1919. CONGRESSIONAL RECORD—HOUSE. 4257

Speaker, I move the previous question on the adoption of the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

VALIDATION OF INFORMAL WAR CONTRACTS.

Mr. DENT. Mr. Speaker, I call up the conference report upon the bill (H. R. 3274) to provide relief where formal contracts have not been made in the manner required by law.

Mr. WALSH. Mr. Speaker, this matter is one of the most important matters awaiting attention, and we ought to have a full attendance whenever it is considered. I make the point of order that there is no quorum present.

Mr. BYRNES of South Carolina. Mr. Chairman, will not the gentleman from Alabama [Mr. DENT] withdraw that motion and allow us to go on with the appropriation bill?

Mr. DENT. Mr. Speaker, this is a very pressing matter, and it is something that necessarily must go back to conference. It does not make any difference what action the House takes, this bill necessarily must go back to conference, because there is a complete disagreement. We are in exactly the same situation that we were when we started. I hope the gentleman from Alabama will not make the point of order that there is no quorum present, but will let us dispose of this matter in some shape. If the matter comes up, it is my intention to make a motion that the House do further insist upon its disagreement to the Senate amendment.

Mr. FIELDS. When this matter was before the House a few days ago, the House instructed the conference to disagree to section 5 of the conference report. Would a motion be in order to send the conference back to conference uninstructed?

Mr. MANN. Of course a motion to send the conferences back uninstructed is not in order, because it is not necessary.

Mr. FIELDS. The conferences go back instructed unless the House instructs them.

Mr. GORDON. We have already instructed them.

Mr. MANN. O f course a motion to send the bill back to conference uninstructed?

Mr. FIELDS. The conferences have made a report, and the Speaker having laid the bill before the House, the only action that the House can take at this time is to send it back to conference, is it not?

Mr. WINGO. I s a motion in order to send the bill back to conference and appoint new conferences?

The SPEAKER. Yes.

Mr. WINGO. I make that motion.

Mr. KAHN. It has already been made.

Mr. FIELDS. The conferees have made a report, and before the House can take at this time to send it back to conference, is it not?

The SPEAKER. Of course.

Mr. WINGO. Is a motion in order to send the bill back to conference and appoint new conferences?

The SPEAKER. Yes.

Mr. WINGO. I make that motion.

Mr. KAHN. It has already been made.

The SPEAKER. The gentleman from Alabama [Mr. DENT] has already made that motion.

Mr. KAHN, Mr. Speaker, I ask unanimous consent to address the House for 10 minutes in regard to this matter, which is a very important matter for the business interests of this country and the European nations.

Mr. FOSTER. Would not the gentleman wait until I offer my motion to instruct the conference?

Mr. KAHN. Oh, we can divide the time on this.

Mr. CANNON. Does the gentleman propose to discuss the merits of the proposition?

Mr. KAHN, No.

Mr. CANNON. On this bill?

The SPEAKER. If it gets in conference, then before the conferences are appointed the gentleman from Illinois [Mr. Foster] can make his motion. The gentleman from Alabama moves that the House insist on its disagreement and ask for a new conference.

Mr. KAHN. Mr. Speaker, will the gentleman from Alabama yield me 10 minutes?

Mr. DENT. I yield the gentleman from California 10 minutes.

Mr. KAHN. Mr. Speaker, the conferences on the part of the House, taking the instructions of the House, refused to accept the Senate amendment on the mineral section of the informal contract bill. The conferences on the part of the Senate are just as firm on the House proposition as the conferences on the part of the House. But they suggested that we call to the attention of the House a proposition that they had in mind, namely, that
the bill should be limited to a total expenditure of $8,000,000 and that this House accept the amendment or will it allow the bill to fail?

Mr. KAHN. I do not think the conferees ought to be called upon to discuss the merits at this time, because we were instructed to instruct the conferees.

Mr. GARRETT of Texas. I want to ask the gentleman if it has not long been the custom between the two Houses, where legislation originates in one House and amendments are put on in the other House, that the House where the legislation originates instructs the other House to go out; if it is not the practice for the other House to recede from the amendments and not seek to defeat the legislation by stubbornness?

Mr. KAHN. That has been the unwritten law of conferences. Generally, rather than let legislation fail altogether, the amendment in the final analysis recedes.

Mr. GREENE of Vermont. Why, if these claims for minerals are just, is the limit fixed for payment to the extent of $8,000,000?

Mr. KAHN. No; I say the legislation ties up practically $3,000,000,000.

Mr. CANNON. Precisely, but that is provided for in the House provision.

Mr. KAHN. In the conference report.

Mr. CANNON. And the Senate says the $3,000,000,000 of proper claims can go to, well back, unless the amendment proposed, a limit of $8,000,000 is agreed to. In other words, if the gentleman will allow me, the Senate conference is insisting upon some provision for some of these mineral claims and are willing to limit the entire amount to $8,000,000.

Mr. CANNON. The Senate and House are both agreed or would agree on the $3,000,000,000 that the gentleman refers to?

Mr. KAHN. Yes; that is quite true.

Mr. CANNON. Now, the House is not that, but the House instructed touching the other matter not to agree?

Mr. KAHN. Therefore, the House conference refused to agree.

Mr. CANNON. And the Senate says the $3,000,000,000 of proper claims can go back, unless the Senate conference insisted that some provision for some of these mineral claims is not willing to limit the entire amount to $8,000,000.

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Mr. KAHN. Yes; that is quite true.

Mr. CANNON. Precisely, but that is provided for in the House provision.

Mr. KAHN. The House conference refused to agree.

Mr. CANNON. And the Senate says the $3,000,000,000 of proper claims can go back, unless the Senate conference insisted that some provision for some of these mineral claims is not willing to limit the entire amount to $8,000,000.

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Mr. CANNON. The Senate and House are both agreed or would agree on the $3,000,000,000 that the gentleman refers to?
Mr. DENT. Mr. Speaker, is that motion debatable? The SPEAKER. Yes; it is debatable unless the previous question is ordered. Mr. CANNON. There ought to be, then, unanimous consent, if the previous question prevails, to discuss the matter of instructions, do you not ask unanimous consent? Mr. VAUNDER. No, Mr. Speaker. I wish to propose a parliamentary inquiry. What is the motion of the gentleman from Alabama [Mr. DENT]? The SPEAKER. To further disagree to the Senate amendment and ask for a conference. Mr. GARRETT of Texas. Mr. Speaker, a parliamentary inquiry. The SPEAKER. The gentleman will state it. Mr. GARRETT of Texas. Is it in order for a member of the committee to offer a motion to amend the motion of the gentleman from Alabama [Mr. DENT]? The SPEAKER. No; the previous question is ordered, and the conference goes to the Senate amendment, with the same instructions to the conference that prevailed before? The SPEAKER. The gentleman from Alabama moves the previous question. Mr. GARRETT of Texas. But he withdrew that, if you please? Mr. DENT. I renewed it. Mr. GARRETT of Texas. He had withdrawn it. But I made the parliamentary inquiry. The SPEAKER. If the gentleman moves the previous question and the previous question is ordered, that will end all this. Mr. GARRETT of Texas. That is what we do not want. Mr. CANNON. I am not sure that wanting a thing does not change the parliamentary situation. Mr. GARRETT of Texas. I want to know whether or not his motion can be amended to the effect that the House further insists upon its disagreement to the Senate amendment, with the same instructions to the conference as they have before? The SPEAKER. That is the very thing the gentleman from Illinois [Mr. Foster] is trying to do after all this is cleared up. Mr. GARRETT of Texas. The gentleman from Illinois [Mr. Foster] is going to ask for different instructions. Mr. FOSTER. Oh, no. The SPEAKER. The gentleman from Alabama [Mr. Dent] moves the previous question. Mr. CANNON. Mr. Speaker, if the previous question is ordered now, and then there is a proposition to instruct the conference by my colleague [Mr. Foster] or anybody else, the previous question operates, and there will be no time for any debate. Mr. FIELDS. Now, Mr. Speaker— The SPEAKER. There I think there ought to be an agreement that there should be. The SPEAKER. The Chair does not think the gentleman from Illinois is correct. The previous question operates on this motion, on its disagreement, and the conference goes under the same instruction as they have before. The SPEAKER. That is the very thing the gentleman from Illinois [Mr. Foster] is trying to do after all this is cleared up. Mr. STAFFORD. I wish to inquire if we can arrange so that a member of the committee to offer a motion to amend the motion of the gentleman from Alabama [Mr. Dent]? The SPEAKER. Yes, it is debatable unless the previous question is ordered. Mr. POSTER. Oh, no. The SPEAKER. The gentleman from Wisconsin makes the point of order that there is no quorum present. The Chair will count. Mr. STAFFORD. I will withdraw the point of order for the present. The SPEAKER. The gentleman from Wisconsin withdraws the point of order. The Clerk will report the motion of the gentleman from Illinois [Mr. Foster]. The Clerk reads as follows: Amendment offered by Mr. Foster: "Sec. 5. That the Secretary of the Interior be, and he hereby is, authorized to adjust, liquidate, and pay such net losses as have been suffered by any person, firm, or corporation, by reason of producing or preparing to produce, either manganese, chrome, pyrites, or tungsten in compliance with the request or demand of the Department of the Interior through the War Industries Board, the War Shipping Board, or the Emergency Fleet Corporation to supply the urgent needs of the nation in the prosecution of the war, and that the same shall be deemed to be a separate proposition and is not me­chanical or for merely speculative purposes; and provided further, That the settlement of any claim arising under the provisions of this section shall not bar the United States Government, to recover any money paid by the Government to any party to the settlement, nor the right of review of such settlement, nor the right to recover any money paid by the Government to any party under and by virtue of the provisions of this section, if the Government has been defrauded, and the right of recovery in all such cases shall extend to the executors, administrators, heirs, and assigns of any party. Provided further, That the settlement of any claim arising under the provisions of this section shall not bar the United States Government, through any of its duly authorized agencies, or any committee of Congress hereafter, from the right of review of such settlement, nor the right to recover any money paid by the Government to any party under and by virtue of the provisions of this section, if the Governor of any state has been defrauded, and the right of recovery in all such cases shall extend to the executors, administrators, heirs, and assigns of any party. Provided further, That the report of all operations under this section, including receipts and disbursements, shall be made to Congress on or before the first Monday in December of each year." Nothing in this section shall be construed to confer jurisdiction upon any court to entertain a suit against the United States. And provided further, That in determining the net losses of any claimant the Secretary of the Interior shall, among other things, take into consideration the cost and charges of producing such ore or minerals on hand belonging to the claimant, and the same shall be deemed to be a separate proposition and is not mechanical or for merely speculative purposes; and provided further, That said Secretary shall make such adjustments and payments in each particular case as shall be deemed necessary to effectuate the purpose of this section, and to prevent any waste or misappropriation of the public moneys. Provided further, That said Secretary shall have full power to execute as authority herein granted and perform and discharge the duties hereby provided for: Provided further, That said Secretary, including personal services, traveling and subsistence expenses, and postage, shall be allowed for in the support of such office and its functions in connection with the payrolls of the United States Army, and that no investment for merely speculative purposes shall be recognized in any manner by said Secretary: And provided further, That the settlement of any claim arising under the provisions of this section shall not bar the United States Government, through any of its duly authorized agencies, or any committee of Congress hereafter, from the right of review of such settlement, nor the right to recover any money paid by the Government to any party under and by virtue of the provisions of this section, if the Governor of any state has been defrauded, and the right of recovery in all such cases shall extend to the executors, administrators, heirs, and assigns of any party. Provided further, That the report of all operations under this section, including receipts and disbursements, shall be made to Congress on or before the first Monday in December of each year."
The SPEAKER. That is exactly what the Chair stated in answer to the gentleman from Illinois.

Mr. STAFFORD. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. That is what we are doing.

Mr. FOSTER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. That is the way the Chair has understood it for the last half hour. The Clerk will read.

Mr. STAFFORD. For what purpose does the gentleman from New York rise?

Mr. CALDWELL. I move the previous question, and I desire to address the House for five minutes.

Mr. WINGO. No, Mr. Speaker; if the Chair will permit me, I desire to address the House for five minutes.

Mr. HOWARD. That is it; it is de novo.

Mr. CALDWELL. For what purpose does the gentleman from Illinois rise?

Mr. FOSTER. Mr. Speaker, I understand this is a motion to instruct the conferees.

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent to add the language I sent to the Clerk's desk as a part of my motion to instruct the conferees on the part of the House, and I wish to state that this is the part of the former conference report as agreed to by the conferees, up to but not including section 5.

Mr. STAFFORD. If the gentleman has not completed his motion, I do not wish to ask recognition to offer my amendment.

Mr. STAFFORD. If there is no objection, I will offer my motion. If there is, of course I will not.

Mr. STAFFORD. That is a motion to instruct the conferees to agree to the Senate amendment with an amendment.

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that the Clerk's desk be read as a part of my motion to instruct the conferees.

Mr. STAFFORD. That was carrying out the understanding between the House and Senate conferees.

Mr. STAFFORD. And now the only motion in order is to instruct the conferees.

Mr. FOSTER. That is what we are doing.

The SPEAKER. That is what we are doing.

Mr. STAFFORD. The motion now is to concur in the Senate amendment with an amendment.

Mr. FOSTER. My motion is that the managers on the part of the House be instructed to agree to the Senate amendment with an amendment, which has been partly read by the Clerk.

The SPEAKER. The Chair has stated two or three times as the House is under the impression that it can do anything at all when it comes back with this disagreement; it starts in new, and what happened before as to instructions does not amount to a hill of beans.

Mr. HOWARD. It is de novo.

The SPEAKER. That is it; it is de novo.

Mr. CANNON. Mr. Speaker, has the House already disagreed to the Senate amendment?

Mr. STAFFORD. The motion now is to concur in the Senate amendment with an amendment.

Mr. STAFFORD. And now the only motion in order is to instruct the conferees.

Mr. FOSTER. That is what we are doing.

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The Clerk read as follows:

Mr. WINGO. Excuse me; the previous question was ordered, and the balance of us want to get down to business.

Mr. STAFFORD. And now the only motion in order is to instruct the conferees.

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Mr. HOWARD. It is de novo.

The SPEAKER. That is it; it is de novo.

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Mr. STAFFORD. That was carrying out the understanding between the House and Senate conferees.

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Mr. STAFFORD. The motion now is to concur in the Senate amendment with an amendment.

Mr. FOSTER. My motion is that the managers on the part of the House be instructed to agree to the Senate amendment with an amendment, which has been partly read by the Clerk.

The SPEAKER. The Chair has stated two or three times as the House is under the impression that it can do anything at all when it comes back with this disagreement; it starts in new, and what happened before as to instructions does not amount to a hill of beans.

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The Speaker. The gentleman from Illinois moves the previous question the House has a remedy to vote it down. It seems as if more than three-quarters of the House felt that it was under obligation to vote for the previous question every time it is moved on anything.

Mr. RANDALL. I make the point that there is no quorum.

The Speaker. The gentleman from California makes the point that no quorum is present, and the Chair will count.

[After counting.] One hundred and fifty-four Members present, not a quorum.

Mr. FOSTER. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Speaker. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

... (List of Members)

By unanimous consent, leave of absence was granted to Mr. Cooper of Ohio indefinitely on account of illness.

And provided further, That in all proceedings hereunder with respect to agreements connected with the prosecution of the war, when such agreement has been performed in whole or in part, or corporation prior to November 12, 1918, and such agreement has not been executed in the manner prescribed by law:

Mr. FOSTER. Mr. Speaker, I move to disagree to the Senate amendments, and to pass it as a whole.

The SPEAKER. The Speaker will give the gentleman an opportunity if the gentleman from Illinois moves the previous question the House has a remedy to vote it down. It seems as if more than three-quarters of the House felt that it was under obligation to vote for the previous question every time it is moved on anything.

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And provided further, That in all proceedings hereunder with respect to agreements connected with the prosecution of the war, when such agreement has been performed in whole or in part, or corporation prior to November 12, 1918, and such agreement has not been executed in the manner prescribed by law:

Mr. FOSTER. Mr. Speaker, I move to disagree to the Senate amendments, and to pass it as a whole.

The SPEAKER. The Speaker will give the gentleman an opportunity if the gentleman from Illinois moves the previous question the House has a remedy to vote it down. It seems as if more than three-quarters of the House felt that it was under obligation to vote for the previous question every time it is moved on anything.

Mr. RANDALL. I make the point that there is no quorum.

The Speaker. The gentleman from California makes the point that no quorum is present, and the Chair will count.

[After counting.] One hundred and fifty-four Members present, not a quorum.

Mr. FOSTER. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Speaker. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

... (List of Members)

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The SPEAKER. The Speaker will give the gentleman an opportunity if the gentleman from Illinois moves the previous question the House has a remedy to vote it down. It seems as if more than three-quarters of the House felt that it was under obligation to vote for the previous question every time it is moved on anything.
I therefore opposed it. As has been stated by the gentleman from Illinois [Mr. Foster], the Committee on Mines and Mining had a meeting this morning and considered the proposition which he has now submitted for consideration to the House. I was present at that meeting and took part in that discussion. I shall not enumerate all the time a fundamental difference between the so-called validating war-contract bill and these claims. In that same conference bill, but I think that the Secretary of War, in that first place, no claim can be considered by the Secretary of War under that bill unless it amounted to at least an imperfect con-

Mr. GORDON. Authorized by law.

Mr. HAMLIN. Authorized by law. I think some gentlemen fail to draw that distinction. Every contract that the Secretary of War can consider is a contract, or would have been a valid contract if committed to writing and properly signed, I having authority to make it. Of course, in these so-called mining claims there is no contract; there could be no contract and cause nobody was authorized by law to make a contract. I stated on the first day I attempted to discuss this proposition that I realized that there might be certain cases arising on this mining proposition that would have originated under conditions such as in all good conscience the Government ought to indemnify the parties who sustained the loss.

Mr. GORDON rose.

Mr. HAMLIN. But I was not willing to make the blue sky limit and throw no safeguards around it and take in every character, kind, and class of claims that might be submitted.

Mr. GORDON. Will the gentleman yield?

Mr. HAMLIN. Just for a question.

Mr. GORDON. Does not the gentleman think that these claims he is speaking about ought to be presented separately to the President, and Congress ought to be permitted to act on each one on its merits?

Mr. HAMLIN. There is no argument upon that proposition and at all. If it is possible, feasible, and practicable that is exactly the way I think they ought to be settled, but those of us who have been here quite awhile know that if you compel these people to present their claims to Congress as separate claims, perhaps the Government perks may be paid, and Congress might realize upon them in the meantime the claimants be hustled and absolutely ruined financially. Now, the proposition as submitted to-day does not meet my approval altogether, I frankly state, but I do believe that it is such a great improvement over the other proposition presented that we can very well consider it, and consider it fairly and without any prejudice, I think it very largely safeguards the Government in the liquidation and settlement of these claims.

Mr. LEVER. Will the gentleman yield?

Mr. HAMLIN. I will.

Mr. LEVER. What is the basis of the calculation by which the sum of $8,500,000 is arrived at?

Mr. HAMLIN. I attach very little importance to that, I will say to the gentleman. As I stated to the committee this morning, I state frankly to the House that when the government went out and requested that the amount that is attached to the amount that can be paid by the Secretary of the Interior at $8,500,000, I realize that if a lot of just claims are involved, that amount might be exceeded. I do not believe this House means to go out into the world again and do the best they can. I do not believe this House means to do it, when they fully understand the proposition. We have a plain proposition—one that is fair and right—and I hope the House will agree to it.

Mr. FIELDS. Mr. Speaker, will the gentleman yield for a question?

Mr. FIELDS. As I understand the gentleman’s motion, it included the conference report as agreed to by the conference, and the amendment section by section, paragraph by paragraph, and the committee agreed by a majority, and a large majority, that they would approve of this amendment. I think it is fair and right that these people should be paid something, should be paid their losses. The amendment provides that they shall be paid only their net losses and not any profit.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

Mr. STAFFORD. Under what authority of law?

Mr. FOSTER. Under no authority of law—of course not. If this were done under authority of law, we would not be here with the gentleman on the floor. I do not take the whole scope of the bill and put all of the minerals that were there. The Secretary thinks this is fair and just for these four minerals to be included, but it is taken from the paper articles or on every fellow who went out and dug a hole in the ground, but he must be able to show that he really had the minerals there—not a prospecting claim, nothing of that kind, but only the actual mineral that he went out and secured for his Government when his Government asked him to do it, when his Government went to him personally and requested or demanded that he do it. I sent for many of these men to come to Washington, and they came at their own expense, and then appealed to them to go home and do this work for their Government, which was fatal to the winding of the war.

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Mr. FIELDS. As I understand the gentleman’s motion, it includes the conference report as agreed to by the conference, up to section 5.

Mr. FIELDS. Yes. It agrees to the conference report up to the war-mineral section, and then instructs the conference to agree to that, to which the House has agreed. This section agrees to this new section on the question of war minerals. I yield 10 minutes to the gentleman from Missouri [Mr. HAMLIN].

Mr. GORDON. Does not the gentleman think that these claims he is speaking about ought to be presented separately to the President, and Congress ought to be permitted to act on each one on its merits?

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Mr. GORDON. Will the gentleman yield?

Mr. FIELDS. I think the gentleman’s motion, it includes the conference report as agreed to by the conference, up to section 5.
Now, that is one safeguard or narrowing down that none of these other provisions have had in them. The others provided that the fellow who went out purely for speculative purposes with a bad intention - not that I believe there were no contractors here, but no Government officer had reason to believe that he might find something, with visions of great profits in sight in case the war continued for a considerable length of time, would have come in under those provisions. But not so under this provision which we are now considering.

Mr. LEVER. Will the gentleman yield?

Mr. HAMLIN. In just a moment. I want to call attention to other provisions. We have only to those cases where the minerals were in sight in sufficient quantity to be of service to the Nation in its extremity if the war had continued.

Mr. HOWARD. Bona fide operators?

Mr. HAMLIN. "Bona fide operators" is a good suggestion, and I accept the amendment. Another provision is:

Provided further, That no claim shall be paid unless it appears to the satisfaction of the said Secretary that money so invested and obligations incurred prior to November 12 is a legitimate attempt to produce either manganese, chrome, pyrites, or tungsten for the needs of the Nation for the prosecution of the war.

And that all speculative investments of any kind or purpose whatever are specifically excluded. Then here is another proposition:

That in determining the net losses—

And that is the only kind he is permitted to pay under this provision—

he shall take into consideration, among other things, the then market value of any ore or minerals on hand and belonging to the claimant, or the value of any machinery or other property or implement of which it was claimed was purchased with which to equip such mine in the manner aforesaid.

And so forth. For instance, here is a man who presents a claim, and it develops that he has gotten 10, 15, 20, 30, 40, or 50 tons of ore, and not one cent out on the dump. The SPEAKER. The time of the gentleman has expired.

Mr. HAMLIN. I would like five minutes.

Mr. HOWARD. I will give the gentleman two.

Mr. HAMLIN. All right. Thank you.

Then he ought not to be permitted, of course, to keep that ore and he paid his estimated losses in addition. If he keeps that ore he ought then to be charged with the market value of it.

Here is another man who says that he has invested $50,000, $75,000, or $100,000 in machinery. He has not taken out any ore, but had to install the machinery with which to operate his mine. He has bought the machinery and installed it, and, of course, will keep it. Then, in that case, the salvage value of that machinery ought to be charged to him and he ought not to keep the machinery and collect from the Government the first cost of it.

All of these safeguards have been put in there; and if anybody can think of any other provision that will further restrict it, I am willing to submit it. I do not think that machinery ought to be charged to him and he ought not to keep the machinery and collect from the Government the first cost of it.

The SPEAKER. The time of the gentleman has expired.

Mr. HAMLIN. Oh, no.

Mr. GORDON. The gentleman said "the Government."

Mr. HAMLIN. Not legally. I draw that distinction between the two classes of claims. If the Government agency—I do not say they did, but that is what the claimants have to prove—if the Government agencies did the things set out in the first part of this amendment, then the actual net loss that man or firm sustained, with all of these deductions, ought to be paid. I am going to vote for this amendment.

Mr. FOSTER. I yield to the gentleman from Illinois [Mr. MANNING].

The SPEAKER. The gentleman from Illinois is recognized for three minutes.

Mr. MANNING. Mr. Speaker, when this conference report came back to the House with the item in it providing for the adjustment of the claims regarding mineral products I was opposed to it because it included many things which ought not to have been included. But there were some minerals which seemed to me to be essential to the successful conduct of the war, and they included pyrites, tungsten, chrome, and manganese.

These four minerals particularly were important and essential to the war while no Government officer had any reason to authorize investments during the war, yet the importance of the situation was such that I believed they were justified in encouraging men to invest their money in the development of these minerals in order that the Government of the United States may be in a position to meet the situation which confronted the Nation at the time.

In my opinion this conference report was sent back I suggested its modification to include only these four minerals. I know of cases where men have invested all their fortunes on the faith of the Government in the development of these minerals purely as a war measure, and it would not be fair for us to say to these men now, "Having invested your money on the faith of the Government as citizens of the United States, anxious to promote the country's welfare to win the war, the Government now will lead you into bankruptcy." And it is because of the patriotism of these men who took a chance and were willing to depend upon the honor and the good faith of their Government that I am willing now to provide for the adjustment of the cases which they have made, and made purely because they were anxious to win the war. [Applause.]

Mr. FOSTER. Mr. Speaker, I yield 10 minutes to the gentleman from Wisconsin [Mr. STAFFORD].

The SPEAKER. The gentleman from Wisconsin is recognized for 10 minutes.

Mr. STAFFORD. Mr. Speaker, there is no difference in substance between the present status of this motion and what was before the House some days ago. It is merely a question whether the Congress would take the position that we will indemnify every business man who happened to make some investment of some kind in anticipation of profit growing out of the war, with the war coming to a close and those profits not accruing.

I adopt these instructions of the gentleman from Illinois [Mr. FOSTER], it will commit the Government to the payment of hundreds of millions of dollars. The mere fact that it is limited to $8,500,000 does not mean that we are limited to that amount, because the amendment provides that every person within three months may have the privilege of presenting his claim. I know of many manufacturers who went ahead and erected large plants in anticipation of contracts, in anticipation that the war would go on and that they would make great profits. Yet they have lost heavily by reason of the cessation of the war. And yet no one would commit the Government to the payment of such losses. Here, however, you are going to recognize the mine operators who, since April 6, 1917, at the request of these various Government officials, went into the production of these minerals. We know that the price of manganese rose from something like $70 a ton to $900 a ton; that the price of tungsten rose from $600 a ton to $10 per pound. And that all speculative investments of any kind or purpose whatever are specifically excluded. Then here is another proposition:

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All of these safeguards have been put in there; and if anybody can think of any other provision that will further restrict it, I am willing to submit it. I do not look with great favor on these claims, but we are safeguarding it, and now propose to pay only the men who were induced by the agencies of the Government to invest their money in order to help the Government in this extremity of war and to pay only actual net losses—not speculative but such net losses as he can possibly show that he has sustained. When that is done that is as far as I am willing to go. Believing this is the best proposition presented, and that it is reasonable, I shall vote for it.

Mr. GORDON. The gentleman does not claim the Government authorized any of this?

Mr. HAMLIN. Oh, no.

Mr. GORDON. The gentleman said "the Government."

Mr. HAMLIN. Not legally. I draw that distinction between these two classes of claims. If the Government agency—I do not say they did, but that is what the claimants have to prove—if the Government agencies did the things set out in the first part of this amendment, then the actual net loss that man or firm sustained, with all of these deductions, ought to be paid. I am going to vote for this amendment.

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Mr. McKENZIE. Will the gentleman yield?
Mr. STAFFORD. I yield to the gentleman from Illinois.
Mr. DEWALT. I desire to ask the gentleman from Wisconsin if the adoption of this proposition would not be the establishment of a precedent in legislation in this country heretofore unknown?
Mr. STAFFORD. Never before in the history of the Congress have we attempted anything like this. If we do it here we must recognize it in all cases. And why not? Every person who takes an investment at the request of the Government officials would be entitled to compensation for the loss which he had sustained by reason of those investments not being utilisable to-day.
Mr. DEWALT. I know of a Cabinet officer or any other officer of the Government being constituted judge, jury, and payer of the amounts claimed against the Government by the provisions of any legislation.
Mr. STAFFORD. That confirms the viciousness of this proposal. And more than that; when we passed this original mining bill, in April, 1918, it provided for the price guaranty of these minerals. It was so radical that even the Senate refused to agree to that, and that is what we are agreeing to here. It was lapsed over in the Senate for five months. At last, in September, it was agreed to in the contract form, authorizing the Government to contract for these supplies that were necessary for carrying on the war. The President, after the act was passed on May 5, 1918, never exercised the authority to have to admit that they have no ground whatsoever to proceed on; and now, in the closing days of the Congress, it is proposed that the Senate and not the President, who has made the immense profit, shall be guaranteed the difference in the price of these minerals since they have fallen or be paid the amount of their investment. That is what they are asking.
Mr. DEWALT. I want to ask the gentleman another question on the same line. In his legislative experience did he ever find a report or any law which attempted to limit the jurisdiction of a court as to its judicial functions in the way of determining damages? I call attention to this provision in the motion of the gentleman from Illinois:
Provided, That in no case shall any award either by the Secretary of War or the Court of Claims include prospective or possible profits on any contracts for the purchase or delivery of supplies by the Government official tending fixed the price of coal.
That is clearly a judicial function. You cannot limit the amount of damages which are awarded by a court by any legislative action.
Mr. STAFFORD. That relates to irregular contracts for war supplies which failed to be negotiated in our favor because of the signing of the armistice. Now, there is no relation whatsoever between those mining times, which are not recognized as valid claims, from my viewpoint—and the cases where the Secretary of War or the War Department actually called upon an industry to enter into contracts for the production of minerals which were really necessary for carrying on the war. In these latter cases the officials had authority to enter into contracts. But in the mining operators there was a business risk upon a mere verbal request of some Government official to produce who had no authority to bind the Government with any such contract. They went and made their investment, bottomed on the idea that high prices would be maintained and that they would receive the benefit of those high prices. There was no guaranty of any kind or sort. No Government official had any authority to make any. There was no action by any Government official to warrant their going ahead, except that which would induce any business man to go ahead and invest his money on the chance of making a profit.
As I said in my remarks before, I know of men in the foundry business who have invested hundreds of thousands of dollars in ore bodies, waiting completion of the contract in which he who are out their entire investment and who went ahead in expectation of Government orders and whose plants are virtually a complete loss. If you grant this request of these mining operators, these foundry men are more entitled to recompense, because they did not get any profit at all. Some of these mining operators got enormous profits, and yet you propose to recompense them when they have no right whatsoever to be recompensed, and this is being done under the threat of this bill being held up, when we all know that it will not be held up if we stand firm in these closing hours of the session and not allow any interest to raid the Treasury to the extent of hundreds of millions of dollars that the Senate will have to recede.
Mr. STAFFORD. The gentleman says these men made enormous profits. Does the bill provide for anything except the net losses of these men? It is the net loss, not a profit. The gentleman knows that.
Mr. STAFFORD. It provides for compensating them for their investment—their machinery and the amount of money invested.
Mr. HOWARD. It says their net losses. The gentleman knows it says so.
Mr. STAFFORD. They are going to be paid for the amount of their investment, regardless of the profits they may have made on the sale of minerals. It is not like these other war contracts at all.
Mr. DENISON. I want to ask the gentleman a question.
Mr. STAFFORD. I intend to offer the following amendment, which is identical with the amendment offered when this matter was last before the House, that the managers on the part of the House be instructed not to agree to section 7 of the Senate amendment in any form. That was our position on two prior occasions, and I think it should be our position now more firmly than ever.
Mr. DENISON. Will the gentleman yield?
Mr. STAFFORD. Yes.
Mr. DENISON. On what authority does the gentleman make this statement that these men who are asking for an adjustment have made enormous profits?
Mr. STAFFORD. Everybody knows that if they developed manganese it was at a big profit when it was selling at 600. If it was selling at 60 they would not. These four minerals mentioned are those most generally used. It proposes to pay them the amount of their investment, which happens to be profitable at present low prices.
The SPEAKER pro tempore (Mr. TAYLOR of Colorado). The time of the gentleman has expired.
Mr. FOSTER. Mr. Speaker, I yield three minutes to the gentleman from Pennsylvania [Mr. GARLAND].
Mr. GARLAND. Mr. Speaker, when this proposition was before the House I opposed it, but it was not then the same proposition that is pending now. I now think that this amendment should pass. I think in fairness to the men who put their money into these investments, at the invitation of some Government official, who told them that they would receive recompense therefor, should have now their recompense. It is said that no contract was signed. That is true, but men connected with the Interior Department, under the Secretary of the Interior, did go to men who had prospects for this material and asked them to develop it, and told them further that there was a bill to be brought into Congress with the intention of stabilizing the price that they might realize or at least get out of their investment whole. That was plainly stated. It was after the war began; it was a time when they were calling upon people to do something to help in the way of patriotism, and these men had the prospects, and they were calling upon them, and at the cost of their own pockets, in order to develop and help in the work, they went forward. Whether they succeeded or not, they were induced to go in by statements made to them. I don't say that this question has not come up at all at this time that had not been that the gentlemen on the other side of the House have always refused to protect these industries. If we want to protect them in the future we can do it by a protective tariff, these industries would have been developed, and when the war came on we would not have been in the position that we were in.
Mr. STEWART. Will the gentleman yield?
Mr. GARLAND. Yes.
Mr. STEWART. Is the gentleman's mind as open and clear on the fact that every producer of minerals who was asked by a Government official to produce ought to be indemnified?
Mr. GARLAND. Only those who suffered loss.
Mr. STEWART. May I state this case to the gentleman: What does he think of the coal producer in Pennsylvania who sustained losses?
Mr. GARLAND. I believe that the Fuel Board or the President fixed the price of coal.
Mr. STEWART. I understand when some Government official called upon the question and asked the coal men to take dumpings from the coke plants, buy a particular kind of machinery and produce that stuff for war purposes, that within 20 days after the machinery was run up, the Government would indemnify them. Mr. GARLAND. That is irrelevant to this proposition. These four different minerals named in this amendment were minerals that had not heretofore been developed.
Mr. SPEAKE pro tempore. The time of the gentleman has expired.
Mr. FOSTER. Mr. Speaker, I yield two minutes to the gentleman from Massachusetts [Mr. OLNEY].

Mr. OLNEY. Mr. Speaker, I believe it is only the part of good sense and sound wisdom for the House to reverse its position and receive the amendments. I think it is more than sufficiently shown that the 6,000 in the war-contract bill. I sincerely hope that the House will reverse its position, because we have but six legislative days remaining and the bill is in great danger of not being passed. I believe it is incumbent upon the House to reverse its position if the House does not reverse itself.

Mr. GORDON. Will the gentleman yield?

Mr. OLNEY. Mr. Speaker, I do not claim that there was any contract for this development. No; but there was a moral obligation. Mr. GORDON. Oh, yes; you want to give it to them. That is all. [Laughter.]

Mr. FOSTER. Mr. Speaker, I yield 10 minutes to the gentleman from Arkansas. [Mr. WINGO.]

Mr. WINGO. Mr. Speaker, there have been so many erroneous and misleading statements about the proposition that it was important not to attempt to make the Bell of them in the hour of 10 minutes. The proposition before the House is a simple one. The House first passed what was known as the validating-contract bill for the War Department. In other words, to validate what they called on the contract that he would come in to reap returns, because in some instances the man who had ordered the goods had no authority, and the Secretary of War did not know that there was any such contract.

Now, when that went to the Senate, the Senate attached what was known as the Henderson amendment, which authorized the Secretary of the Interior to pay certain claims, based upon the operations of certain people under the war-minerals act which passed in October. When it came back to the House, the House refused to agree to the Henderson amendment. The House adopted a motion by the gentleman from Wisconsin [Mr. STAFFORD] to instruct the conferees not to agree to that amendment in any form.

The conferees of the House followed the instructions and reported a disagreement. It now starts over again, and what is the proposition? The gentleman from Illinois [Mr. Forrester] has offered here a proposal that you instruct the conferees to agree to everything they formally agreed to in reference to the war contracts, and in addition to that the Senate amendment on this war minerals proposition with an amendment, it is nothing more than the proposition that the Committee on Mines and Mining of the House has agreed to this morning by an overwhelming vote, only two votes being recorded against it. What is that proposition? It is that the Secretary of the Interior in considering and settling these claims shall have certain limitations placed upon them. They are the same limitations that the gentlemen who now complain about the limitations insisted when we had up the conference report. Before it should be placed upon him. Gentlemen before that they had $50,000,000, that they had not and that the sky is the limit; and now when the Committee on Mines and Mining comes in and puts on a limitation of eight and a half, they simply say that the sky is the limit. Mr. Speaker, that is nothing but camouflage. What other limitation is there that you shall not consider any speculative profits? Gentlemen who have read this amendment have said that any man who had a little hole in the ground and went in with the hope of a speculative profit could have his claim considered on this bill. I say to you as one who thinks he knows something about the law of the language that that kind of a claim can not be considered at all, because there are many people who are not bound by law than I am about my legal contract there. I can not understand a man who says that there is no legal contract there and of course it would vote for the war-contract bill because to work and get it out, and he said, "Oh, no; there is no money in that; I went broke in it once. I will not do that. Take my property and give it to the Government, and let me have a moral obligation to me."

Mr. WINGO. No; I do not yield to the gentleman. You have no authority, and their homes are about to be sold over their heads, has not the Government been doing that, but when they appealed to his patriotism he went back, and he went to other men who had men in the trenches and three more going, and they said, "It is true that there is no profit in it, and we can not give you a contract now, but the Government is carrying this in its pockets."

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield?

Mr. WINGO. I am sorry, but I have not the time. I have other business to transact. I have seen men who wished to make money to buy machinery and to pay a pay roll and to hire men and put them to work. One man told me who heard him make a speech on the dump to the men and he said, "You have boys in the trenches the same as I, and every time you get out a ton it saves a ton of shipping from Brazil and sends a ton of food and supplies to our boys." Oh, you ask me what authority he was told to do those things. Point me to a higher authority than that patriotic impulse to respond to the needs of his country. [Applause.] Some say that we will build a precedent if we pass this. Your war-contracts bill is a precedent. Has not the Congress of the United States courage enough to say that where the Government, under the driving force of patriotism, made men go and put all they had into producing something for the Government at a loss, when they are facing bankruptcy and their homes are about to be sold over their heads, has not the Congress of the United States courage enough to stand up and say, "No precedent or no precedent, we will discharge that moral obligation?"

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield?

Mr. WINGO. I am sorry, but I have not the time. I have seen men who wished to squirm out of their moral obligations, and I have never had as much respect for them. I do not mean any reflection upon you gentlemen. I can very well understand the attitude of the man who says that unbusiness, there is no legal authority we will not have anything to do with it. I can not understand a man who had that view and yet who will vote for the war-contract bill because to work and get it out. As I said once before on this floor, the trouble in these days now throughout all of the nations of the world is that people have lost faith in the justice of their governments; and God pity this country whenever the times comes when an old man like the one I have told you about, who gave five sons to this country's cause, is compelled to go back to his wife and say, "Yes; we will have to sell the home over our heads, because the Congress of the United States, made up of a bunch of technical lawyers, said it would not discharge its moral obligations to me." So the gentleman yields to the House of Representatives to discharge its moral obligations. I respect my legal obligations, but I may resist them and tell my creditor to go into court and compel me to discharge my legal obligations, but I do not think the Government ought to say that when his claimant comes up and says, "I have no claims of law against you, but I gave you something of value when you..."
Mr. FOSTER. Mr. Speaker, the gentleman from Wisconsin [Mr. STAFFORD] offers an amendment which, of course, is not strictly in order, and yet I desire, as far as I am concerned, to be perfectly fair with the House, and I could not do otherwise if I should try. I have no desire to do otherwise. In my judgment this amendment which has been offered to instruct the conferees to agree to the amendment which has been reported at the Clerk's desk some time ago provides the language exactly, as I said before, which the conferees agreed to in reference to the war contracts. Now, I want to say in all fairness that the Committee on Mines and Mining, composed of at least a fair representation of the House, and I think the Members, outside of myself, are as good as any of them.

Mr. DYER. Why so modest?

Mr. FOSTER. They have gone over this carefully. They have gone over this amendment section by section, paragraph by paragraph, and they came to the conclusion that this amendment was fair and right and threw all around the restrictions which were necessary to protect the Government.

Mr. GORDON. Not at all.

Mr. FOSTER. Oh, yes.

Mr. GORDON. Two of them did not.

Mr. FOSTER. I said the committee did agree to it.

Mr. GORDON. The majority.

Mr. FOSTER. All, except two, if the gentleman wants to put it that way. The chairman of that committee does not desire to deceive the House on that. Now, I hope that the amendment offered by the gentleman from Wisconsin will be voted for and then, when the amendment offered, it will give the relief that these men ought to have. These are not contracts; of course they are not contracts, and nobody is claiming they are such. If they had been contracts legally it would not have been necessary to have this bill at all, but this is in order to correct an illegality, that these men may get their money. Now, Mr. Speaker, I move the previous question on the substitute to the amendment and the amendment.

The SPEAKER. The gentleman moves the previous question on the substitute offered by the gentleman from Wisconsin.

The previous question was ordered.

The SPEAKER. The next item is on the substitute offered by the gentleman from Wisconsin.

The question was taken, and the Speaker announced the noes to be 215, yeas 118, and the question was answered "present," 3, not voting 92, as follows:

YEAS—318.

NAYS—215.

VOTING—92.
the first reading of the bill be dispensed with, itself into the Committee of the Whole House on the state of the bill H. R. 16136, with Mr. GARRETT of Tennessee in the chair.

Mr. KITCHIN. Has the gentleman any objection to the bill being read?

Mr. WALSH. No; except that I would like to save the time. I am going to take up the bill section by section.

Mr. WALSH. All right; I have no objection.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina that the first reading of the bill be dispensed with?

Mr. FORDNEY. Mr. Chairman, I want to ask the gentleman will he not agree upon some length of time for general debate? There will be about two hours on this side.

Mr. KITCHIN. We will not limit it. Anyway, we will divide the time.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. RUBBY. Mr. Chairman, before the gentleman begins will he yield?

Mr. KITCHIN. I will.

Mr. RUBBY. Is it the intention of the gentleman to finish this bill to-night?

Mr. KITCHIN. It is the intention to finish the bill to-night. Mr. RUBBY. I thought the House ought to be advised of it.

Mr. KITCHIN. Mr. Chairman and gentlemen of the committee, the Ways and Means Committee presents for the consideration of the House a bill to be known as the "victory liberty loan bill." It authorizes the Secretary of the Treasury to issue $7,000,000,000 of short-time notes, maturing in from one to five years. I shall ask the Members to indulge me for about 30 minutes, and I will take up the bill section by section and explain it in detail.

The necessity for further issue of Government obligations is apparent. The estimates of the Treasury Department for this fiscal year are $10,000,000,000, and, as I stated the other day when I presented the conference report on the revenue bill, in my judgment it will reach $20,000,000,000; but how will it reach $10,000,000,000. We have already in receipts, and will have after the collection of the taxes, $14,000,000,000, which consists of $7,000,000,000 of the fourth liberty loan proceeds, $1,000,000,000 of war savings certificates, $5,000,000,000 that we expect to get from the last revenue bill, which total $4,000,000,000, leaving $5,000,000,000 to get from some other source to make out the $19,000,000,000 necessary. It is true that under the present second liberty loan act an amended the Secretary of the Treasury is authorized to issue $3,000,000,000 more of bonds at an interest rate of 4 1/2 per cent.

The Treasury Department and your committee are in accord in the view that it would be unwise to offer at this time an issue of long-time bonds at 4 1/2 per cent, as provided in the proposed bond act. In fact, they could not be sold upon such terms at this time, and it was the thought of the committee and of the Treasury Department, after conference together, that it would be safer and better to authorize the issue of short-time notes, as we do in this bill.

We authorize $7,000,000,000 instead of $3,000,000,000 that is now for this fiscal year. For the reason that it is apparent that the taxes for 1920 will fall far short of meeting the expenditures of the fiscal year ending June 30, 1920, and so out of abundance of caution we authorize $7,000,000,000 instead of $3,000,000,000. The $2,000,000,000 in excess will be taken up, in my judgment, for 1920 before the 1920 taxes are collected. We leave in this case the interest rate to be fixed by the Secretary of the Treasury.

In the original draft of the bill submitted to us by the department and the letter of the Secretary of the Treasury we were asked to permit the Secretary to issue long-time bonds—$10,000,000,000 of bonds and $10,000,000,000 of Treasury notes—at a rate of interest to be fixed by him and with exemptions from taxes. Mr. KITCHIN, Mr. Chairman and gentlemen of the committee, we ask the permission of the Treasury to do this. The committee and the Secretary of the Treasury finally agreed that we would have in this bill no long-time bond authorization, but only the short-time notes. The committee thought it was not unsafe or unsafe to permit the Secretary of the Treasury to fix the interest rate on these short-time notes, especially in view of the fact that we have a redemption clause in the bill giving the Government the option to redeem within not less than four months or one year. I notice these short-time notes, so that if the Secretary of the Treasury and we do not believe that he will—sells these notes at an excessive rate of interest, then the Government could not cut that excess interest more than one year, because it could give the proper notice and redeem these notes by selling bonds at a lower rate.

This bill gives large discretion to the Secretary of the Treasury, yet, in view of the circumstances, it was deemed not unsafe. It seems that the Treasury Department and all the