D. Rawson, Capt. Arthur Day.

Recorder: Maj. Erskine Bains.

The function of this board is to supervise and coordinate the work of contract adjustment throughout the department. Through its special representatives sitting with the bureau boards all contract adjustments of the department are subject to its scrutiny and approval, and adjustments involving matters of policy and of particular difficulty and importance are brought before the full board for decision.

BOARD OF CONTRACT ADJUSTMENT.

Lieut. Col. Herbert H. Lehman, assistant to Maj. Gen. Goethals, director of purchase, storage, and traffic.

Lieut. Col. E. F. Malone.

Lieut. Col. C. B. Garnett.

This board passes on the questions of contract adjustment on which the contractor and the local and bureau boards of the department have been unable to reach agreement.

ORDNANCE BUREAU.

Ordnance claims board: Brig. Gen. W. S. Peirce, Col. R. P. Lamont, Col. G. H. Stewart, Col. Earl McFarland, Maj. John R. Delafield. This board reviews the action of the ordnance district boards.

DISTRICT CLAIMS BOARD.

1. Baltimore—Maj. A. V. Barnes, Capt. R. W. Smith, Maj. L. B. Webster, Capt. F. E. Baldwin, Mr. J. J. Nelligan, Mr. E. G. Baetjer.

2. Bridgeport—Maj. B. A. Franklin, Maj. Frederick Payne, Capt. Miller Brainard, Charles G. Sanford, Edmund C. Wolfe, David H. Day, Charles W. Graham.

3. Boston—Levi H. Greenwood, Lieut. Col. O. S. Lyford, Maj. Herbert S. Brussel, Maj. A. S. Douglass, Mr. Stuart W. Webb, Mr. Charles M. Davenport, Mr. Atherton D. Converse.

4. Chicago—Mr. Edmund A. Russell, Lieut. Col. E. E. Arison, Maj. Frank R. Bacon, Mr. James W. Lyons, Mr. John J. Mitchell, Maj. F. R. Schenck, Mr. George S. Pines.

5. Cincinnati—C. L. Harrison, George S. Raydock, B. W. Lamson, R. K. Leblond, O. De Gray Vanderbilt, Carl M. Jacobs, Stanley G. Rowe, F. H. McClellan.

6. Cleveland—Samuel Scovil, W. B. McAllister, Phillip P. Merrill, Amos B. McNairy, Joseph H. Scobell, Judge Thomas H. Strimple, Maj. M. F. Loomis.

7. Detroit—F. J. Robinson, C. C. Huyette, C. C. Jenks, Maj. C. W. Owston, Maj. P. C. Thomas, Henry M. Campbell, Maj. S. L. Depew, Capt. J. G. Dalglish.

8. New York—Mr. G. J. Roberts, Maj. C. S. Reed, Mr. B. Goldsmith, Maj. C. C. Smith, Mr. R. A. C. Smith, Lieut. Col. Arthur Adams.

9. Philadelphia—John C. Jones, Capt. Malcolm F. Ewen, Maj. R. M. Appleby, Isaac Hathaway Francis, Maj. F. M. Masters, John Dickey, jr., Mr. Alexander H. Carver.

10. Pittsburgh—R. M. Drave, Maj. H. B. Scovil, Maj. J. F. Drake, Harrison Nesbitt, George S. Oliver, Charles Gulantz.

11. Rochester—Frank S. Noble, Maj. J. L. Crane, Mr. Langdon Albright, Maj. J. J. O'Connell, Mr. Herbert J. Sinn, Joseph W. Taylor, George A. Carnshan.

12. St. Louis—Mr. M. E. Singleton, Maj. E. S. Ready, Maj. B. S. Bope, Mr. W. F. Carter, Mr. C. W. Nelson, Mr. Davis Biggs.

OFFICE OF THE DIRECTOR OF PURCHASE AND STORAGE.

All final contract agreements or settlements are personally approved by Brig. Gen. William H. Rose, Director Purchase.

Board of Review for Termination Agreements handled by the following divisions under the office of the director of purchase: Clothing and Equipage Division, General Supplies Division, Subsistence Division, Remount Division, Motors and Vehicles Division, Raw Materials Division—Col. H. S. Kilbourne, Capt. William E. Lee, Capt. R. D. Stephens.

Board of Review for Medical and Hospital Supplies Division, office of the director of purchase—Lieut. Col. J. F. Fletcher, Capt. J. Van Patten, jr., Maj. Frank L. McCartney, Maj. G. W. Wallerich, Capt. Harry G. Gunther, Capt. John C. Schweiger.

Board of Review for Machinery and Engineering Materials Division, office of the director of purchase—Col. Earl Wheeler, Lieut. Col. J. E. Long, Maj. George A. Bentley, Maj. Ira D. Hough, Maj. H. W. Eels, Maj. C. B. Loomis, Maj. H. McC. Yost, Capt. B. H. Arnold.

ZONE BOARD OF REVIEW.

Atlanta, Ga., Transportation Building—Maj. G. M. Alden, Quartermaster Corps; Maj. L. M. Thibadeau, Quartermaster Corps; Maj. E. de T. Ellis, Infantry; Capt. J. A. Graham, Quartermaster Corps.

Boston, Mass., 108 Massachusetts Avenue—Maj. J. W. Blunt, Quartermaster Corps; Maj. W. H. Rhoads, Quartermaster Corps; Capt.

Leroy Holder, Quartermaster Corps; First Lieut. A. A. Lucey, Quartermaster Corps; Mr. George E. Barnard.

El Paso, Tex.—Capt. F. C. Allen, Quartermaster Corps; Capt. F. C. Shelley, Quartermaster Corps; Mr. W. H. Dent.

Jeffersonville, Ind., Meigs Avenue—Maj. M. T. Levey, Quartermaster Corps; Maj. L. L. Sims, Quartermaster Corps; First Lieut. Henry Firtle, Quartermaster Corps; First Lieut. L. C. Clarke, Quartermaster Corps.

New Orleans, La., Audubon Building—Maj. P. T. Murphy, Quartermaster Corps; Maj. E. I. Sharp, Quartermaster Corps; Capt. F. L. Hester, Quartermaster Corps; Second Lieut. S. Roccaforte, Quartermaster Corps; Mr. Benjamin Coswell Cassenas.

Omaha, Nebr., Army Building—Maj. William H. Faringly, Quartermaster Corps; Lieut. Col. F. P. Holcombe, Quartermaster Corps; First Lieut. George E. Comins, Quartermaster Corps; Mr. C. E. Adams, Inspector, Quartermaster Corps; Mr. Fred S. Knapp.

Philadelphia, Pa., Twenty-first and Oregon Avenue—Maj. Remi Hueper, Quartermaster Corps; Maj. Archibald H. Bronson, Quartermaster Corps; Maj. Herbert Knox Smith, Quartermaster Corps; Maj. James M. Taft, Quartermaster Corps; Capt. Otis S. Carroll, Quartermaster Corps.

St. Louis, Mo., Second and Arsenal Streets—Maj. R. Field, United States Army, retired; Maj. J. W. Byrnes, Quartermaster Corps; Capt. J. P. Keleher, Quartermaster Corps; Second Lieut. G. Rosenbaum, Quartermaster Corps; Mr. A. J. Davis.

San Antonio, Tex., General Supply Depot—Maj. E. O. Baldwin, Quartermaster Corps; Maj. T. O. Baker, Quartermaster Corps; Capt. E. N. Purvis, Quartermaster Corps; First Lieut. E. A. Mechling, Quartermaster Corps; Mr. Ray Mackey.

Chicago, Ill., 1819 West Thirty-ninth Street—Col. Roy B. Harper, Cavalry; Capt. J. M. Griffith, Quartermaster Corps; Capt. John A. Bussan, Quartermaster Corps; Mr. Frederick C. Hack; Maj. E. J. Zimmerman, Quartermaster Corps; Maj. E. H. Caswell, Quartermaster Corps; Maj. George F. Mayer, Quartermaster Corps; Capt. J. C. Shugert, Quartermaster Corps; Capt. H. M. Rodgers, Quartermaster Corps; Capt. E. A. Hey, Quartermaster Corps; Capt. Edward Rosing, Quartermaster Corps; Capt. George H. Bussman, Quartermaster Corps.

San Francisco, Cal., Fort Mason—Maj. Gen. C. A. Devol, United States Army; Col. Charles A. Varnum, United States Army, retired; Mr. Clay Miller.

San Francisco, Cal.—Mr. William Thomas; Mr. Milton H. Esbert.

Baltimore, Md.—Maj. D. W. O'Neil; Maj. J. L. Beattie; Capt. S. T. Griffith.

New York, N. Y.—Lieut. Col. Benjamin I. Jacobson, Maj. Joseph E. Lee, Quartermaster Corps; Mr. William R. Collins; Mr. John H. Love; Mr. Henry Itleson; Second Lieut. William C. Lovett, Quartermaster Corps.

Washington, D. C., Seventeenth and F Streets NW.—Capt. W. J. Schaefer, Quartermaster Corps; Maj. H. A. Barnard, Quartermaster Corps; Capt. C. F. Young, Quartermaster Corps; Capt. R. A. Burbank, Quartermaster Corps; Mr. Ben J. Miller.

SIGNAL CORPS.

Board of Contract Review—Lieut. Col. R. H. Morse, Maj. R. A. Klock, Maj. J. R. Whitehead, Capt. Lawrence Thompson, Capt. S. M. Conant, Capt. W. S. Kelly, Capt. Milliau.

CHEMICAL WARFARE SERVICE.

Board of Review—Maj. Gen. W. L. Sibert, Col. N. T. Bogart, Maj. C. C. Combs, Capt. William K. Jackson, Capt. H. S. Brown.

Board of Review, Gas Defense, New York City—Col. Besse, Maj. Schuit, Capt. Kay, Lieut. Mitchell.

Board of Review, Gas Offense, Edgewood Arsenal—Col. William H. Walker, Maj. E. E. Free, Capt. R. D. Gordon.

Board of Review, Gas Development Division, Cleveland—Col. Dorsey.

AIR SERVICE.

Board of Review of the Bureau of Aircraft Production—Lieut. Col. A. C. Downey, Lieut. Col. H. S. Brown, Lieut. Col. F. E. Smith, Capt. F. B. Schnacke, Capt. S. M. Wiley.

Board of Contract Review of Division of Military Aeronautics—Lieut. Col. Harold Bennington, Maj. Edw. Burns, Maj. W. G. Roberts, Capt. Otis Van der Mark, Capt. William G. Dean.

ENGINEER CORPS.

Board of Contract Review—Maj. C. M. Goodrich, Capt. H. L. Beach, Capt. M. B. Keeler, Capt. J. B. Hall, Capt. Grove Ketchum.

CONSTRUCTION DIVISION.

Board of Review—Col. J. N. Willcut, Lieut. Col. J. N. Pease, Lieut. Col. H. F. Durant, Lieut. Col. L. L. Calvert, Maj. H. J. Burke, Maj. C. F. Neff, Maj. L. G. Kelly, Capt. C. N. Foster, Capt. William B. F. Manice, Capt. J. B. Hudgins.

Mr. CHAMBERLAIN. The highest tribunal of all is the War Department claims board. The Senator from Nebraska has said if the settlement or the final adjudication of claims had been left to the Secretary of War he would not make any objection to such proceeding. The bill that is pending does that very thing and vests the final adjudication of these claims in the following gentlemen, who constitute the War Department claims board:

Benedict Crowell, the Assistant Secretary of War, Director of Munitions; G. H. Dorr, Assistant Director of Munitions; Brig. Gen. George W. Burr, assistant to Maj. Gen. Goethals, Director of Purchase, Storage, and Traffic; Brig. Gen. Herbert M. Lord, Director of Finance, Purchase, Storage, and Traffic Division; Lieut. Col. Herbert H. Lehman, assistant to Maj. Gen. Goethals, Director of Purchase, Storage, and Traffic; and the following special members: W. H. Davis, Col. C. A. McKenney, Maj. H. L. Goodhart, Maj. Harry D. Rawson, Capt. Arthur Day, and Maj. Erskine Bains, recorder of the War Department Claims Board.

The function of this board is to supervise and coordinate the work of contract adjustment throughout the department. Through its special representatives sitting with the bureau boards all contract adjustments are subject to its scrutiny and approval, and adjustments involving matters of policy and of

particular difficulty and importance brought before the full board for decision. The War Department has had functioning in the different districts, in the adjustment of these claims, the district board in Pittsburgh, the district board in New York, the district board in Chicago, the district board in Cincinnati, the district board in Cleveland, the district board in Philadelphia, the district board in Boston, the district board in Rochester, the district board in Detroit, the district board in St. Louis, the district board in Bridgeport, and the district board in Baltimore, all of which come under the Ordnance Department claims board.

These district boards adjudicate the claims which are supervised by the Ordnance Department claims board. Before the finding is finally acted on it goes up to the board of contract adjustment, and from them to the War Department proper. The names of the officers and civilians composing all these boards are inserted in the RECORD.

There must be, in the very nature of things, on these several boards that have to do with ordnance, some honest men in the War Department and in the Army and some honest men who are appointed from civil life. So matters or claims in dispute in the Ordnance Department go through all these district boards, and through them to the higher board, and from that board to a still higher board, and from that to the Assistant Secretary of War, to civilians and officers who occupy that final adjustment board.

Mr. HITCHCOCK. Will the Senator permit an interruption?

Mr. CHAMBERLAIN. Yes.

Mr. HITCHCOCK. The Senator's description of the way claims go from one board to another and from one officer to another is exactly like the work he and I have been criticizing—the paper work in the department, red tape by which a thing that is a mere formal matter has gone from one department to another for weeks.

Mr. CHAMBERLAIN. That is not correct in reference to the position I have heretofore taken.

I call attention to these things to show that if you adopt any other policy than that outlined in the bill pending before the Senate and known as the committee bill you will not within the year, I venture to say, get any of these claims adjusted.

I am going to call attention to one peculiarity in the so-called Hitchcock amendment in this connection in a short while.

Now, taking the director of purchases, there come under him board of review medical and hospital supply division; board of review machinery and engineering, materials division; board of review miscellaneous division; the zone supply board, Boston; the zone supply board, New York; the zone supply board, Philadelphia; and all these other cities where there are regional boards; and the names of those gentlemen are inserted in the RECORD.

Over these several boards that I have just mentioned, covering other things than the Ordnance Department, there is a director of purchase and storage. He is above them and scrutinizes the findings of these different boards. Still above him is the board of contract adjustment and the War Department proper; so that these contracts pass under the scrutiny of all these regional and zone boards and then up through to the War Department. Then, there are still other boards covering other supply departments of the Government where contracts have been let, and the names of these several boards are given and will be published in the RECORD. I invite the attention of the Senate to the names of these men, because they represent the very highest intelligence of the Army and the highest intelligence of civil life in the communities where these several boards are located.

The peculiar thing about the so-called Hitchcock bill is this, Mr. President: It trusts the War Department absolutely up to a certain point. The Senator criticizes leaving these matters to the War Department; yet up to a certain point he trusts absolutely in the functioning of the War Department, and then branches off on an inconsistent proposition of creating a commission to do again what he has practically intrusted the War Department to do up to a certain point.

I call the attention of the Senate to the provision of the Hitchcock bill to which I am now referring. Section 3 of the bill provides:

Each claim shall thereupon, or as soon as possible, be transmitted to and filed with the commission hereinafter provided for, together with a statement attached thereto showing the amount, if any, which the War Department deems to be justly due to said claimant.

So it allows the War Department to adjust these claims and say how much is due. Now note:

If the claimant shall file a statement offering to accept the amount awarded by the War Department in full for said claim, the commission shall, within 10 days, order the same paid in the absence of evidence that it is excessive.

Up to that point the measure of the Senator from Nebraska absolutely indorses and approves all that the War Department

and its subordinate boards pass upon. Up to that point there is practically little difference between the two bills except that the bill of the Senator from Nebraska does not validate any of these claims which it is sought to validate because of some irregularities in their execution or other irregularities which the act specifically points out. Section 4 of the Senator's bill provides:

SEC. 4. That for the adjustment of all claims arising out of the cancellation of contracts, orders, and agreements for supplies or materials of war, as described in the foregoing paragraphs of this act, there is hereby created an adjustment commission to be composed of three members to be appointed by the President and confirmed by the Senate, one representing the War Department, one representing the Department of Justice, and one representing the business interests of the country, none of whom shall be interested in any contracts with the Government or have an interest in any firm or corporation having war contracts, who shall hold their offices for one year and receive as compensation a salary of \$10,000 each. It shall be the duty of said commission promptly to examine and pass upon all claims for compensation and reimbursement arising out of cases as set forth in this act for supplies furnished, expenditures or obligations necessarily incurred, or materials purchased under faith of contracts in legal form or orders received from officers and agents of the Secretary of War as heretofore set forth.

In other words, while the bill pretends in one section to adopt the action of the War Department and its subordinate boards, in another provision it practically provides that all these things must be reinvestigated and adjudicated by the commission which the bill proposes to create. So even if the first section of the Senator's bill, approving the action of the War Department, were in force, it is inconsistent with section 4 which requires this board or commission to reinvestigate and report on these claims. In other words, it would require the board created by his bill to reinvestigate all of the claims that have been filed by the commission, and in the very nature of things do over again exactly the thing that the War Department has done through its officers and agents.

Mr. HITCHCOCK. The Senator does not mean to say that the commission is compelled to try all of the claims when the contractor and the War Department agree?

Mr. CHAMBERLAIN. It says so in section 4.

It shall be the duty of said commission promptly to examine and pass upon all claims.

Mr. HITCHCOCK. It passes on them, and they are instructed when the War Department and the constructor agree that payments shall be made within 10 days.

Mr. CHAMBERLAIN. I am calling attention to the inconsistency of it.

Mr. HITCHCOCK. There is no inconsistency.

Mr. CHAMBERLAIN. Absolutely there is.

Mr. HITCHCOCK. It passes on each one and orders it to be paid within 10 days.

Mr. CHAMBERLAIN. Taking the bill by the four corners and reading it, it requires this commission to reinvestigate every claim that the officers of the War Department have already adjudicated or adjusted with the party.

Mr. President, the hour is so late that I do not care to go into a further comparison of the two bills. The only serious difference between the two is that the Senator's bill provides for the creation of a commission that shall investigate all these claims, and that commission can not get to functioning before the 1st of July; while the bill which the Senate has practically adopted to-day provides that the War Department, through its agencies, shall adjudicate these claims, and there is the right of appeal to the aggrieved party.

It seems to me, Mr. President, that the only sensible and efficient way to adjust these claims is through the agencies that the War Department has created, and which have practically determined these matters now except in some instances where there will be more or less of litigation.

Mr. HITCHCOCK. Before the Senator sits down will he not state what is his opinion of the power given in the first paragraph of the bill to the Secretary of War to validate the contracts upon which no money has been expended and the contractor has delivered no goods?

Mr. CHAMBERLAIN. There is no provision in the bill which authorizes that. There is the provision which authorizes what ought to be authorized. If a man, acting upon the representations of an agent of the War Department or acting upon the authority of the War Department, has given an individual or a firm or a corporation an order and that individual, firm, or corporation has gone to work and made some expenditures but has not delivered a dollar's worth of goods to the Government the contract ought to be validated and the man, firm, or corporation ought to be paid what he or it is reasonably entitled to receive for expenditures made.

Mr. HITCHCOCK. But this paragraph does not cover such a case.

Mr. CHAMBERLAIN. But the bill does in its entirety, does it not?

Mr. HITCHCOCK. No; this paragraph proposes to authorize the Secretary of War to validate contracts, although no money has been expended and no property delivered.

Mr. CHAMBERLAIN. I wish the Senator would call my attention to that.

Mr. HITCHCOCK. I will read it to the Senator. The language is:

That whenever during the war emergency and prior to November 12, 1918, any individual, firm, company, corporation, or foreign government has made an agreement with the Secretary of War, or with any officer or agent acting under his authority, or with any agency of the Government authorized to procure for the War Department, for the production, manufacture, sale, acquisition, or control of equipment, materials, or supplies, or for services, or for facilities, or other purposes connected with the prosecution of the war, and such agreement was reduced to the form of a contract or accepted procurement order and executed or signed on behalf of the Government, but the agreement did not comply with statutory requirements, in every such case the Secretary of War is authorized and directed to waive, on behalf of the Government, such noncompliance—

Mr. CHAMBERLAIN. But there is a proviso.

Mr. HITCHCOCK. It continues:

Provided, That he finds such waiver is not inconsistent with the public interest, and in this event the said agreement shall have the same validity and effect it would have had if such statutory requirement had been complied with.

Mr. CHAMBERLAIN. There was an amendment to that, as the Senator from Nebraska will observe, which fully protects the Government in relation to claims of that sort.

Mr. HITCHCOCK. It reads:

And provided further, That such waiver shall not validate such contract or procurement order in so far as any claim for unearned profits may be involved.

Mr. CHAMBERLAIN. There is not a single word in the bill which the Senator has read which validates any claim where nothing whatsoever has been done by a contractor with the Government.

Mr. HITCHCOCK. There is no limitation on whether a contractor has entered upon the contract or not. It gives the Secretary of War absolute authority to validate a contract that is still absolutely in the future and toward which the contractor has done nothing at all.

Mr. CHAMBERLAIN. I insist that it does not.

Mr. HITCHCOCK. It takes the power of legislation away from Congress, where it now is, and places it with the Secretary of War. If a man has a contract for a million shells that was made on the last day of the armistice and not a thing had been done about it, the Secretary of War can validate it, and that contract will go into effect.

Mr. CHAMBERLAIN. But would the Secretary of War be foolish enough to validate a contract entered into between him or his agents and a party who promised to manufacture a million shells and had done absolutely nothing in the performance of that contract? If he would do such a thing as that, or his agents would do such a thing as that, he or they ought to be impeached or court-martialed; but if a man has made a contract with the Government to manufacture a million shells and has not manufactured a single shell, but in order to perform the contract had done work and put up buildings, he ought to be compensated for his expenditure. There is not any question about that.

Mr. WILLIAMS. Mr. President, if the Senator from Oregon will pardon me, the very language of the bill is "an agreement."

Mr. CHAMBERLAIN. Yes; an agreement, contract, or order.

Mr. WILLIAMS. Yes; an agreement. The man who has a contract with the Government must be kept safe upon his agreement.

Mr. CHAMBERLAIN. Certainly; there is no doubt about that, I will say to the Senator from Mississippi.

Mr. President, there is nobody who is connected with this Government, there is no officer or agent of the Government, who would for a moment consider a contract that had been entered into between the Government and a contractor when nothing on earth had been done. That is the case the Senator from Nebraska undertakes to put. Even if a contract had been validly entered into, the right of cancellation exists, and a sane and sane Secretary of War or a sane officer of the Army would see to it that such a cancellation was had; but if an expenditure was made for preparation for manufacture and yet no goods delivered under the contract the contractor would be entitled to receive some compensation or remuneration for the expenditures actually made. That is the extent to which this bill goes, but the bill of the Senator from Nebraska does not even validate any contract. It simply says it shall not invalidate them, but it does not validate the contracts.

The remaining paragraph of this bill validates other contracts partially executed or improperly executed. Taking the

bill together, it fully protects not only the right of the contractor but the right of the Government; but under the provisions of the bill of the Senator from Nebraska these matters can not be adjusted, I venture to say, inside of six months or a year. In the meantime men will be going out of employment; and not only that, but men who have performed these services for the Government in manufacture, and so forth, will probably go into bankruptcy.

Mr. MCKELLAR. Mr. President, just for a moment I want to explain to the Senate the precise difference between these two bills, if I may. The War Department is, of course, responsible for our having to legislate at all. Let us all remember that. It has failed to make proper contracts, and it is for the relief of the contractors that this legislation is proposed. We are to validate that which the War Department has failed to do.

Our committee, when the matter first came up, turned the subject of the validating of contracts over to a subcommittee, which was composed of the Senator from New Jersey [Mr. FRELINGHUYSEN], the Senator from Nebraska [Mr. HITCHCOCK], and myself. We worked faithfully on the matter. We heard testimony, and we reported what is known as the Hitchcock bill back to the full committee, and the full committee unanimously reported that bill to the Senate. Since that time various gentlemen have felt that there ought to be changes made.

Mr. FLETCHER. Will the Senator allow me to interrupt him?

Mr. MCKELLAR. Just one moment, and I will do so. I have something on my mind that I want to tell the Senate, and when I get relieved of that I shall be delighted to yield.

The committee reported unanimously the Hitchcock bill, but the War Department felt that that was taking this matter out of their hands, and a measure was presented which put it entirely back into their hands. However, finding that that could not possibly pass, they then apparently yielded to the demand for a commission, and provided for an appellate commission. That appellate commission is embodied in the Chamberlain bill.

The difference between the two commissions is that if you pass the Hitchcock bill you turn the settlement of all these matters over to a fair and an impartial tribunal. If you vote for the Chamberlain bill you turn about 95 to 99 per cent of the contracts back into the hands of the War Department, whose negligence is the cause of this proposed legislation. It is up to you to say whether you are going to do it or not. If you want to say that the War Department has done its duty in the matter and are willing to stand by the War Department, pass the bill which was last reported by the committee. If you want to see that every one of the contractors gets fair and impartial treatment before a commission to be appointed by the President and confirmed by the Senate, not one that has simply appellate jurisdiction—and it is very hard to get that appellate jurisdiction under the terms of the Chamberlain bill, as it is called—if you merely want to turn over a few cases to this commission, with a technical jurisdiction, you should vote for the Chamberlain measure. If you want to turn it all over to a commission to do fair, even, and equal justice as to all these claims, vote for the Hitchcock bill, as I propose to do.

The Senator from Oregon says: "Here is all this machinery in the War Department." They have that machinery in the War Department; all those boards have been in existence for quite a long time in the War Department; but if they do not act with more care in the carrying out of the authority we are proposing to give them now than they have in executing these contracts I am afraid we are engaging in a very poor business in turning the matter over to them.

Mr. CHAMBERLAIN. Mr. President, the Senator wants to be fair.

Mr. MCKELLAR. Certainly.

Mr. CHAMBERLAIN. Will he permit me to interrupt him?

Mr. MCKELLAR. Yes.

Mr. CHAMBERLAIN. They have been in existence only since the armistice; and since that time they have practically reached an agreement with nearly all of the contractors.

Mr. MCKELLAR. The Senator is mistaken. The matter is in the hands of precisely the same men, the same officers, and the same boards as heretofore, with one exception, namely, that since the armistice the Secretary of War has appointed three gentlemen whose names I do not remember—they may be very excellent gentlemen—to constitute an appellate commission. I doubt if there is a Senator here who can remember the names of those three men.

Mr. CHAMBERLAIN. May I say to the Senator—

Mr. MCKELLAR. In just one moment. The Secretary of War appointed this commission, notwithstanding the order of November 11. If they were appointed before November 11, I do not know, and if they were he, of course, did not violate

the order; but if they were appointed since that time they were appointed officers of the Army, and it is a board composed of Army officers appointed especially for the purpose of sitting on these cases. Now, let us see what they do.

Mr. CHAMBERLAIN. May I interrupt the Senator?

Mr. MCKELLAR. Certainly.

Mr. CHAMBERLAIN. The Senate will probably not be able to secure a vote on this bill this afternoon, and I desire Senators to look at the names of the members of the boards organized in any of the communities where any work has been done for the Government of the United States, and they will find that they are the peers of any men in the community, including the board appointed since the 11th of November.

Mr. MCKELLAR. I have not a word of criticism to make of those men. Whatever they are doing their work will inure to the benefit of the Government and the contractors under the Hitchcock bill as well as under the other bill. The only difference between these two bills, Senators, is that under the Hitchcock bill these contracts, in connection with which the War Department admittedly has not done its duty, will all go to the commission to be created, while under the Chamberlain bill, which is a substitute amendment, only a very small percentage of these contracts will be acted upon by the commission. Contracts which have been made in a topsy-turvy manner by Tom, Dick, or Harry, by some lieutenant or some civilian giving an order—some orders being in writing, some over the telephone, and some by word of mouth—are the contracts we are validating; and if the Senate votes for the Chamberlain bill we are turning them back to the very men who have neglected their duty. Now, let us not make any mistake about what we are doing.

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. MCKELLAR. I yield.

Mr. SMOOT. The Senator said a while ago that the committee had unanimously reported the Hitchcock bill.

Mr. MCKELLAR. It was unanimously reported; yes, sir.

Mr. FLETCHER. All the committee was not present. That is what I wanted to say a few moments ago. The Senator talks about a unanimous report from a committee, when it is only the unanimous report of a quorum.

Mr. MCKELLAR. I am not responsible for Senators not being present. I recall the fact that the bill was first referred to a subcommittee that took days and weeks to study the matter, gave it the best thought and attention that they knew how to give it, and reported back to the full committee. Following discussion the committee, after making amendments, unanimously reported it to the Senate, so far as the members present were concerned. It was after that bill was published that others came before the committee, I have no doubt with the best intentions, some gentlemen of the finest order of ability, who seemed to be absolutely fair and who were instrumental, I will say, in securing the adoption of some of the very valuable amendments that have been placed in both bills. Those are the facts concerning this measure.

Mr. SMOOT. Mr. President, I will ask the Senator how it is that the bill as it was reported to the Senate only includes the so-called Chamberlain amendment?

Mr. MCKELLAR. Because the committee met afterwards and by a majority of one, as I recall, voted to substitute the Chamberlain amendment for the Hitchcock amendment previously reported.

Mr. SMOOT. Reported to the Senate or reported to the committee?

Mr. MCKELLAR. Reported to the Senate.

Mr. KIRBY, Mr. FRELINGHUYSEN, and Mr. SMITH of Georgia addressed the Chair.

The PRESIDING OFFICER (Mr. SHEPPARD in the chair). Does the Senator from Tennessee yield to the Senator from Arkansas, who has been standing on the floor for some time?

Mr. MCKELLAR. I promised the Senator from Georgia that I would yield to him.

Mr. FRELINGHUYSEN. Mr. President, will the Senator yield to me for a moment?

Mr. MCKELLAR. Very well; I yield to the Senator from New Jersey.

Mr. FRELINGHUYSEN. Mr. President, I was absent from the Chamber when the Senator made his statement regarding the unanimous report of the subcommittee. I was a member of the subcommittee—

Mr. MCKELLAR. I did not make that statement, although I supposed the report had the concurrence of the Senator from New Jersey. I said that the bill reported by the subcommittee, known as the Hitchcock bill, was unanimously reported by the Committee on Military Affairs to the Senate.

Mr. CHAMBERLAIN. Without discussion.

Mr. McKELLAR. Well, there were several amendments made in the committee, and to that extent it was discussed. I understand that to be a discussion.

Mr. BORAH. Mr. President, may I ask whether or not it is the purpose of the Senator from Oregon to force this measure to a vote to-night?

Mr. CHAMBERLAIN. Mr. President, I think that can not very well be done. There are quite a number of Senators who are not present.

Mr. BORAH. The debate is getting more interesting all the time.

Mr. CHAMBERLAIN. I hardly think we can get a vote on the bill to-night.

Mr. FRELINGHUYSEN. Mr. President, if the Senator from Tennessee will yield to me further, I wish to state that I was a member of the subcommittee, but I was absent from the city when the bill was considered, and was not informed that it was to be reported. I in no way concurred in reporting the Hitchcock bill, because I am opposed to it. I did assist several committees that came here and pointed out defects in the Hitchcock bill. I stated to the committee that the provisions of that bill would cause unnecessary delay and hardship on the business men of this country who were transacting business with the War Department. It was pointed out that a commission hearing these cases de novo would probably cause a delay of at least a year or a year-and-a-half before the cases could be properly adjudicated. Therefore, I joined with the committee in reframing the bill and reporting the Chamberlain bill, which I believe is the only practical bill, which will be successful in settling these claims promptly, which is the principal problem that we have to deal with at this time.

Mr. KIRBY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Arkansas?

Mr. McKELLAR. I yield to the Senator from Arkansas.

Mr. KIRBY. Since the bill is not to be pressed to a vote this afternoon, I will make an explanation of it in my own time to-morrow.

Mr. McKELLAR. All I have to say in conclusion, is that, in my judgment, what is known as the Hitchcock bill, as amended, protects the rights of the contractors and the rights of the Government in a fuller and ampler manner than the other bill, and I hope that the Hitchcock bill will be adopted.

I wish to call especial attention to the boards. Senators will see the membership of these boards printed in the Record to-morrow. These boards will pass on these claims. Consider how the matter has been handled heretofore. These boards have been in existence all the time. It was their duty to prepare contracts. Congress furnished ample money to pay all the necessary legal expenses, including legal employees, to draw the contracts and agree upon them as they were made; but the department has neglected its duty, and now it comes in and wants us to turn back to it the settlement of the contracts about which it has been negligent. I do not think we ought to do it. I think we ought to put it in the hands of an independent commission, such as is provided for by the bill reported by the subcommittee, and adopted once by the full committee.

Mr. SMITH of Georgia. Mr. President, the Senator does not claim that all of these contracts were negligently made or not legally made, does he? Does not this bill apply to a very much larger number, a majority in fact, of transactions where the contracts were legally made and where the department has canceled them because the war ended?

Mr. McKELLAR. The Senator is mistaken about that. It applies only to those that have been formally executed, or where there has been no contract at all. I will say to the Senator that it applies to two classes of contracts, or perhaps three. The first is where there is a formal contract that has not been properly signed. The second is where there has just been a written order for the material, and, of course, not signed properly. The third class is verbal contracts; and this undertakes to validate all three. Now, it has been variously estimated that there are all the way from ten to sixty thousand of these kinds of contracts. If there are, if the War Department has so neglected its duty as to leave this vast number of contracts not even properly signed, not even properly given, we had better go very slowly about turning over the settlement of all these contracts to that department.

Mr. SMITH of Georgia. Mr. President, is not the Senator entirely mistaken about those figures?

Mr. McKELLAR. I am just stating what the proof before us has been. There have been various estimates. As I recall, the number has been variously estimated from 10,000 up as high, some witnesses say, as perhaps 60,000. Now, I can not conceive that there are that many; but I am telling you what has been stated before our subcommittee.

Mr. FRELINGHUYSEN. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. FRELINGHUYSEN. The Assistant Secretary of War stated to me this morning over the telephone that there were 6,000 of these invalid contracts and orders involved.

Mr. McKELLAR. How many verbal ones?

Mr. FRELINGHUYSEN. Six thousand, including the verbal contracts. A large proportion of those contracts—at least 60 per cent, I believe—are formal contracts, but were not signed by the proper statutory officials. Those 6,000 contracts involve \$1,766,000,000. There are not 10,000 contracts, there are not 60,000 contracts, but 6,000 contracts that are invalid, according to Assistant Secretary Crowell's statement to me this morning.

Mr. McKELLAR. How much is involved in the 6,000 contracts?

Mr. FRELINGHUYSEN. One billion seven hundred and sixty-six million dollars.

Mr. McKELLAR. Mr. President, it may be possible that my informants were not correct in their information; and therefore, as the Senator says that he has this information directly from the Assistant Secretary of War, I accept it absolutely. But here we have 6,000 of these contracts, with nearly \$2,000,000,000 involved, and no contracts signed for it—nobody there looking after the interests of the Government when these contracts were signed—

Mr. SMITH of Georgia. Oh, yes.

Mr. McKELLAR. And yet we are asked to turn over to this department, whoever it may be, this vast sum in dispute to be settled. How do we know that they are going to do it? What objection can any Senator raise to a fair and impartial commission, with full jurisdiction to do equal and exact justice to all the parties? What objection can be made to such a commission?

Mr. SMITH of Georgia. Because the trial of 6,000 cases before a commission would take more than 6,000 days. It would probably take 6,000 weeks.

Mr. McKELLAR. Oh, quite the contrary.

Mr. SMITH of Georgia. Still, I gave the Senator an answer.

Mr. McKELLAR. I know; but that is a very far-fetched one, it seems to me, with all due respect. Many of these contracts, according to the proof, have been already examined by the War Department, and they are ready to report. They can be settled just as quickly and just as expeditiously by this committee with full jurisdiction as they can with partial jurisdiction.

Mr. FLETCHER. Mr. President, the Senator has stated that the officers who compose these boards in the War Department have been negligent about these contracts and about these adjustments. I think the Senator will admit that the War Department has been industriously endeavoring to reach adjustments, and that the lack of authority is what has stopped them.

Mr. McKELLAR. Ah, Mr. President, it had ample authority. There may be reasons sometimes why these officers have not signed the contracts. The law requires these contracts to be signed in a particular way, and it requires an oath that there is no interest in them.

Mr. CHAMBERLAIN. Mr. President, in a moment I am going to move for a recess until to-morrow at 12 o'clock noon; and I give notice now that when the Senate reassembles I shall endeavor to keep it in session until this bill is disposed of. I want to say, however, in answer to the Senator from Tennessee, that he forgets absolutely and entirely the emergency which caused the War Department to order supplies and matériel without the execution of formal contracts. Cablegrams were coming over here from Gen. Pershing, demanding that certain things be supplied him forthwith; and the War Department, in the very nature of things, did not have time to execute these contracts.

THE AMERICAN MERCHANT MARINE.

Mr. RANDELL. Mr. President, on the 22d and 23d of this month a very important conference was held in this city, which discussed the question of the American Merchant Marine. It was addressed by several Members of Congress, including two Members of the Senate. I submit the proceedings of that conference, which I desire to have printed as a public document; and I ask that the matter be referred to the Committee on Printing for action.

The PRESIDING OFFICER. The matter presented will be referred to the Committee on Printing with a view to having it printed as a public document.

RECESS.

Mr. CHAMBERLAIN. I move that the Senate take a recess until to-morrow at 12 o'clock noon.

The motion was agreed to; and (at 5 o'clock and 45 minutes p. m.) the Senate took a recess until to-morrow, Thursday, January 30, 1919, at 12 o'clock meridian.