words, it is entirely hearsay, and if the allegations in the petition could be corroborated they surely would be for the following reasons:

4. In connection with the requested recount attention should be called to the following facts:

(a) The campaign put up in Michigan on behalf of Mr. Henry Ford can be shown to have been generally regarded as the most elaborate, expensive, and pretentious in the history of the State.

(b) In every county an elaborate newspaper advertising campaign was carried out at an apparently tremendous expense.

(c) In every county literature was freely distributed through the mails by messenger boys and even to handbills.

(d) A most elaborate and pretentious billboard campaign was conducted throughout the State of Michigan, the expense of which must have been from $10,000 to $15,000, and the cost of addressing and distributing the same.

(e) A very expensive, elaborate, and pretentious booklet was prepared and distributed to a number estimated at about a million copies.

(f) A committee was formed with a very expensive headquarters in the center of the State, the expenses of which were estimated to be from $5,000 to $10,000.

(g) Two occasions, at least, can be shown where Democratic postmasters had mail carriers distributing Ford literature the Sunday before elections.

(h) It will be shown in some precincts that the Ford workers insisted on voting men who were not registered; in some cases men whose citizenship was doubted.

(i) It will be shown at least in two cases where Democratic postmasters had mail carriers distributing Ford literature the Sunday before elections.

It is because of facts and circumstances as above enumerated that it

The motion was agreed to; and the Senate, as in Committee of the Whole, proceeded to the consideration of House Bill 13274, the unfinished business.

Mr. CHAMBERLAIN. Mr. President, this measure is one of very great importance to the country, involving as it does the validation and payment of contracts amounting to $1,600,000,000, and possibly $2,000,000,000. In view of its importance, I suggest the absence of a quorum.

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

Mr. CHAMBERLAIN. Mr. President, as I stated awhile ago, this is a measure of very great importance, and I do hope that Senators will undertake to reach a proper solution of the question, which involves something like $1,600,000,000, and possibly more. It grows out of section 3744 of the Revised Statutes, or the failure of the departments to observe the provisions of that statute. It will be shown that in each and every one of the contracts of so-called formal contracts, it is necessary to call the roll of absentees.

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I should like to submit another instance that was called to my attention some time ago, in which a representative of the Government waited upon a manufacturer, found that his plant was especially well equipped for a certain product, and this manufacturer did not then care to take up that line of manufacture. The Government official said to him if he did not do it, he would immediately commandeer his plant. Of course, the manufacturer only desired to do his full duty toward his country, and that the line of work for which he is now he is met with the statement that his contract was illegal.

Mr. CHAMBERLAIN. I am glad to have the Senator call attention to that, but it is only one illustration of a great many.

In any event the War Department was undertaking to reach a number of issues of invasion or in many instances of contracts when the the Comptroller of the Treasury, Mr. War­wick, rendered a decision which stopped the negotiations for the adjustment of contracts, or practically stopped them, because in effect he held that they could not be paid even if an ascertainment was had as to the amount due from the Government to the contractor.

This has resulted, Mr. President, in great confusion. There was not rarely a question arising as to the legality of a contract.

Mr. Warwick. It not only resulted in confusion in this country but in France and Great Britain, where there were many contracts being performed by these Governments or by their citizen and the consequence being, there was not so much attention paid to by the authorities there. It was impossible for our Government to do anything toward the adjustment of these contracts, because there was no way to pay them after the adjustments had been reached. The result has been, as the testimony shows in the committee, that in some cases where there were many French Government and individuals in France and in Great Britain are proceeding to carry out the terms of the irregular contracts which they had, which consisted merely of an order and that the Government had to do in order to the contractor to perform their part of the contract, and the whole proceeding of settlement has been stopped.

Mr. President, without going into details I call attention to the fact that the decision of the committee of the Industrial Board had prepared and sent up to be introduced in Congress a bill which would validate these irregular contracts. That bill was introduced on the 5th day of December, 1918, by the Senator from Nebraska, Mr. Hitchcock, and referred to the Military Affairs Committee and was taken up for consideration, with the result that a subsequent bill introduced in the Senate on date of January 2, 1919, by the Senator from Massachusetts, was referred to the Military Affairs Committee, and was reported out by the Committee on Military Affairs, as probably the best bill on the subject up to that time.

Later on the committee reconsidered its action with reference to that bill, with the result that further evidence regarding the situation, and subsequently, on the 9th day of January, authorize­ized the chairman of the committee to report out a substitute for any bills that might be pending, or, rather, as an amendment to be taken up in whatever way the parliamentary situation permitted.

Still later, Mr. President, the committee, without further action than as above stated upon any of these bills, had referred to it House bill 13274. It is now Order of Business 597 on the Senate Calendar. It was known as the Dent bill, and had for its purpose the same object the bills which I have just been mentioning. Then the Committee on Military Affairs of the Senate reported out as a substitute for the so-called Dent bill another bill which embodied what is conceived to be the best features of the bills I have just been discussing. That bill was reported to the Senate on the 13th day of January, striking out all but the enacting clause and substituting therefor the bill which the Military Affairs Committee agreed upon. That is the bill which is now before the Senate.

I do not know that there is more I desire to say with reference to the matter now, but I suppose it will be discussed quite fully when we take up any of these bills.

Mr. LENROOT. I should like to ask the Senator from Oregon a question in reference to the first portion of the bill validating contracts that have been defectively executed or not executed in compliance with the law. I want to know whether the Senator whether in case the Government could not make a contract so that it could not be paid to the manufacturer, and that the manufacturer would be able to claim and receive unearned profits? In other words, here is a contract for, we will say, $10,000,000 worth of munitions. Only $1,000,000 worth of it has been re­ceived, and the Government could not be held to pay upon the $9,000,000 which it had not received in munitions. I ask the Senator whether under this language it would not so validate that procurement order, for it may have been only in the form of a procurement order, that the contractor would re­ceive his entire profit upon the $10,000,000 worth of munitions, although he had not earned a profit except upon $1,000,000 worth?

Mr. CHAMBERLAIN. Does the Senator ask whether the bill is drawn in such a way as to permit that?

Mr. LENROOT. Yes.

Mr. CHAMBERLAIN. The testimony before the committee shows that it was not the intention to have the profits the Senate seeks to pay.

Mr. LENROOT. What is the Senator's opinion as to the bill properly guarding the Government against that situation?

Mr. CHAMBERLAIN. I think the bill is broad enough to guard the Government against that situation.

Mr. McKELLAR. If the Senator will permit me, I call his attention to the language on page 5 of the bill:

The Secretary of War is authorized and directed, on behalf of the Government, to enter into such contract with such individual, firm, company, corporation, or foreign Government as will, under all the circumstances, fairly and equitably compensate him or it for the expenditures made, obligations incurred, equipment, materials, or supplies furnished or acquired, or services rendered, as aforesaid.

It excludes any pay for anticipated or speculative profits.

Mr. LENROOT. That may be true, but that only relates to the cases described in that paragraph where no contract had been entered into. The preceding paragraph, concerning which I now direct my inquiry, is where the contract has been made but not fully executed in compliance with the law.

Mr. McKELLAR. I will say to the Senator in reference to that, that the first section applies to those contracts where they have been signed, but not technically properly signed, and that was the testimony before the committee, as the Senator from Massachusetts has described; but later on they had a question brought up before the committee, and the opinion was furnished the committee in reference to that, but it is only one Illustration of a great many.

Mr. McKELLAR. When we give by this act a proper sign­ing the rights of the party are dependent upon those written contracts which the contractor has already signed, and, of course, the Government is bound by that.

Mr. LENROOT. The would be true if the first paragraph was limited to contracts of that character; but the very first paragraph also validates all procurement orders that have been accepted.

Mr. McKELLAR. No; that is the second paragraph.

Mr. LENROOT. No; the first. The language is:

When such agreement anticipated procurement order, and such agreement was reduced to the form of a contract or accepted procurement order and executed or signed on behalf of the Government, I understand all the contracts do provide for cancellation.

Mr. McKELLAR. Those procurement orders are in writing also, and the Government is bound by the procurement order in the same way as in a contract.

Mr. LENROOT. That is correct in my understanding where the contract was actually made it has in all cases provided for cancellation?

Mr. McKELLAR. It has; that is my understanding.

Mr. LENROOT. I mean that that is the practice.

Mr. McKELLAR. That is the case, although they provide for cancellation.

Mr. WEEKS. I remember that the matter was brought up in the committee and that question was asked, and much to my surprise I think the opinion was furnished the committee that all contracts did not contain the cancellation clause.

Mr. McKELLAR. That is correct as to the first contract, and that was the testimony before the committee, as the Senator from Massachusetts has described, that they had a form of contract, which was stated to be the standard form of contract, in which cancellation was provided;" so, as I said, even the written contract is involved in a good deal of doubt.

Mr. LENROOT. Then, I take it, as it is admitted that under the language in the first paragraph, as the bill stands, it will bind the Government to pay the full price or the profits that would have been realized upon the canceled portions of the contract.

Mr. McKELLAR. No; I do not think that would be the case at all. I will state what the bill does. The first paragraph is to bind the Government to precisely the same written contract called either a contract or a procurement order, that its agent, merely signed, but signed.

Mr. LENROOT. I agree to that; but does the Senator think where such a contract has been made by anyone without an provision for cancellation the Government should be held to validation of that contract, compelling the Government to pay, unearned profits?
Mr. McKELLAR. I am very frank to say to the Senator I do not, and I am not prepared to make or pass judgment on the whole question of speculative profits, but I do consider that the provision in the bill which is proposed to be inserted in this form for the purpose of avoiding any confusion whatever, will not be objectionable to anybody. Therefore I shall not oppose it.

Mr. WEEKS. I think it is protected, but, so far as I am concerned, it would not be in favor of the amendment that Mr. Smith from Oregon should make.

Mr. McKELLAR. I say that, but in any case I think we are entitled to this. I am satisfied that the provision in this bill will fully cover the case and protect the Government.
Mr. McKELLAR. I am glad to explain that to the Senator. The Senator from Nebraska is going to explain it later, but, if he will permit me, I will answer the question of the Senator from South Dakota.

The Hitchcock bill was prepared by a subcommittee composed of the Senator from Nebraska [Mr. Hitchcock], the Senator from Iowa, Mr. Pomerene, and myself. It has been carried through the Senate, and we heard the whole matter; we reported the bill back to the committee; and the committee reported it to the Senate favorably. There was objection to the bill, however, on the part of the War Department, because it was claimed by the department that it took the entire settlement of these contracts out of the hands of that department. At a matter of fact, it did place the whole matter of settling these contracts in the hands of the independent commission proposed to be appointed under the terms of the bill. Our authority for the appointment of such a commission was the commission which was appointed after the Spanish-American War, which we had been informed worked very well indeed. Most of the contractors, I think, were substantially in favor of that. The other House merely directed the Secretary of War to go ahead and settle these contracts, his opinion and determination of the matter to be final. Of course, this does not mean that the Secretary himself settles these contracts. It practically means anyone in his department. The contractors were not, however, willing to have that done, because it left an arbitrary power in the hands of one man which might be performed by any officer, by a second lieutenant, a first lieutenant, or a major, whoever he might be—and that would be the end of it. In view of that objection, this amendment was framed by the committee, of which I have spoken, composed of the Senator from Nebraska, the Senator from Iowa, and myself. I believe—and I understand the Senator from Nebraska is of the same opinion—that, with one or two amendments added, that would be the best bill of all. Including, of course, the House bill, for I do not think anyone will contend that the House bill is right. I do not think even the War Department can be satisfied. If I understand the Senator that it ought to be done, and ought to be done fairly, I think it for the best plan yet offered.

I believe—and I understand the Senator from Nebraska is of the same opinion—that, with one or two amendments added, that would be the best bill of all. Including, of course, the House bill, for I do not think anyone will contend that the House bill is right. I do not think even the War Department was satisfied with that bill. Surely it is not the bill that ought to be passed by the Senate. We should report it to the commission, that then the commission should have the right to pay down 75 per cent of the amount claimed to be due, and if the contractors were not satisfied they would have the right to go into the Court of Claims for the other 25 per cent. That is absolutely fair, and I still think it is fair and the best plan yet offered.

Mr. McKELLAR. I will say that there was a good deal of dissatisfaction with the Hitchcock substitute, after it was reported by the committee. A committee of contractors came down here. They were very fair-minded men, and, by the way, aided with very valuable suggestions about contracts which were very valuable. As a matter of fact, a new substitute was reported afterward by the committee which embodied the House bill plan and under which the Secretary of War is to go out and work it out as best he can, and then he will give the last substitute reported, makes the commission an appellate body. The Hitchcock substitute makes it a body of original jurisdiction.

Mr. BORAH. Do I understand that the Government and the individual contractors both have the right of appeal?

Mr. McKELLAR. Both have the right of appeal. By the way, I want to call the Senator's attention to that, because it was somewhat disputed matter in committee as to whether or not the Government ought to have the right of appeal. I think it absolutely essential that the Government, as well as the contractors, should have the right of appeal from the decision of the department.

Mr. BORAH. Whose business would it be to take such an appeal on behalf of the Government?

Mr. McKELLAR. The Department of Justice.

Mr. STERLING. How is the commission to be created?

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Mr. BORAH. Mr. President, I was going to ask the Senator from Ohio a question before he took his seat. I think the Senator has raised a very proper point for consideration when he suggests that speedy determination of these claims might be the means of saving some men from bankruptcy.

Mr. BORAH. But would not the same condition follow if the bill as reported by the committee were adopted, for must not somebody hear the evidence and pass upon it?

Mr. CHAMBERLAIN. Mr. President, may I suggest to the Senator—because it is being overlooked in the discussion—that there was not a business man or representative of a business body who appeared before the committee who did not say that the so-called Hitchcock bill would delay proceedings, and that if there was a start made in the adjustment of these claims before the 1st of July under that bill it would be doing well. Not only that, but the War Department itself through its representative, Mr. Crowell, a most excellent clear-minded business man, claimed that under the system proposed in that bill the work could not be commenced before July.

As has been suggested by the Senator from Ohio (Mr. FRELINGHUYSEN), there is a feeling abroad that there can be less delay in the adjustment of these matters, must go into bankruptcy, because they have all their liquid capital in the business and the banks will not loan them any money until there has been some certification, either by the Government or by its boards, that these contracts are going to be paid at some time in the near future, in part or in full.

Mr. BORAH. Mr. President, how does the Hitchcock substitute delay the matter if we assume that somebody must examine and determine these claims and make any necessary controversies and pass upon them?

Mr. CHAMBERLAIN. I am going to say in perfect frankness to Senators that not one of these measures appeals to me in its entirety. It is a question whether the business of the country and I have yielded my judgment on many propositions in order to try to reach results.

The trouble about the Hitchcock commission plan is that the commission to be created is to proceed de novo. The War Department plan—and that is the plan embodied in this bill, practically—contemplates the utilization of the 32 boards already functioning in the different regional districts. Those boards have heard the testimony and practically in many cases have agreed with the contractors as to the amount of their claims, and I do not think there is any contention that their judgments have been unjust.

Mr. BORAH. Mr. President, I should consider the objection to that as being that these boards are practically in a large measure directly or indirectly settling their own affairs.

Mr. CHAMBERLAIN. If I may disoblige the Senator's mind of this, Mr. FRELINGHUYSEN, page 54 of his testimony tells how those boards are constituted, and if the Senator will permit me, as the extract is short, I will read it. It is as follows:

We have 32 boards now functioning on this thing. Our idea was to decentralize it, so as to get speedy action and so as to get the action kept in touch and who have been closest in touch with the production under these contracts. The Ordnance Department has 12 boards, and those are headed in each case by the district ordnance officer, who is in every case a man of large experience, a civilian who has been expediting and watching production in his district for a considerable period. In some part, it has many boards, which have been approved in Washington, of four or five members each. They are largely members of the former Quartermaster Corps. The department has also established of the country making settlements for the Ordnance Department and the former Quartermaster Corps. The department has also established of War refers for decision all cases in which the contractor and the Government are in disagreement as to the amounts due him, there can be no dispute as to their validity. Those contracts or at least many of them have not yet been completed. What is the War Department doing with respect to them? Is it canceling these contracts, and, if so, upon what terms? Is it paying the full profit whether the contract has been completed or not? I am asking the question for information only.

Mr. FRELINGHUYSEN. Mr. President, in my understanding, the War Department has its machinery already in operation in connection with these claims. I have here a letter from the Assistant Secretary of War, Mr. Crowell, from which I read the following:

In a statement from the United States Chamber of Commerce forwarded to me under date of January 2, they say that subsequently the officials of the War Department have reported 669 agreements out of the 6,000.

I feel that the bill should provide that the War Department should settle these contracts, provided they can come to an agreement with the contractors through the machinery that they have in the War Department, and then, if there is any contract difference of opinion between the contractors and the War Department they can appeal to the tribunal to be created which will stand between the War Department and the Court of Claims, whose processes are so slow. Why the contractors fail to agree with the War Department they will have some tribunal to which they can submit their claims.

Is it necessary to refer to the proposed commission all of the contracts?

The War Department made these contracts; but many of them are agreements verbally made, and there are disagreements as to the termination provision. As to some contracts, they have not been able to get any agreement as to termination because of the fact that they had to be so hastily made. Why not let the War Department go as far as they go in the settlement? If the two parties agree, let the department dispose of the contracts where agreement is had, and where they do not agree, let the matter be referred to the proposed tribunal.

Mr. POMERENE. Mr. President, I think in that behalf there is a great difference between the War Department and the contractors. I agree with him that if these contracts are settled on any equitable basis at all they should be settled by the War Department; but the thing that has troubled me most has been the fact that there are a larger number of contracts which are in dispute, and I have feared that under the plan this one would perhaps be a year before many of these contracts could be adjudicated, if I can properly use that term. The machinery that is contemplated here is a matter of great concern to me.

Mr. FRELINGHUYSEN. Mr. President, does the Senator refer to the committee bill?

Mr. POMERENE. I was referring to the commission which is provided to try the disputed claims.

Mr. FRELINGHUYSEN. The committee bill provides that the War Department through its machinery shall settle these contracts first. Of course, if they are in agreement with the contractors, there will be no reference to the proposed commis-
Mr. POMERENE. Mr. President, let me see if I understand you. I want to ask for information.

Mr. BECKHAM. That is my recollection.

Mr. WARREN. And it is now a matter of closing the discussion and that they can be examined and passed upon. There-...
Mr. FREELINGHUYSEN. Yes.

Mr. CUMMINS. The second relates to those cases in which the contract has not been reduced to form at all, but orders having been given looking to the execution of the contract of something of that kind expenditures have been made on the faith of the contract yet to be reduced to form. Those are the two classes. When these contracts are validated is it the intention of the Senate that by validated shall be determined in form and executed as mentioned in the law. This is the question.

Mr. CUMMINS. That answers the Senator's question in regard to the contracts that were not signed by the proper statutory officials. The bill provides further that the committee included procurement orders with the other written contracts.

Mr. FREELINGHUYSEN. That answers the Senator's question. The clause in the bill which the Senator is asking about is section 2 of the bill, which states that the Secretary of War will sign the contract if he finds that the conditions specified in the bill have been fulfilled. That is the clause that is troubling the Senator.

Mr. CUMMINS. Precisely; that is just what I was speaking about.

Mr. LENROOT. I merely wish to call the Senator's attention to the fact that the provision with reference to appeals that is inserted in the bill is only applicable to contracts that have been signed by the proper official. The bill does not authorize the Secretary to make compensation on a valid contract. That is the point that is bothering the Senator.

Mr. FREELINGHUYSEN. Yes.

Mr. CUMMINS. Now, it is being validated, what becomes of it if the Government refuses to carry it out? Is there anything in the bill that will enable that contractor to apply to the commission, or take an appeal, or in any way secure a settlement, save as the War Department in its regular organization may see fit to settle with him? That is the point that is bothering the Senator.

Mr. FREELINGHUYSEN. Yes, Mr. President, will the Senator yield to me?

Mr. CUMMINS. But my difficulty is in finding in that language any reference to the first paragraph of this bill. I do not believe it covers, in its present terms, a contract that is not validly made under the laws and practices there, into the scrap heap with the others.

Mr. CUMMINS. But I think the Senator from Wyoming has the point in mind. I will instance a case as it was put to me.

A contractor of my own State enters into an agreement with the Government to furnish certain things.

Mr. WARREN. I was not alluding to American contracts.

Mr. CUMMINS. The Senator from Iowa [Mr. CUMMINS] has the floor.

Mr. McKellar. Just look at line 12.

Mr. CUMMINS. Yes.

Mr. McKellar. No; it does not. That was not what the Senator from Iowa was speaking of, however.

Mr. CUMMINS. Precisely; that is just what I was speaking of. At the beginning of line 11 the bill provides—

Mr. McKellar. I am going to read it now.

Mr. CUMMINS. I am going to read it now.

Mr. McKellar. The Senator will find that it is absolutely plain.

Mr. CUMMINS (reading)—

"That within 30 days of the date when the Secretary of War tenders any contract or compensation provided in this act, or refuses to tender such contract or compensation, the party to whom said contract or compensation is tendered or refused, or the Government, as the case may be, shall have the right to appeal. That is shown on line 11, page 7, of the bill."

Mr. McKellar. That is the point that I am mentioning.

Then the committee hear it de novo as a court of appeal from the ruling of the War Department.

Mr. CUMMINS. That is the point that I am mentioning.

Mr. McKellar. But my difficulty is in finding in that language any reference to the first paragraph of this bill. I do not believe it covers, in its present terms, a contract that is not validly made under the laws and practices there, into the scrap heap with the others.

Mr. CUMMINS. Now, is not the senator from Iowa alluding to American contracts?

Mr. McKellar. Yes.

Mr. CUMMINS. But, under the validated contract, he is now in a position to apply to the Secretary and the Secretary is authorized by this bill to make compensation, and this bill does not authorize the Secretary to make compensation on a valid contract.

Mr. McKellar. No; it does not. That was not what the Senator from Iowa was speaking of, however.

Mr. CUMMINS. Precisely; that is just what I was speaking of.
tenders it to the contractor, and it comes directly within that
language.

Mr. CUMMINS. No; there is nothing to indicate that he
tenders it to the contractor.

Mr. McKELLAR. There will be a great many things done
that are not specifically provided.

Mr. CUMMINS. Paragraph 2 of the bill very distinctly pro-
vides for a contract and the tender of compensation; but I am afraid that the committee—of course, unin-
tentionally—has excluded entirely the settlement of those cases
which are simply under valid contracts.

Mr. McKELLAR. Oh, I do not think so.

Mr. FRELINGHUYSEN. Mr. President, I think possibly
the Senator from Iowa might suggest an amendment to carry
out his idea.

Mr. CUMMINS. That is easy enough. It would not be hard
to suggest an amendment.

Mr. McKELLAR. If the Senator will suggest one, I am sure
we shall be delighted to have it inserted to make it clear.

Mr. CUMMINS. I should like to ask the Senator from Tennes
esee another question, or the Senator from New Jersey.

Mr. McKELLAR. Surely.

Mr. CUMMINS. In lines 16 and 17, on page 4, it is said,
'speaking of the validation of contracts:

Provided, That he finds such waiver is not inconsistent with the
public interest.'

It seems to me that if the Government has made a contract
with an officer, and all that it lacks is the statutory authority
of that officer to enter into the contract or to sign the contract.
It is hardly fair to give the Secretary of War the privilege of saying
in the statement of facts that he ought not to be bound by that contract
if he finds that it is not consistent with the public interest.

Mr. McKELLAR. There is not any intention of that. It
refers to an entirely different situation.

If the Senator has finished, I should like to discuss another
phase of this question for just a moment.

Mr. OVERMAN. Mr. President, before the Senator begins.

Mr. FRELINGHUYSEN. I yield the floor.

Mr. LENHOURT. Before the Senator from New Jersey yields
the floor, I should like to ask him a question on another branch
of the bill.

As I read this bill, it legalizes a claim against the Govern-
ment on the part of one who has performed services or ex-
pedited money upon the request merely of one who is not au-
thorized in any way to make a contract, but one who has been
requested to aid the War Department in the procurement of munitions.
In other words, a dollar-a-year man in the War Indus-
tries Board has requested some one to do something, under
the belief that he will later get a contract, and this bill will
give that man a legal claim against the Government. Am I
correct?

Mr. FRELINGHUYSEN. I think the Senator is correct.

Mr. McKELLAR. I will say to the Senator that that is the
proposition I want to discuss for just a moment when the Senator
has finished. I should be very glad to answer the Sena-
tor's question when I come to discuss it.

Mr. FRELINGHUYSEN. I yield to the Senator.

Mr. McKELLAR. Now I yield to the Senator from North
Carolina.

Mr. OVERMAN. What I wanted to ask was this: Many of
these contracts, two-thirds of them, are subcontracts. A man
gets a contract to furnish a million pairs of shoes. He can not
furnish them, so he lets it out to a subcontractor. I want to
know if there is any provision in this bill to take care of the
interests of those subcontractors?

Mr. McKELLAR. None whatever. They are not contractors
with the Government.

Mr. OVERMAN. Here is a man, now, who has a contract
with the Government for $2,000,000 worth of shoes. You recog-
nize him and settle with him; but the man who made the shoes,
who furnished the shoes, you do not take care of at all.

Mr. McKELLAR. That is true.

Mr. OVERMAN. Do not the Senator think there ought to
be some provision by which this whole matter shall be con-
sidered, and the man who has absolutely furnished the material
shall be taken care of?

Mr. McKELLAR. I think, if the Senator will vote for the
Hitchcock substitute, he will find that that will be taken
care of.

Mr. FLETCHER. Mr. President, I should like to have the
Senator explain that and point out where it is. I think the bill
reads much better, on the point the Senator from North Caro-
olina refers to, than the Hitchcock amendment.

Mr. McKELLAR. If Senators will give me their attention
for just a few minutes I want to discuss the class of cases to
which the Senator from Wisconsin [Mr. LENNOX] so properly
referred just a few moments ago.

We all know that in the very active campaign we have had
here during this war there have been many volunteers, men
connected with certain lines of business, who have come down
and represented the Government in connection with these
very lines of business; and in order to bring that matter di-
rectly to the attention of the Senate I am going to take the
liberty of reading just a little of the testimony of three witnesses,
whether in the clothing industry or the country, and he will be
with the clothing industry of the country. I want to explain, before I read
this testimony, that it shows the vital necessity of having
some independent commission to pass upon the question of con-
tracts with the Government.

I want to call attention to the fact that under the bill as re-
ported by the House many of the officers who are going to set-
tle these contracts for the Government will simply settle with
themselves, and the Government has to pay whatever these
gentlemen feel like taking. Let us suppose, for a minute, that
it is contract on dyes. I produce the testimony of Mr. Rice,
taken before our committee:

Mr. McKELLAR. Who is the Southbridge Printing Co.?

Mr. RICE. A concerns, Mr. McKellar. They have been in sul-
phur dyeing for the last two years or more.

Mr. McKELLAR. Who is Mr. K. A. Rice? Mr. RICE. He is a
brother of mine. Mr. McKELLAR. He is still interested in it?
Mr. RICE. Yes; he is still interested in it.

Mr. McKELLAR. What amount of stock does he own?
Mr. RICE. It is my recollection, something like 75 shares. I would
not state exactly. Of course that is of record. Mr. McKELLAR. What interest
did you have in the business before you came down here?
Mr. RICE. I had about a little over one-quarter of the stock.

This was a dollar-a-year man who is testifying now. And this
is one of the men who will settle with the dye interests if you pass the Ho
e bill and have no independent commission.

Mr. McKELLAR. How much is it capitalized at?

Mr. RICE. $135,000.

Mr. McKELLAR. How much, in contracts, has that concern and?
Mr. RICE. I believe about $100,000 a year—of course, I can
give you an exact account of it.

Mr. McKELLAR. I wish to be glad to have it.

Mr. RICE. About 3,000,000 yards.

Mr. McKELLAR. Are there any other companies you are con-
necting with the dye industry of the country, one with
the clothing industry of the country, and a third with the ve-
cile industry of the country. I want to explain, before I read
this testimony, that it shows the vital necessity of having
some independent commission to pass upon the question of con-
tracts with the Government.

Mr. McKELLAR. What did you do with your stock? To whom did
you sell it?

Mr. RICE. I sold it to my wife. The Quartermaster's Department stated that
should be done, and I transferred it to my wife.

Mr. McKELLAR. You did not sell it to her, did you?

Mr. RICE. I transferred it over for $2.

Mr. McKELLAR. You just put it in her name so you would not be
interested in it?

Mr. RICE. Yes; I transferred it over to her. In other words, it be-
longs to her.

Mr. McKELLAR. Is there any other company you are connected
with which you transferred your stock to?

Mr. RICE. No; it was more or less a transfer to my wife.

Mr. McKELLAR. Have you done any business with that com-
pany?

Mr. RICE. Yes, sir.

Mr. McKELLAR. How much have you allotted to them?

Mr. RICE. I should say about 40,000,000 yards during the year.

Mr. McKELLAR. Have those contracts been filled?

Mr. RICE. No, not all of them. Not all of them. We have not been working on them now. In
fact, some of the material has been delivered to them. Gray mills are
now making the gray contracts on the grey contract of the Government. Mr. McKELLAR. Are there any other companies with which you were
connected?

Mr. RICE. No, sir; those are the only two companies I had owned
any stock in.

Mr. McKELLAR. Your partnership was with Mr. Myrick?

Mr. RICE. Mr. Myrick.

Mr. McKELLAR. What contract have you with Mr. Myrick about
your firm business while you are down here?
Mr. RICE. None whatever. I sold out to Mr. Myrick. I have resigned and am no longer a member of the firm of Myrick & Rice. I am out of it entirely.

Senator MCKELLAR. Who are the owners of that firm?

Mr. RICE. Mr. Myrick is the sole owner now of the firm.

Senator MCKELLAR. You are not connected with it at the present time, are you?

Mr. RICE. I am not.

Senator MCKELLAR. And you went out of Wellington, Sears & Co., after you went into the service of the Government as a dollar-a-year man?

Mr. RICE. Yes.

Senator MCKELLAR. And you did not

Mr. RICE. I do not know what you mean by "affiliated."

Senator MCKELLAR. I mean connected.

Mr. RICE. I am an experienced cotton manufacturer and have come from the industry.

Senator MCKELLAR. You are not connected with it at the present time, are you?

Mr. RICE. Yes, sir.

Senator MCKELLAR. You gentlemen are all affiliated with the cotton trade, are you?

Mr. RICE. Yes.

Senator MCKELLAR. And there is no use our attempting to camouflage the thing one way or another. We might as well look it right square in the face. When this war is over you are going back in the cotton trade, of course.

Mr. RICE. I am, as I have to support my family. Senator MCKELLAR. Of course, no one will indorse such a practice as the Senator has pointed out in reading the testimony,-but "can not the interests of the Government be safeguarded against such fraud?" "I am, as I have to support my family." Senator MCKELLAR. Just enumerate the different kinds of goods, if you please, that you do not wish me to put in my bill. I do not want to be mistaken about it. Take the white duck used for feathering and how many turnovres are there a year on that?

Mr. RICE. I have not a dollar-a-year man working on that.

Senator MCKELLAR. As a matter of fact, Mr. Bailey, the real committee that fixes prices is the one composed of Mr. Scott, yourself, and Commander Hancock and Mr. Turner.

Mr. RICE. Absolutely not, sir.

Senator MCKELLAR. In what instance has any fixing of prices ever been changed by the big committee?

Mr. RICE. In the instance of the small committee that one that was adopted.

Mr. RICE. I was not a member of the small committee at the time. It was approved by the big committee.

Senator MCKELLAR. What kind of an engineer is he? Whom does he work for? What is his first name?

Mr. RICE. He is a man who lays out mills for making certain grades of fabrics, who is presumably well acquainted with the facts of the case, and of course, was to pay for doing contracts on commercial business; nothing whatever on any Government business.

Senator MCKELLAR. What does he know about making prices for cotton goods?

Mr. RICE. He is not connected with any mill. He is an engineer of Providence, R. I.

Senator MCKELLAR. An engineer. Whom does he work for? What is his first name?

Mr. RICE. I am an experienced cotton manufacturer and have come from the industry.

Senator MCKELLAR. Mr. Bailey. I have not taken any responsibility for the price fixing.

Mr. RICE. It is composed of two mill engineers, Mr. Makepeace and Mr. Sirrine.

Senator MCKELLAR. Anybody else?

Mr. RICE. Mr. Makepeace, who is Mr. Makepeace, and what mill is he connected with?

Mr. RICE. He is not connected with any mill. He is an engineer of Providence, R. I.

Senator MCKELLAR. An engineer. Whom does he work for? What is his first name?
Mr. Bailey. I do not know. My description of Mr. Makepeace would apply to Mr. Surrine also.

Senator McKellar. Is it not a fact that with the exception of the Army and Navy Department, when the price fixing was directly or indirectly connected with the cotton trade?

Mr. Bailey. No, sir.

Senator McKellar. What was his business?

Mr. Bailey. He was president of Samuel Couples Woodsmen Co. of St. Louis.

Senator McKellar. Prof. Taussig was never connected with the cotton trade?

Mr. Bailey. Not to my knowledge. He was a professor at Harvard College.

Senator McKellar. I know he was. I did not know what his business was prior to that. Do you know who Mr. Baruch or Prof. Taussig or Mr. Brookings have ever gone themselves into the figures submitted for the record?

Mr. Bailey. Mr. Brookings has himself in great detail, and so has Mr. Baruch. Mr. Baruch was present and spoke at length at one meeting of the price-fixing committee.

Senator McKellar. Have they ever taken into consideration the profits made by these concerns?

Mr. Bailey. The profits that have been made?

Senator McKellar. That are being made out of the Government by these various selling concerns.

Mr. Bailey. Senator, I am not qualified to do that, Senator McKellar.

Senator McKellar. Do you ever consider it in making these prices?

Mr. Bailey. Yes. For instance, we have been allocating heavy duty from Canada and from points in Latin America, and we have made duties on what has been manufactured in this country, but because they have been selling their commercial contracts at much higher prices than you have been paying, and that all of that excess was an additional profit; and further, that these mills have, within the last twelve months, been selling cotton below 20 cents a pound to cotton at 35 or 37 cents a pound, which in itself would mean an enormous variation in their raw material. They have got the other end of that coming.

Senator McKellar. Does the price change from time to time?

Mr. Bailey. Oh yes—not since price fixing.

Senator McKellar. When did you have the first price fixing?

Mr. Bailey. The latter part of June, to be effective from June 8, I believe.

Senator McKellar. Then you paid the same prices for all cotton goods—mean of the same grade and quality?

Mr. Bailey. Since that time.

Senator McKellar. Since that time?

Mr. Bailey. From normal producers.

Senator McKellar. You have a statement from the mills in which you and Mrs. Bailey are interested as to the profits made for last year and this year?

Mr. Bailey. No; I have no idea what they are. I am have been very busy with other matters.

Senator McKellar. You do not know what dividends they pay?

Mr. Bailey. I have not.

Senator McKellar. Do you know what dividends any of these mills pay that have any business with you? Have you got in mind?

Mr. Bailey. No; I have not.

Senator McKellar. You fixing prices this way, would not that be very improper for you to fix or to have fixed against you?

Mr. Bailey. I think not. Senator McKellar. Is not that the most important knowledge that you could have if you were going to fix the price? For instance, if we were going to fix the price, I would like to see the lumber business, but used to be done before price fixing?

Mr. Bailey. Yes.

Senator McKellar. How can you tell what a reasonable price is unless you know what profits you have made?

Mr. Bailey. Mr. Donald, Mr. Bailey testified that he is not on that price-fixing committee.

Senator McKellar. I know, but he has recommended to them.

Mr. Donald. He has never recommended to them.

Senator McKellar. Do you have ever been recommended to them?

Mr. Bailey. I have not, officially.

Senator McKellar. That is just the trouble. I can understand how price might not be recommended officially and yet just as effectively.

Mr. Bailey. Well, if the thing is not doing, and are committee doing for over a year is these unofficial committees actually doing the governing in the market, you, in the case of these cotton goods is one of the things that has made cotton goods more robust.

Senator McKellar. Yes.

Mr. Bailey. I am not questioning that, but what do you think was the real purpose of going to fix the price of lumber and I was a going concern and had a large business in lumber and I was selling to you and had been selling to you on Government contracts—

Senator McKellar. Would it not be very important for you to know what profits I was making on that lumber before you undertook to fix the price?

Mr. Bailey. If you were a corporation and were selling the Government at a lower price than you were selling your civilian business, I should say that the profits you were making were making no indication of what a fair price would be.

Senator McKellar. Taking it about selling the Government at a lower price. The profits made by the government in the market, in the case of these cotton goods is one of the things that has made cotton goods more robust.

Mr. Bailey. I am not questioning that, but what do you think was the real purpose of going to fix the price of lumber and I was a going concern and had a large business in lumber and I was selling to you and had been selling to you on Government contracts—

Senator McKellar. Well, of course I do not want to do that.

Mr. Bailey. As one of probably 200 in a meeting with the War Industries Board price-fixing committee I have participated in a discussion regarding prices. My influence has been not on the side of increasing prices of cotton goods, Senator McKellar.

Senator McKellar. Mr. Donald, do you actually, whether officially or unofficially, recommend prices?

Mr. Bailey. At the present time, Senator McKellar, the present time.

Senator McKellar. No; I do not.

Senator McKellar. Have you ever done it?

Mr. Bailey. Oh, yes.

Senator McKellar. When did you stop?

Mr. Bailey. When?

Senator McKellar. The price was fixed?

Mr. Bailey. When?

Senator McKellar. The price was fixed.

Mr. Bailey. When?

Senator McKellar. The price was fixed?

Mr. Bailey. When?

Mr. McKellar. The price was fixed?

Mr. Bailey. When?

Mr. McKellar. The price was fixed?

Mr. Bailey. When?

Mr. McKellar. The price was fixed?

Mr. Bailey. When?

Senator McKellar. When did you stop?

Mr. Bailey. About June 1.

Senator McKellar. Mr. Donald, about June 1.

Mr. Bailey. Yes.

Senator McKellar. Mr. Donald, will you tell us your connection with the Quartermaster Corps?

Mr. Donald. I am chief of the clothing and equipage division.

Senator McKellar. When did you become chief of that division?

Mr. Donald. About June 1.

Senator McKellar. What was your business before?

Mr. Donald. I was a lawyer.

Senator McKellar. Were you ever engaged in the cotton business?

Mr. Donald. No, sir.

Senator McKellar. How did you get into the Department of Commerce and Industry?

Mr. Donald. Well, the whole clothing and equipage division.

Senator McKellar. Did you ever represent Mr. Scott or any of his companies before that?

Mr. Donald. No, personally have not represented Mr. Scott. My firm had done some business for Mr. Scott.

Senator McKellar. What Herrick is that?

Mr. Donald. Robert F. Herrick.

Senator McKellar. Of New York?

Mr. Donald. Of Boston.

Senator McKellar. You were asked by Mr. Scott to come here?

Mr. Donald. Yes, sir.

Senator McKellar. Were you familiar with the cotton trade, the clothing trade, before you came here?

Mr. Donald. No, sir.

Senator McKellar. Were you ever in the clothing business or the cotton business?

Mr. Donald. No, sir.

Senator McKellar. You heard Mr. Bailey testify a few minutes ago that it would be difficult to find a cotton manufacturer to receive the majority of that which would know enough about it to manage it for the Government. How do you get along under that definition?

Mr. Donald. Our division is a very large division, and, of course, we have in each of our branches the men who are technical experts in the various lines.

Senator McKellar. Why were you selected? Do you have any idea why you were selected to come down here?

Mr. Donald. He was too modest to answer; he did not answer, and Mr. Bailey testified for him.

Senator McKellar. Let him go right ahead. I am after the facts.

Mr. Donald. The clothing and equipage division was organized by Gen. Goethals in January of this year. It was an entirely new organization, and I have not had the benefit of the experience and knowledge that Mr. Herrick and others have had, but I have had the four members, and my firm has been in practice since 1873, and it has represented a great many cotton manufacturers, and I think I can answer the question.

Senator McKellar. Referring again to your connection with cotton firms, Herrick, Smith, Donald & Farley represent cotton manufacturers?

Mr. Donald. Herrick, Smith, Donald & Farley represent cotton manufacturers?

Mr. Donald. Herrick, Smith, Donald & Farley. There are a good many cotton manufacturers in and around Boston and New England.

Senator McKellar. There is a question to be answered.

Mr. Donald. There are a good many cotton manufacturers in and around Boston and New England.

That is supposed to be an answer to the question.

Senator McKellar. Just tell me offhand; I will not hold you to all of your clients in that particular line, but give me the more important ones, at any rate.

Mr. Donald. We have, so far as I know, Senator, no retainer clients from any firms.

Senator McKellar. I understand that, but I want to know whom you represented. For instance, I know whether I represented the Union State Bank or the Central State Bank of Memphis, Tenn., and you asked me if a cotton manufacturer could come here to talk to you that quick, or if you asked me what cotton houses I had represented I can tell you, but when I asked you if you had four members and your firm has been in practice since 1873, and you have represented a great many cotton manufacturers, do you know what your firm represented, so far as you can? You have been in the firm over a year?

Mr. Donald. Not at the present time.

Listen to this:

Mr. Donald. Not at the present time.

Senator McKellar. Is there any interest in the partnership now?

Mr. Donald. Not at the present time, but I will afterwards read you what I interlined:

Mr. Donald. Last year the firm of Herrick, Smith, Donald & Farley was a member of the firm of Fish, Richard, Platt & McTighe, formerly members of the firm of Fish, Richardson, Herrick & Neave, Mr. Farley, one of my partners, Mrs. Smith, had been in the Army and Navy, and he is now abroad. The firm has practically been a pool of my stock and I have not been since last February.
Mr. DONALD. Last year the firm of Herrick, Smith, Donald & Farley was formed. We were formerly members of the firm of Fish, Richardson, Donald & Mr. DOXALD. I do not understand that I am getting any money from (earned by other members of the firm and I have not been (recessed any since January. Mr. DOXALD. In order to claim any amounts thereafter earned by the other partners, and that I wished to have

Mr. DONALD. (No written agreement.) When I came away it was understood that no further profits (did not wish to take profits thereafter earned by other members of the firm.)

Senator MCKELLAR. What firm are her? Mr. DONALD. Bliss, Fabyan & Co., and,

Senator MCKELLAR. The Everett? Mr. DONALD. At times. We have represented the Everett Mills.

Senator MCKELLAR. The Everett? Mr. DONALD. They all have, unless we have overlooked them. Senator MCKELLAR. Unless you have overlooked them. Now, why

Mr. A. L. Scott was interested? Mr. DONALD. The firm has. Senator MCKELLAR. "Which ones are those? Do you know what concern they represent?

Senator MCKELLAR. Have all these concerns got contracts with the Government? Mr. DONALD. At times. Mr. Fish, Richardson, Herrick & N'evan. Mr. Parley, one of my partners, went to Plattsburg in April. My partner, Sir, Smith, had been in the Army and he is now stationed in some place in Kentucky, and I have not heard from him. He has not been paid.

Mr. DONALD. The firm has doubtless represented other firms of a similar kind. Senator MCKELLAR. YOU do not recall any others?

Mr. DONALD. NO, sir.

Senator MCKELLAR. Mr. Scott is at the head of the J. Spencer Turner Co.? Mr. DONALD. I think so. Senator MCKELLAR. I interrupted you when you were going to give me a list of the cotton manufacturers that you represented.

Mr. DONALD. We have represented the Pacific Mills and the Everett Mills.

Senator MCKELLAR. The Everett?

Mr. DONALD. At times. We have represented the Harmony Mills; Bliss, Fabyan & Co., and, I think, at times, Minot, Hooper & Co.

Senator MCKELLAR. Did you ever represent any companies in which Mr. A. L. Scott was interested?

Mr. DONALD. No; I have been paid a salary of $3,500.

Senator MCKELLAR. You have just testified here to representing a company in which Mr. Scott was interested? Mr. DONALD. Yes. Senator MCKELLAR. Have all these concerns got contracts with the Government?

Mr. DONALD. No, sir. Senator MCKELLAR. What company is he the head of?

Mr. DONALD. He is not the head of any firm. He is a member of the firm of Bliss, Fabyan & Co., who are mill engineers, really, and who are managers of several concerns.

Mr. DONALD. The Everett. And part owners in these concerns that we have mentioned here.

Senator MCKELLAR. You do not recall any others?

Mr. DONALD. M'ore or less has represented other firms of a similar kind.

Senator MCKELLAR. As a matter of fact, your firm is a large firm and represents a great many of these mills and cotton agents, does it not?

Mr. DONALD. It has, from time to time.

Senator MCKELLAR. It has, from time to time.

Mr. DONALD. I think so.

Senator MCKELLAR. When did he ask you to come down?

Mr. DONALD. I came in February, as I recall it.

Senator MCKELLAR. You came as a dollar-a-year man?

Mr. DONALD. No; I have been paid a salary of $3,500.

Mr. DONALD. Whose place did you take?

Mr. DONALD. Mr. Scott's place.

Senator MCKELLAR. Let us look at Mr. Scott's place. You knew that Mr. Scott's resignation had been asked for because of his connection with the Government. Did he have any business in business with you, did you not?

Mr. DONALD. I understood that was one reason.

Senator MCKELLAR. As a lawyer did you not feel that your coming into the same place, representing all these companies, or in part representing all these companies, would put you in virtually the same position that Mr. Scott had been in before?

Mr. DONALD. I do not know that I am representing all these companies.

Senator MCKELLAR. You have just testified here to representing a great number of mills, and being the legal representative of himself, or one of his mills, and you say you came here at his request, and you say you knew that he had been asked to resign. You have seen that Mr. Scott was asked for his resignation because of his connection with the Government. Did he have any business in business with you, did you not?

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Mr. DONALD. I do not know that I am representing all these companies.
Manufacturing experience usually shows that the last part of a contract renders a larger percentage of profit than the first portion of delivery. It is in the last portion of the contract that the greatest profit is made up from the original cost of materials. In the first period of production, much of the profit is made up from the cost of materials and other expenses. This is particularly true when a contract is made for a large number of identical articles. The profit made up from the cost of materials is not nearly as large as the profit made up from the labor and overhead expenses in the last period of production.

In order to avoid this situation, it is suggested that the contractor should try to avoid contracts for a large number of identical articles. Instead, contracts should be made for a smaller number of identical articles, and the contractor should be allowed to use materials and labor more efficiently. This will result in a greater profit for the contractor and a smaller cost for the Government.

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Senator MCKELLAR. Did you take bids on this?

Maj. MCCUBBIN. Yes; bids were taken on those 90,000 closets and

Maj. MCCUBBIN. Are you just placing your orders with the Standard Co. for those contracts?

Maj. MCCUBBIN. Yes; that is all; no more than friendship. We have known each other for a number of years.

Maj. MCCUBBIN. Yes, sir. That is what we are working up now, to get the orders for the different companies, and get them all together.

Maj. MCCUBBIN. Yes, sir; we are placing with the others, too.

Maj. MCCUBBIN. I can give you the exact date on that. (Revised by Exhibit 2, p. 611-612.)

Senators.

Maj. MCCUBBIN. No, Senator; I can not say that I let that interfere at all. It was not my intention of doing anything of that kind.

Maj. MCCUBBIN. No, sir. I can get you the exact date. Mr. Kelly and Mr. Meyers of the Iron City Sanitary Co. came to—

Maj. MCCUBBIN. No, sir; they only had one part of it. I don't know how much was later worked up.

Maj. MCCUBBIN. They had, I imagine, roughly speaking, approximately one-third of the 90,000.

Maj. MCCUBBIN. I think the whole work on that was concerned, I only compare and compile it, and that is submitted to what we call the board of review that is appointed by the general purchasing agent.

Maj. MCCUBBIN. I do not, I did not figure that out. Senator MCKELLAR. Was that the only instance? When you found the prices were not always equal, we always

Maj. MCCUBBIN. Col. Willcutt.

Maj. MCCUBBIN. How did he happen to notify you that your relationship was desired to interfere with that?

Maj. MCCUBBIN. To whom did you make the order?

Maj. MCCUBBIN. I have known Mr. Cline, of the United States Sanitary Manufacturing Co., a long time.

Maj. MCCUBBIN. Are your relations with either of those gentlemen intimate, like they are with Mr. Herth?

Maj. MCCUBBIN. About two weeks ago. Senator MCKELLAR. How much?

Maj. MCCUBBIN. I can not say that I have known Mr. Herth—both of us were very close friends before either of us went with that company.

Maj. MCCUBBIN. And since you have been here with the Government, that relationship has been continued, and in the purchases you have made you have given your old company most of the business, have you not?

Maj. MCCUBBIN. The only business they got, the prices were low, or they had the service or delivery of material.

Maj. MCCUBBIN. If the prices were not always equal, we always found the shipments favorable, or the location of some of the plants.

Maj. MCCUBBIN. Was that the only instance? When you found the prices of others lower, is it not true that you having been with that company, and having been on such intimate relations with its officers, you might have found that something was wrong?

Maj. MCCUBBIN. I did not let that interfere at all. Senator MCKELLAR. If you did not, is it not that all of the other contractors who have not been in the business, feel as much aggrieved? You having been the representative of this company up until the day you went into the Army, and since you have been in the Service, you find yourself in the most official relationship with the representative of this one company, and the other companies, which you feel somewhat aggrieved that you are showing great favoritism toward your old company?

Maj. MCCUBBIN. From the information I have got I do not blame anybody for making complaint. I understood, the representative of the Standard Co. told them that they had received a tremendous big order which they did not even have the opportunity to bid on. (Revised by Exhibit 2, p. 612.)

Senator MCKELLAR. Did you take lunch with him pretty nearly every day?

Maj. MCCUBBIN. Yes, I have known Mr. Cline, of the United States Sanitary Manufacturing Co., for quite a number of years, and also Mr. Arrott.

Maj. MCCUBBIN. I did not let that interfere at all. Senator.

Maj. MCCUBBIN. You and I are comparatively young men and have our lives largely before us.

Maj. MCCUBBIN. No, sir; my old company was the Sanitary Co., the lowest bidder.

Maj. MCCUBBIN. Five or six of them were low bidders on the entire order.

Maj. MCCUBBIN. I have, until we were notified to stop.

Maj. MCCUBBIN. I have known, Mr. Kelly and Mr. Meyers of the Iron City Sanitary Co., as well as the Standard Co. Senator MCKELLAR. Did you give any to the others of the 90,000 closets on that order?

Maj. MCCUBBIN. I do not know. I did not figure that out. Senator MCKELLAR. As a representative of the Government, do you figure out what it costs?

Maj. MCCUBBIN. I do not.
Maj. McCubbin. now in the Construction Division, I believe, of the Quartermaster Corps, was formerly your employee; that he came from your office into the Army and was immediately given the position that W P naturally feel very kindly toward our own?

STATEMENT OF THOMAS THEODORE AhRENS, PRESIDENT OF THE STANDARD MANUFACTURING CO.:

prices paid? ••••

Manufacturing Co. were purchased, the names of the articles, and the goods that have been bought by you from the United States Sanitary Manufacturing Co., closet tanks and bowls.

Maj. McccBiN. They are all furnished in the tabulation of the bids, and it goes to the board of review. Senator Mckellar. I understand that, they have on hand, on a rough estimate, about 10,000 boxes, or 12,000 tanks. That is the only contract that they have.

Maj. MCCUBBIN. There is no question about the capacity of the companies, these two companies and competition, there was not.

Maj. MCCUBBIN. Yes, competition. We have placed orders with some, and they turned them down.

Maj. MCCUBBIN. The United States Sanitary Manufacturing Co., and the Kahlo.

Maj. MCCUBBIN. When did the Cahill Iron Works get a contract?

Maj. MCCUBBIN. I have got the date of that here. That order was made on July 19.

Maj. MCCUBBIN. Do you not think that the Government ought to have a man buying these enameled goods who is totally disassociated from all of the various companies?

Maj. MCCUBBIN. The United States Sanitary Manufacturing Co., was instrumental in having Gen. McCubbin appointed as such a man.

Maj. MCCUBBIN. That report is being made up now for Gen. Marshall to submit to you, I am pretty sure. Senator Mckellar. I understand that, and I am perfectly familiar with these boards of review. Mr. Ahrens. That report is being made up now for Gen. Marshall to submit to you, I am pretty sure. Senator Mckellar. I understand that, and I am perfectly familiar with these boards of review.

Maj. McccBiN. Col. Willcutt told me this. I was called to Gen. Marshall's office this morning, and he told me to come up here, that you wished to see me.

Maj. MCCUBBIN. The reason, Senator Mckellar, why we secured this business and why we got the larger part of it, is that as the largest producers in our line, with a better organization and better distributing facilities, we were in a position to offer a better service.

Maj. Ahrens. That is under whomever might be the commanding officer in charge there; and that has nothing to do with it, but our Louisville branch has sold many thousands of dollars' worth of goods to that department at Camp Taylor and elsewhere. We have been furnishing the great bulk of all the goods required.


Mr. Ahrens. That is under whomever might be the commanding officer in charge there; and that has nothing to do with it, but our Louisville branch has sold many thousands of dollars' worth of goods to that department at Camp Taylor and elsewhere. We have been furnishing the great bulk of all the goods required.

One more point that I think ought to be brought out. We have been of great service to the Government, because it came in such volume and in such short time—that only my company's organization was then... T o illustrate that, let me say that in the Quartermaster Corps at Jeffersonville, Ind., which he has nothing to do with at all, we have been able to furnish a large percentage of the business as Maj. McCubbin gave us here. Maj. Ahrens. That is under whomever might be the commanding officer in charge there; and that has nothing to do with it, but our Louisville branch has sold many thousands of dollars' worth of goods to that department at Camp Taylor and elsewhere. We have been furnishing the great bulk of all the goods required.

At the nitrate powder plant at Nashville our Nashville house has furnished hundreds of thousands of dollars' worth of goods, none of which Maj. McCubbin had anything to do with.

As we came up here, Senator, Mr. Herts pointed out a large lot of buildings around here, dormitories the Government is putting up for the employees of these concerns, were all of them made by the Government.
Mr. AHRENS. No, sir; I could not say. But, Senator, I would like to say that I was not in a position to know whether the other manufacturers were giving the prices that you describe or not. I did not know who was giving the prices and—

Senator MCKELLAR. Well, it was entirely up to you as to whether or not the prices would be advanced? Maj. McCubbin just simply agreed to any price that you made, did he not?

Mr. AHRENS. He emphatically did not. He emphatically did not, Senator. Maj. McCubbin told me that on this large order in question he expected the Government to pay the manufacturers for their manufacture of the fixtures and that the Government would have to place an order of that size and we could get our proportion of it, that would enable us to reduce our cost, and—

Mr. AHRENS. I felt so certain at the time that I signed that affidavit that the order would be placed—that the housing order would be placed—and that we would get that portion of it that I took that for

Senator MCKELLAR. Why was this affidavit given? Mr. AHRENS. This was gotten up for the purpose of enabling some

Mr. AHRENS. Yes; or words to that effect. Senator MCKELLAR. All right, sir.

Mr. AHRENS. And I want to repeat, Senator, that I made a mistake in stating that we had an order before we had a real order—a written

Senator MCKELLAR. Then you are unavoidably driven to this conclusion, are you not, that the only way on earth as to how this affidavit was explained, is that you were so absolutely sure that Maj. McCubbin would do whatever he was told to do in reference to letting these contracts that you considered it as made?

Mr. AHRENS. Not in so many words. That is, he explained to me that an order, to be an order, would have to first go through the regular channels and be approved by his senior officer.

Mr. AHRENS. Senator MCKELLAR. Did you, when you told your associates in the meeting at Pittsburgh—that is where it was, at Pittsburgh?

Mr. AHRENS. Yes, Senator MCKELLAR. Did you tell them at the same time that the prices would be advanced on these sets?

Mr. AHRENS. No, sir—on this order?

Senator MCKELLAR. On this order.

Mr. AHRENS. No, sir. I told them that we expected to take that order at the time and it was then that—

Senator MCKELLAR. It is claimed that after securing this alleged verbal contract, Maj. McCubbin accompanied the water closets and lavatories, and none of the others, none of the competitors, had

Mr. AHRENS. Senator, I believe a letter that anyway I regret very much.

Mr. AHRENS. Senator, I believed at the time I signed that affidavit that I did have it, or that the order would be ours in a few days.

Mr. AHRENS. I have before me a statement of the shares of this particular business, which shows that the Standard Sanitary Manufacturing Co—

Mr. AHRENS. Yes, sir.
Mr. HERTH. Yes; I will be very glad to give you the number of fixtures. Mr. McKEELE. Yes. Now, do you know whether or not you have any written request for quotations about that since the 15th of September?

Mr. McKEELE. No; have you received any written communications from Mr. McCubbin in that connection?

Mr. HERTH. We receive almost every day requests from the Construction Department for prices on all these fixtures—any fixture that the Government may want.

Mr. McKEELE. Mr. Abrams, would it be in every such instance to get a detailed statement from you of just the statement of the amount and nature of goods, of what you have sold the Government since the war began?

Mr. McKEELE. Of all sales?

Mr. McKEELE. Mr. Abrams, Sir; I will be very glad to.

Senator McKEELE. I would like it in compact form, if you can get it.

Mr. McKEELE. There will be no trouble about that. We can get you here in 24 hours a statement of all the goods and the business we have done with the Government in its various departments, you mean?

Senator McKEELE. In your plants?

Mr. McKEELE. Since the war began.

Senator McKEELE. Yes.

Mr. McKEELE. Mr. Abrams. This question was raised: It is claimed that Maj. McCubbin would buy under very peculiar circumstances from you. For instance, the Cahill Co., of Chattanooga, complained that he had to pay prices ranging up to $8.25 or $8.75. Senator McKELLAB. Who was he?

Mr. McKEELE. I think that is up to the others to show you. I do not know, of course, where we have or how many, or who the contractor is, or who the general contractors were, and I must say there was no price list or price.-list, and I wanted to know whether we should do it. We did not wish to be置身 of these special orders or special arrangements. But I could not then make any report to any particular order at Camp Oglesby, that might have been gone by express. Senator McKEELE. Senator Abrams, could you please give us the information?

Mr. McKEELE. Yes, sir. Senator MCKELLAB. What was the amount of orders; at what price were these 25,000 sets of plumbing fixtures sold? Speaking roughly, what was the cost of them, each?

Mr. McKEELE. Mr. Abrams, Senator MCKELLAB. What was the amount of orders; at what price were these 25,000 sets of plumbing fixtures sold? Speaking roughly, what was the cost of them, each?

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Senator McKellar. It was after the 25th of September, was it not, and after this hearing had begun and Maj. McCubbin had then been called in the order?

Mr. Ahrens. I could not say that, because I do not know when you may have had such a letter, or in what position your competitor was, and under that condition of the business, whether or not that was connected with this case or with any of the different orders of the other contractors until recently, and the only talk I had with any manufacturer connected with the business was when I talked to him over the long-distant wire. May I make a statement?

Senator McKellar. Yes; I would be delighted to have you make any statement you may desire.

Mr. Ahrens. What I wanted to say, Senator, was that we had received during this year a large number of orders from the Government under the priority system, and that we had begun operations and after we had invested our own money approximately $400,000 in this business, it was of course important that we should have our own orders and not have the Government give us orders at that price.

Senator McKellar. Senator, this year was a year of big things, and they were done in unusual ways. This order, while it looked big, was not, in proportion to many other orders that were handled and placed by the Government in the various lines.

Mr. Ahrens. Without expressing any opinion, but merely giving you my version, it seems to me that your man McCubbin has made a move into a very difficult position, because you have said, and what he said and what all have said that appears in this record, that you had every reason for believing that you had a priority order, and yet when you investigated the matter you found that he had been simply acting as your agent, he has besought and he has induced him by that which are, I think, quite serious misrepresentations in saying that if you were going to get somebody into a very serious situation. In other words, you, and they, and I think Senator McKellar were induced out of line to assure me or to assure this committee that you had no contract, and that is exactly what you have testified to and that is exactly what I think you have to show. You have to show me what is my reason for being in the service of the Government; and I say this on the basis of the Government in my judgment—I am not expressing it as my final judgment, I am expressing it as what I have learned myself, and in trying to protect himself he has gotten all you gentlemen into a very remarkable situation. You are in the attitude of having sworn to one state of facts on the 25th of September and another state of facts on the 26th. I think you are going to make a very serious thing and all because of this system to which I have been opposed from the very beginning, of having men interested in this business buying for the Government, making contracts, and I think it is absolutely wrong.

You ought to take your chances before a fair and impartial purchasing officer, a man who has no connection with your business, and the department is all wrong in permitting a man from your business, or from your contractors, to have a copy of the testimony furnished to us, and we asked him to prepare a copy and let us have it. He did so, and we received it late last night. Now, I wanted to make that statement preliminary to this other.

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Senator McKellar. Yes; I would be delighted to have you make any statement you may desire.

Mr. Ahrens. In the next place, under the priority order, they had all gone out of business and you would have had an entire monopoly.

Mr. Ahrens. I have a little information on that point that I would like to give you.
Senator MCKELLAR. Mr. Fletcher, if you have a point you wish to make, I will give you the floor.

Mr. FLETCHER. Mr. President, of course, what the Senator from Tennessee has been discussing with respect to leading to the department the absolute right to adjust these matters is necessary to the department, but I will say that the way in which the amendment which will be inconsistent with the provisions of either bill, as I understand them.

Senator MCKELLAR. Mr. Fletcher, if you have a point you wish to make, I will give you the floor.

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Mr. McKELLAR. Of course, I have explained that fully. The difference is that under the Chamberlain substitute the one who brings the opposition is an appointee from the War Department, whereas under the Hitchcock amendment the commission has full and plenary powers to do justice to all.

Mr. FLETCHER. I understand the difference, but I did not understand that the Senator really expressed much preference one way or the other, just so there was a provision for a commission that took it at some stage of the proceedings out of the hands of the contractor and put it in the War Department, not by paying the contractor what they offered the adjustment to the comptroller the comptroller had no contract under the law and you have no money, but from what the Senator says about it I would not think it is nobody's fault, but the law is such and the conditions have been such that these situations have arisen, and there being no other basis, and the War Department says, We will adjust it by paying by a ribbon and seal, and marked by numbers in regular order, according to the number of papers composing the whole.

Mr. FLETCHER. Yes.

Mr. McKELLAR. The Senator knows he was acting a short time ago.

Mr. FLETCHER. As one of the adjusters.

Mr. McKELLAR. He is the man who has charge of that division, and he is the one who makes the contracts. If he comes along and makes a settlement with his own concern what would you call it?

Mr. FLETCHER. I have never said that. Mr. Rice was one of the original board of adjustment. He was one of the parties concerned in making purchases for the Government at the time the losses were made. And I do not understand that he is one of this board of adjustors; and he is certainly not on the appeal board of adjustment. That board is composed of Mr. Garnett, of Virginia; Mr. Malone, of New York; and Mr. Jones, of New York, each representing a great many small contractors who have been out in that capacity. None of them are members of the military forces; they are all three of them from civil life. I mean to say that they are not officials of the War Department; they are civilians. I believe there was some talk—and perhaps that was done—a sort of commission being issued to them in order to qualify them in some relation so that they might administer oaths; but they are citizens from civil life. They compose the board in that way, I think. Mr. Rice is not on it, and Mr. Jones is not on it. Those I have named are the ones that compose that board.

I say this matter ought to be speeded, because of the existing situation. Contractors all over the country have hundreds of thousands of dollars involved, and nobody has any assurance as to what is a fair and equitable settlement on it is rejected by the comptroller and will not be passed by him. No adjustment, therefore, can be reached. That is the law, and I will ask that it be inserted in the Record.

There being no other basis, the statute was ordered to be printed in the Record, as follows:

Section 3744. It shall be the duty of the Secretary of War, of the Secretary of the Navy, and of the Secretary of the Interior, to cause and authorize those adjustments. The law as it stands is found in section 3744 of the Revised Statutes, showing exactly the requirements to make a contract with the United States Government. If a contract is not made in accordance with that law, it is not a valid contract, and every contractor is here in order to have his situation adjusted, and everybody would agree should be made. However, there is no power to make it and the object of this regulation is to authorize those adjustments.

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Mr. FLETCHER. The Senate is entirely right. So when the Senator from Tennessee asks me the question at the start, I say yes, I was under the impression that the board would make its report in Washington and not in the various offices, and I would say yes, I was told that it was to be made in Washington. But I believed the boards would make their reports to the central board in Washington. If I would have known it was to be made in the various offices, I would have said no, I was not on the board. I was the only one of the original agents of the Government in making the purchases, a head of a division, but I do not understand the exact responsibility of the board as it is now constituted.

Mr. MCKELLAR. Mr. President, will the Senator yield to me?

Mr. FLETCHER. Certainly.

Mr. MCKELLAR. As I understand, the War Department's machinery now is that those officers of the War Department who have in charge these contracts attempt to arrive at an adjustment. Suppose there is a legal contract, they will arrive at an adjustment: the War Department makes its recommendation in the matter, and that ends it. The board of which the Senator speaks has nothing in the world to do with it. The question I ask the Senator from Florida is, Is he willing to settle it by these gentlemen?

Mr. FLETCHER. Except that the department arrives at an adjustment in pursuance of such investigation, study, and recommendation as the board may make, I take it. Mr. MCKELLAR. All right. It is an appellate board. The testimony disclosed to us that it was an appellate board entirely. For instance, if Mr. Donald, representing the clothing and equipment division, settles with the various firms with which he is connected, it comes to the board of which Mr. Garnett, Mr. Lehmann, and Mr. Malone are members, and they review it.

Mr. NUGENT. Will the Senator yield to me?

Mr. MCKELLAR. Certainly.

Mr. NUGENT. I should like to ask the Senator if he knows the personnel of those committees; if he knows how those committees are made up which are now adjusting these contracts? Are they made up of the gentlemen who made the contracts in the first instance?

Mr. FLETCHER. I think not; not at all. They are designated by the Secretary of War to make the investigations as to the particular matters which are presented in connection with these contracts or quasi-contracts. 

Mr. NUGENT. Does the Senator know what particular firms Florida will yield to me for a minute, I will say this, which, I think, will probably answer, as well as it can be answered, the question which the Senator from Idaho has asked.

Mr. FLETCHER. I do not know their personnel.

Mr. MCKELLAR. The Senator can not enlighten me with respect to that?

Mr. FLETCHER. It can not be done, because we have not the information.

Mr. FLETCHER. I do not know the personnel of these different boards—8 of them in Washington and 24 of them throughout the country—but I presume we can get their personnel if that is important. I do not understand, however, that the personnel making those boards is made up of the same persons who made the contracts.

Mr. NUGENT. I should like to know their personnel, I will say to the Senator, before the vote is taken with respect to this question.

Mr. FLETCHER. I think I can get that information for the Senator.

I have a letter from Assistant Secretary of War Crowell with regard to Senator S. 5261, which is referred to as the Hitchcock bill. Inasmuch as the Senator from Tennessee [Mr. MCKELLAR] based his remarks on a comparison between that bill and the substitute now pending before the Senate, I think it is worth while to refer to that letter and have it printed in the Record. I will not take the time to read it; but I think it will be of importance to the Senate to know what the Hitchcock bill will be in its final form. The Senator from Tennessee [Mr. MCKELLAR] has already pointed out that the department has already provided for these boards, although I am not sure that he gives the method of making up the boards or how they are constituted. But the letter does state:

In addition to being utterly unable to do its work, the adjustment board will be utterly helpless in any investigation or inquiry into the fraud being committed by the contractors, because the War Department already has established and at work a machinery already most efficient and promptly all settlements can be made without how now going into the details, the department has a central board of contract adjustment, in each of the eight districts in Washington, the total of 24 local or district boards in various sections of the country making settlements for the Ordnance Department and the Quartermaster Corps. The War Department, therefore, has already established a board of contract adjustment to which the Secretary of War refers for decision all cases in which the contractors and the contracting officer are unable to agree. Furthermore, several thousand officers, accountants, investigators, and other assistants are now at work helping the boards to make prompt settlements. On the enactment of the legislation which the War Department has requested, the plan of settlement is prepared, and we are familiar with the cases in which contracts were not made or signed as provided by law.

That is the machinery that is now in operation. I do not know whether it is necessary to go further into details, how the nature of these matters and to assure the Government that there is no fraud being committed as an adjustment.

Mr. DEAKEN. Senator: I am glad to avail myself of your suggestion that I submit to you a statement with reference to S. 5261, known as the Hitchcock bill. It provides for the establishment of an adjustment commission of three members who shall decide all cases of cancellation of existing contracts or orders, or the War Department, or both, and that which a contract or order made or signed as provided by law.

The War Department is strongly convinced that the enactment of this bill would cause a great and unnecessary delay and would most unjustly throw hundreds of contractors into bankruptcy.

The War Department has already established and at work a machinery already most efficient and promptly all settlements can be made without delay. Furthermore, several thousand officers, accountants, investigators, and other assistants are now at work helping the boards to make prompt settlements. On the enactment of the legislation which the War Department has requested, the plan of settlement is prepared, and we are familiar with the cases in which contracts were not made or signed as provided by law.

As bearing on the personnel and the expenditures necessary in the determination of large numbers of cases, by prompt and informal methods, your attention is invited to the following illustrations:

(1) The Interstate Commerce Commission consists of nine members. During the year ending October 31, 1917, the commission determined approximately 1,000 formal proceedings and 10,000 informal proceedings, which are conducted by a central board and the entire expenses of such boards as examiners may be appointed. Comment on the utter inadequacy of such an appropriation is unnecessary.

(2) The public service commission of New York, second district, a typical State public service commission, decided in 1918 a total of 450 formal proceedings and 1,550 informal proceedings, a total of $400,000, and was charged with the expenditure of $50,000 of this amount will be left for the salaries of the personnel, the central board and the entire expenses of such boards as examiners may be appointed. Comment on the utter inadequacy of such an appropriation is unnecessary.
Mr. Fletcher. Mr. President, I have not any serious objection to this commission. The only thing I am fearful about is that it will delay matters. I believe that the War Department is perfectly capable of dealing with this whole situation if Congress will only say that they have had some weeks, and have not been formally executed, and would in the ordinary course of events have been formally executed are valid contracts. If Congress will simply give the authority provided in two sections, I believe, as I have said, that the department will adjust these matters in such a way as to bring relief to the contractors who have undertaken to serve the Government in its hour of need, and to bring it speedily; whereas if we add to that some sort of commission what the department does will be in a condition which will inevitably mean uncertainty and delay.

The contractors are not in a position where they can endure that hardship. They have suffered enough already; there has been enough delay already, and, indeed, there has always been too much.

What will it mean, for instance, if we have to wait here until the President names three members who are to constitute the commission, and until their appointment? We have had some experience in this direction. We know that whenever the President is authorized to make an appointment it does not come here the next day or the next week. Sometimes it takes several weeks and sometimes several months for the name to come to this Chamber in finding men to fill these responsible positions, and an appointment on this commission is a responsible position, a position that calls for $7,500 a year as compensation.

That is going to be the thing that is going to be necessary by this bill. It is proposed to spend $50,000 a year in my judgment, wholly without any necessity at all. It is necessary to set up a court with clerks and stenographers and records, and all that sort of thing—a regular court machinery.

Mr. Hitchcock. That is also in the committee bill.

Mr. Fletcher. I know it is, but I am totally opposed to it. I am opposed to that provision in both bills. I am opposed to the commission, but I am not going to take up more time in discussing the provisions of the bill by making any great contest about it. I take it as being the best thing for us to do in order to get some action on this legislation, for other members of the committee seem to be anguished. It is partly in both this bill, and the bill of the Senator from Nebraska (Mr. Hitchcock) and the bill of the House, that is proposed as a substitute—provide for a commission, but I repeat, I think it is a useless thing, an expensive thing, a costly thing for Congress to undertake as well as to the contractors, because it means delay. It will be weeks before we get the three names before the Senate, and then they must be confirmed by the Senate. Both the bills provide, and that may take several weeks. We do not know how long. And then after they are appointed and confirmed by the Senate and begin the work they have got to establish their headquarters, their apartments, and organize their forces for conducting this business. So we are going to have contractors pending before that court until many months of this Chamber have passed away, and we will never hear the end of it. It seems to me an absurd thing to establish a court here to deal with facts which ought to be adjusted without any delay at all and without all of this expensive machinery.

If we provide this commission, we are establishing a fifth wheel to the coach, for we have the Court of Claims anyway without this provision, which may be resorted to where there is a valid contract, and when we make valid contracts that are now irregular we open the way so that any contractor can secure justice, even though he has to bring suit finally in the Court of Claims, but here it is proposed to be adjusted without any delay at all.

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From what has been said this afternoon by members of the committee, it seems to me that this bill ought to be guarded a little more carefully in certain particulars than it is; but if there is to be any relief whatever given to the business interests of this country, let us have early action and let us perfect the bill so that there can be no criticisms against the Government such as have been referred to here to-day. I am rather surprised at what has been said upon the floor of the Senate, and yet I presume there have been investigations in the Departments of the Government we would find that some unheeded, unthought-of actions have been taken at a time when the demand was pressing, when the question of money counted nothing, and when the want of relief was the question of the time. I can not conceive, Mr. President, how the conditions existed here today can be justified or defended.

To my mind the department itself ought to have taken those matters in hand immediately, and they ought now to be rectified long ago. I have no doubt that there must be some legislation granting relief to the men who have furnished materials to the Government and who in many cases abandoned their regular business to do so, and who have not only all of their capital invested in it in order to perfect the House bill before the substitute is voted on.

The VICE PRESIDENT. The amendment of the Senator from Nebraska is as follows:

Mr. CHAMBERLAIN. That is just what I was about to say. I am perfectly willing to have it read, although I have suggested to the Senator in charge of the bill that we could not make any more progress to-night, and that we would have an executive session to-morrow morning.

Mr. FREELINGHUYSEN. May I ask the Senator when we will be able to get copies of his amendment?

Mr. HITCHCOCK. The amendment will be on the desk of the chairman of the Senate tomorrow morning.

The amendment of Mr. HITCHCOCK is as follows:

In line 8, page 1, after the word "Tha," strike out all down to and including line 24, page 3, and insert the following:

"The amendment of Mr. HITCHCOCK is as follows:

Mr. HITCHCOCK. I am perfectly willing to have it read, although I have suggested to the Senator in charge of the bill that we could not make any more progress to-night, and that we would have an executive session to-morrow morning.

Mr. FREELINGHUYSEN. May I ask the Senator when we will be able to get copies of his amendment?

Mr. HITCHCOCK. The amendment will be on the desk of the chairman of the Senate tomorrow morning."
take the proofs, and return the same promptly to the commission with their recommendation thereon.

"Sec. 3. That the sum of $50,000, or so much thereof as may be neces­
sary, is hereby appropriated, out of any money in the Treasury not oth­
erwise appropriated, for the reasonable expenses of said commis­
sion, to be paid out upon the warrant of the chairman, who shall be the official agent of 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."

Amend the title so as to read: "A bill to legalize informal or defective orders for war supplies and materials; to provide for the cancellation of orders and contracts, for the reimbursement of contractors and manufac­
turers, for the adjustment of claims on canceled contracts or orders, to provide for the partial payment of awards pending final determina­tion, and for the creation of an adjustment commission."

WASHINGTON'S FAREWELL ADDRESS.

The VICE PRESIDENT. In accordance with the order of the Senate heretofore made, directing the reading of the Farewell Address of George Washington upon the 22nd day of February, immediately following the reading of the Journal, the Chair appoints for that purpose this year the Senator from New Jersey [Mr. FRELINGHUYSEN].

EXECUTIVE SESSION.

Mr. MARTIN of Virginia. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 25 minutes spent in executive session the doors were reopened.

DEATH OF REPRESENTATIVE ROBBINS.

Mr. PENROSE. Mr. President, I ask that the resolutions received from the House of Representatives on the death of Hon. Edward Everett Robbins, late a Representative from the State of Pennsylvania, be laid before the Senate.

The VICE PRESIDENT. The Chair lays before the Senate the resolutions from the House of Representatives, which will be read.

The Secretary read the resolutions as follows:

IN THE HOUSE OF REPRESENTATIVES,
January 22, 1919.

Resolved, That the House has heard with profound sorrow of the death of Hon. Edward Everett Robbins, a Representative from the State of Pennsylvania.

Resolved, That a committee of 34 Members of the House, with such members of the Senate as may be joined, be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions, and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect this House do now adjourn.

Mr. PENROSE. Mr. President, I offer the following resolutions, which I send to the desk and ask for their adoption.

The resolutions (S. Res. 430) were read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow of the announcement of the death of the Hon. Edward Everett Robbins, late a Representative from the State of Pennsylvania.

Resolved, That a committee of seven Senators be appointed by the Vice President to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased.

Resolved, That the Secretary communicate a copy of these resolutions to the House of Representatives.

The VICE PRESIDENT, under the second resolution, appointed Mr. PENROSE, Mr. KING, Mr. OVERMAN, Mr. WATSON, Mr. Baird, Mr. THOMPSON, and Mr. KNOX the committee on the part of the Senate.

Mr. PENROSE. Mr. President, I move as a further mark of respect to the memory of the deceased Representative that the Senate do now adjourn.

The motion was unanimously agreed to; and (at 4 o'clock and 55 minutes p. m.) the Senate adjourned until to-morrow, January 28, 1919, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate January 27, 1919.

APPOINTMENTS IN THE NAVY.

To be assigned for temporary service,

Jack G. Scott,
Lawrence V. Smith,
Harold E. Aul,
Edwin J. Simons,
Roger K. Hodsdon,
Wilbur J. Schoepfle,
Robert T. Lattin,
Charles A. Harrison,
Edward A. Pedersen,
James R. Bagshaw, Jr.,
Arthur R. Curry,
Ocell G. Cooley,
Frank V. Herdman,
Leslie V. Winchester,
William C. Wroe,
Robert C. Saunders, Jr.,
Frank E. Goeccker,
Albert L. Struven,
Bascom H. Thomas,
Willard W. Wright,
Arthur T. Leonard,
Perry B. Sample,
William F. Evans,
Alfred G. Scott,
Celiii A. Hendee,
Kenneth E. Bryant,
Philip H. Smith,
Edwin E. Valentine,
Leon W. Dunker,
Richard W. Reep,
Edgar V. Carrithers,
Elliott S. Hastings,
James P. Carroll,
Howard L. Clark,
Rodney H. Dobson,
Eldridge W. Reese,
Clinton H. Beckwith,
Terence W. Greene,
Ernest O. Arnold,
William N. Thornton,
Joseph G. Brearley,
Oliver F. Green,
Rudolph J. Anderson,
Thomas J. Spellman,
William H. Terrey,
Edgar A. Self,
Theodore J. Olson,
Lannis A. Parker,
Waldorf B. Brown,
Curl H. Taylor,
David E. Telf,
Herman B. Thompson,
Harold W. Skillman,
Leo W. Baker,
Harry S. Ford,
Robert G. Strong,
Aloysius D. Kelley,
Ernest V. Abrams,
Wallace H. Collins,
Ivan L. Kingsley,
Frank P. Dohey,
Alamore B. Smith,
Leroy S. Miller,
Ralph A. Schuyler,
John E. Walrath,
Frank W. Thunberg,
Frank A. Zimelman,
John L. Landfair,
David J. Nolan,
Alexander N. Crowley,
Robert L. Rundle,
Charles M. Steele,
William B. Collier,
Clyde R. Kennedy,
Frank M. Andrews,
Joseph S. Fogerty,
James C. Knowlton,
Edward L. Sheldon,
James J. Horeau,
Walter E. Peterson,
William T. Ryan,
Foster B. Crutcher,
Charles H. Engelhard,
James H. Joyce,
Irving Thurston,
Charles C. Babcock,
Richard T. Harte,
Ernest M. Moore,
David T. Sanders,
John A. Gee,
Otis Howard,
John A. Scoville,
Verne L. Sullivan,
Merton J. Wakefield,
Lyle H. Gallivan,