SENATE.

TUESDAY, *April 11, 1922.*

(Legislative day of Monday, April 10, 1922.)

The Senate met in executive session at 12 o'clock meridian, on the expiration of the recess. After 2 hours and 20 minutes spent in executive session the doors were reopened.

WORLD WAR FOREIGN DEBT COMMISSION.

In executive session this day, following the confirmations of Senator REED SMOOT and Representative THEODORE E. BURTON to be members of the World War Foreign Debt Commission, on request of Mr. WALSH of Montana, and by unanimous consent, the injunction of secrecy was removed from the vote by which Senator SMOOT and Representative BURTON were confirmed.

The vote on confirmation resulted—yeas 47, nays 25, as follows:

YEAS—47.

Ball	France	McCumber	Poindexter
Broussard	Frelinghuysen	McKinley	Rawson
Bursum	Gooding	McNary	Shortridge
Calder	Hale	Moses	Spencer
Cameron	Harreld	Nelson	Sterling
Capper	Jones, Wash.	New	Sutherland
Colt	Kellogg	Newberry	Townsend
Cummins	Kendrick	Nicholson	Wadsworth
Curtis	Keyes	Norbeck	Warren
Dillingham	Lenroot	Oddie	Watson, Ind.
Edge	Lodge	Page	Willis
Fernald	McCormick	Pepper	

NAYS—25.

Ashurst	Harrison	Overman	Underwood
Borah	Heflin	Owen	Walsh, Mont.
Caraway	Hitchcock	Pomerene	Watson, Ga.
Dial	Jones, N. Mex.	Sheppard	Williams
Fletcher	La Follette	Simmons	
Glass	Myers	Swanson	
Harris	Norris	Trammell	

NOT VOTING—24.

Brandegee	Gerry	Phipps	Smith
Crow	Johnson	Pittman	Smoot
Culberson	King	Ransdell	Stanfield
du Pont	Ladd	Reed	Stanley
Elkins	McKellar	Robinson	Walsh, Mass.
Ernst	McLean	Shields	Weller

So Senator REED SMOOT and Representative THEODORE E. BURTON were confirmed as members of the World War Foreign Debt Commission.

Mr. DIAL, when his name was called, announced his pair with the Senator from Colorado [Mr. PHIPPS], transferred the same to the Senator from Massachusetts [Mr. WALSH], and voted "nay."

Mr. HARRISON transferred his pair with the Senator from West Virginia [Mr. ELKINS] to the Senator from Louisiana [Mr. RANSDELL] and voted "nay."

Mr. McCUMBER transferred his pair with the Senator from Utah [Mr. KING] to the Senator from North Dakota [Mr. LADD] and voted "yea."

Mr. MYERS transferred his pair with the Senator from Connecticut [Mr. McLEAN] to the Senator from Nevada [Mr. PITTMAN] and voted "nay."

Mr. NEW transferred his pair with the Senator from Tennessee [Mr. McKELLAR] to the Senator from Pennsylvania [Mr. CROW] and voted "yea."

Mr. STERLING transferred his pair with the Senator from South Carolina [Mr. SMITH] to the Senator from Maryland [Mr. WELLER] and voted "yea."

Mr. SUTHERLAND transferred his pair with the Senator from Arkansas [Mr. ROBINSON] to the Senator from Oregon [Mr. STANFIELD] and voted "yea."

Mr. CURTIS announced that the Senator from Delaware [Mr. DU PONT] was paired in favor of confirmation with the Senator from Missouri [Mr. REED], who was opposed, and the junior Senator from Kentucky [Mr. ERNST] was paired in favor of confirmation with the senior Senator from Kentucky [Mr. STANLEY], who was opposed.

On motion of Mr. WALSH of Montana, Senate Report No. 563, relative to the question of the eligibility of Hon. REED SMOOT and Hon. THEODORE E. BURTON to membership on the World War Foreign Debt Commission, was ordered to be printed in the RECORD, as follows:

[Senate Report No. 563, Sixty-seventh Congress, second session.]

ELIGIBILITY OF HON. REED SMOOT AND HON. THEODORE E. BURTON TO MEMBERSHIP ON THE WORLD WAR FOREIGN DEBT COMMISSION.

Mr. WALSH of Montana, from the Committee on the Judiciary, submitted the following report to accompany Senate Resolution 244:

The Committee on the Judiciary, to which was submitted by Senate Resolution 244 the question of the eligibility of Hon. REED SMOOT and Hon. THEODORE E. BURTON to membership on the commission created under the act of Congress approved February 9, 1922, in view of the fact that at the time of the passage of the act the former was, as he still is, a Member of the Senate and the latter was, and he still is, a Member of the House of Representatives, respectfully reports that, having referred the question so submitted to a subcommittee, consisting of Senators CUMMINS, BRANDEGEE, STERLING, OVERMAN, and WALSH, it reported that, having investigated the question, the conclusion was reached that the gentlemen named are ineligible, Senators BRANDEGEE, OVERMAN, and WALSH concurring in the report and Senators CUMMINS and STERLING dissenting; that upon the incoming of the said report your committee canvassed the question and now reports that it is its opinion the gentlemen mentioned are not, nor is either of them, eligible to membership on the said commission for which they have been nominated by the President of the United States.

In its labors the committee had the assistance of a discussion of the question presented by Senator WALSH, copy of which is hereto appended, supporting the view that the gentlemen named are not eligible, and in support of the contrary view discussion by Senators CUMMINS and NELSON and an opinion by the Attorney General which, it is understood, will be made a part of a report to be submitted by the minority of the committee.

In the opinion of the Attorney General reference is made to an earlier opinion of his department, copy of which, with some comments thereon by Senator WALSH, is attached hereto.

Respectfully submitted.

T. J. WALSH.	WM. E. BORAH.
FRANK B. BRANDEGEE.	C. A. CULBERSON.
G. W. NORRIS.	JAS. A. REED.
LEE S. OVERMAN.	JNO. K. SHIELDS.
HENRY F. ASHURST.	

On February 9, 1922, the President approved the bill, theretofore passed by Congress, providing for the appointment of a commission authorized, subject to the approval of the President, to refund, convert, and extend the obligations due to the United States from foreign governments, arising out of loans made to them during the war and other transactions incident thereto, amounting to approximately $11,000,000,000. By the terms of the act, a copy of which is appended hereto, the commission is to consist of five members, including the Secretary of the Treasury, the other four of whom are to be nominated by the President and confirmed by the Senate. Pursuant to that law, the President, on February 21, 1922, transmitted to the Senate a communication advising it that he had nominated as members of the commission Hon. Charles E. Hughes, Hon. Herbert C. Hoover, Hon. Reed Smoot, and Hon. Theodore E. Burton. At the time of the passage of the act Mr. Smoot was a Member of the Senate and Mr. Burton a Member of the House of Representatives. Pending action on those nominations by the Senate, it directed the Committee on the Judiciary to inquire into the eligibility of the gentlemen last named for the positions for which they were thus nominated, its aid being invoked by the following resolution adopted February 24, 1922:

"*Resolved*, That the Committee on the Judiciary be, and it is hereby, directed to inquire into and report to the Senate, not later than Tuesday next (February 28, 1922), touching the eligibility of Hon. REED SMOOT and Hon. THEODORE E. BURTON to membership on the commission created by the act of Congress approved February 9, 1922, entitled 'An act to create a commission authorized to refund or convert obligations of foreign governments held by the United States of America, and for other purposes,' reference being made to section 6 of Article I of the Constitution of the United States as follows:

"'No Senator or Representative shall, during the time for which he was elected, be appointed to any civil office under the authority of the United States, which shall have been created or the emoluments whereof shall have been increased during such time.'"

Whatever doubt may exist or be raised on the question submitted hinges upon the significance to be given to the word "office" in the language of the Constitution quoted in the resolution. Do the members of the commission in question hold "any civil office under the authority of the United States"? Less technically stated, the question is whether the positions in question are among those appointment to which is fraught with the danger or likely to introduce the evils to avert which the wise framers of our fundamental law incorporated in it the provision under consideration. What that danger is, what evils were to be guarded against, if not sufficiently obvious, is made perfectly clear by a reference to the debates in the convention. A few brief extracts from them will be sufficient for the present purpose. A delegate, Mr. Gorham, having moved to strike out the prohibitory clause, the record states:

"Mr. Butler opposed it. This precaution against intrigue was necessary. He appealed to the example of Great Britain, where men get into Parliament that they might get offices for themselves or their friends. This was the source of the corruption that ruined their Government.

"Colonel Mason was for shutting the door at all events against corruption. He enlarged on the venality and abuses in this particular in Great Britain and alluded to the multiplicity of foreign embassies by Congress. This disqualification he regarded as a corner stone in the fabric. (Elliott's Debates, p. 229.)

"Mr. Sherman was for entirely incapacitating members of the legislature. He thought their eligibility to offices would give too much influence to the Executive. He said the incapacity ought at least to be extended to cases where salaries should be increased as well as created during the term of the Member. He mentioned also the expedient by which the restriction could be evaded, to wit, an existing officer might be translated to an office created and a member of the legislature be then put into the office vacated." (Elliott's Debates, p. 505.)

For those who desire to pursue the subject further there is appended a copy of the review of the discussion on this feature of the Constitution appearing in Watson on the Constitution, evidently deemed at the time to be of very great consequence, however lightly it may be regarded now.

There were, as disclosed by the quotations above, a dual purpose in the provision under review, first, to remove the temptation from Members to multiply offices to which they might be appointed, either to their honor or their profit, and, second, and perhaps more important, as viewed by the fathers, to deprive the Executive, with whom was to rest the power of appointment, of the opportunity to constrain Members of Congress to conform to his desires concerning legislation by holding out to them the hope of appointment to offices which they were to create or render more attractive by an increase of salary. In other words, to remove, in part at least, the corrupting power of the patronage of the Executive. However fanciful such a danger may seem to us, it was notorious in their day that the King of Great Britain, or at least his ministers, often secured from Parliament legislation favored by them by a liberal distribution of offices, pensions, peerages, and even of cold cash.

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It would be startling to the wise and prudent fathers of the Constitution to be told that though they had guarded against the corrupting influence of the appointment of a Member of Congress to the position of a fourth-class postmaster in a frontier town, they had neglected to remove the temptation offered or the opportunity afforded by membership on a commission empowered to adjust claims against the Government aggregating $11,000,000,000, a sum so vast they could have had no accurate conception of it, however we may, with more abundant occasion for comparison, feebly appreciate its bigness.

In what has been said in a casual way on the subject since the discussion was precipitated in connection with the legislation for funding the foreign debt, reference has been made to the frequency with which Members of Congress have been appointed as commissioners to draft treaties, a practice which, though denounced from time to time by able statesmen, dates from the early days of the Republic and was recently followed by President Harding in naming Senators LODGE and UNDERWOOD on the American delegation to the Washing Conference on Disarmament. But no justification can be found in these precedents for the appointment under consideration. The positions so filled were not created by any law of Congress. The Constitution reposes in the President of the United States the power and authority to negotiate treaties. He may act in person, as President Wilson did at Versailles, or he may designate some one to act for him, pursuing the course usually followed. It is not necessary that the appointment of persons so designated should be confirmed by the Senate. Out of abundance of caution, and perhaps from a considerate regard for the sensibilities of Senators, such appointments were, in our early history, with some frequency submitted to the Senate, and that course has been occasionally followed in modern times, but it can scarcely be contended longer that it is essential that it be.

Another class of cases, quite similar in character, includes appointments on commissions to settle international disputes, like boundary commissions or other arbitration commissions, the members of which are appointed pursuant not to an act of Congress but to a treaty. Such officers, if they may be so denominated, do not come under the operation of the clause of the Constitution under consideration which was intended to exclude Members of Congress only from such offices as they had as such a part in creating or in making more desirable by increasing the emoluments attached to it. The provision in question was one of the compromises of which not a few are found in the Constitution. The more skeptical wished to make Members ineligible to appointment to any office, and not only for the term of the Member but as well for a year after its expiration. Others objected to any restriction on the appointing power in that regard. It was finally agreed that the safety of the Republic would be sufficiently assured if the temptation were removed only with respect to such offices as the Members respectively participated in creating or making more inviting in the manner indicated. So, admitting that the members of commissions such as those last referred to are officers and that they act under the authority of the United States, rather than under a joint authority of our country and the other party to the treaty, the offices they hold are not of that class the makers of the Constitution had in mind when they framed the clause in question; that is, though they may be within its letter, they are not within its spirit.

A third class of commissions to which Members of Congress have frequently been appointed are such as are authorized and empowered to investigate and report to Congress for its information, as a basis for legislation, which it may or may not subsequently enact. An act creating such a commission gave rise to an investigation by the Judiciary Committees of both Houses of the whole subject now being considered, action having been taken in the Senate on the motion of Senator Hoar, of Massachusetts, the chairman of its Committee on the Judiciary. Under the act involved, President McKinley appointed as members of a commission to propose legislation for the government of the Hawaiian Islands, among others, Senators Cullom and Morgan and Representative Hitt. The House committee, through its chairman, Hon. David B. Henderson, once Speaker, made an elaborate report, copy of which is appended hereto, in which the eligibility of Members of Congress to appointment on such a commission was upheld. The Senate committee made no report, but the views of the committee in disapprobation of the practice of appointing Members of Congress to such positions were conveyed to the President by the distinguished lawyer who was then chairman of the committee, and the Senate declined to confirm the nominations of the gentlemen named against whom no objection was made except that they were Members of Congress. We are, accordingly, without any direct determination either by the Senate or its Committee on the Judiciary on the question here discussed.

Later, however, the general subject was again canvassed in the Senate in connection with a bill for the creation of a commission to investigate and report to Congress, which the Senate amended so that the appointment of Members of Congress to membership on it was forbidden.

Speaking to the amendment referred to, Senator Hoar detailed the proceedings had in connection with the Hawaiian bill, as herein recited, denounced the policy of appointing Members of Congress on such commissions, asserted that the well-nigh unanimous opinion of the Senate was against it, and that he and many other Senators were convinced that it was in contravention of the Constitution. A copy of his remarks on that occasion are appended hereto.

The position taken by Speaker Henderson, which, bear in mind, was not accepted by Senator Hoar, was that inasmuch as the commission considered by him could recommend only and had no power either to make a law, to execute a law, or to construe a law, it discharged neither legislative, executive, nor judicial functions; it exercised no part of the sovereign power of government; and therefore its members held no "office," were not "officers."

Congress might, it was pointed out, disregard utterly any report or recommendation such a commission might submit and either omit or refuse to do anything on the subject to which it relates, or it might, in the usual way, initiate legislation of a wholly different character from that recommended. It might even anticipate the report of the committee and take action in the premises entirely at variance with any views entertained by the members of the commission.

The principle announced in the report of Speaker Henderson is believed by some members of the committee to lead to the conclusion that the members of the Foreign Debt Funding Commission hold no "office" within the meaning of the term as it is applied in section 6 of Article I of the Constitution. It is said, in support of that view, that the commission has no powers, because whatever arrangement it may make with any foreign Government is subject to the approval of the President; that in consequence of that provision the authority to make the composition is vested in the President and that the commission merely gathers information for his enlightenment, makes recommendations to him, upon which he is to make the final and binding agreement. But that contention is plainly at war with the perfectly clear language of the act. By its terms it is to the commission, not to the President, that the authority is given to conduct the negotiations and to enter into the agreements. He has what may be denominated with substantial accuracy a veto power, and a veto power only. If their work should be unsatisfactory to him he has no power, under the act, to initiate new negotiations or to conduct them. He might undoubtedly, under the authority to make treaties conferred upon him by the Constitution, undertake the task, but whatever agreements he might make so acting would not be final, as is provided in the act, but would be subject to ratification by the Senate. But in the event supposed he would be powerless, so far as the funding act is concerned. The fact that what the commission does is subject to the approval of the President can not be said to be inconsistent with the idea that they exercise a part of the sovereign power of the Government, or, in other words, hold office. The President is empowered by the Constitution to make treaties subject to the approval of the Senate. Can it be said that the treaty-making power is vested in the Senate, the President having power only to recommend, that he acts on what he does in that behalf simply as a collector of information for the Senate and not as an officer of the Government? The Congress can enact no law except with the approval of the President. Is it true, accordingly, that all legislative power is vested in the President, the Congress existing merely for the purpose of recommending legislation to him? The Constitution itself declares that all legislative power is vested in Congress.

It may be said that the case is not parallel, because Congress may enact a law by overriding the President's veto. But is that a difference of consequence? It is the theory of the English Government that the King has an absolute veto. It is true that he has not exercised it for some few hundred years, but that he may exercise it consistently with the English constitution will, perhaps, not be disputed. Is the Parliament of Great Britain consequently without legislative powers and are all such reposed in the King, or were they so reposed when he was accustomed from time to time to exercise his right of veto?

It would do violence to the whole theory of our Government to assert that Congress exercises legislative powers only when it passes a law over the President's veto.

So nothing that one House of Congress may do in the way of legislation has any force unless approved by the other House. Is the Senate but the handmaid of the House or the House simply the servant of the Senate? Do the Members of neither body hold an office because its work to be effective must be approved by the other?

The general argument by which the conclusion is arrived at that men who fill positions created by law, in which they are called upon to perform important functions in the interest of the general public, in which they assume grave responsibilities by reason of which they attain both influence and distinction, if not emolument or other profit, positions that are in consequence eagerly sought after, are not offices is attenuated at best, but it fades to the vanishing point when every strand is gone save that the work accomplished is subject to the approval of another functionary.

It has been pointed out that the President is powerless in the premises under the act, except to appprove or disapprove the work of the commission, the importance of which can not be overestimated. It is understood that Austria is asking for an extension of 20 years in respect to the debt owing by her on account of food supplies furnished her starving population by our Government; that is to say, that we arrange with her so that she shall not be required to pay any part of the debt earlier than 20 years hence. It is asserted that the weal or woe of her 7,000,000 people depends upon the grant of this concession to her, the other nations to which she is bound on account of her treaty obligations having signified their willingness to extend the time of payment of their claims if the United States would do likewise. The President of the United States may be perfectly willing to accord her the accommodation she is asking, but she can not get it unless this commission can be prevailed upon to yield to her desires. On the other hand, there is an insistent demand in this country for prompt payment, that our own people may be relieved from the heavy burden of taxation they are carrying, or that they may exhibit in a material way their gratitude to the men who responded to the call of their country in its hour of peril occasioned by the great World War. Men of great sagacity, experts in international finance, not a few in number, insist that the exaction of prompt payment of even the accumulated interest on our foreign debt would operate to precipitate a crisis in business circles, the disastrous effects of which would extend around the globe and be felt not less by our own people than by those called upon to make the payment. Such a view was expressed on the floor of the Senate by the distinguished Member of that body who has been named a member of the commission.

Ignoring the adjudications of the courts as to what is or what is not technically an "office," many of them irreconcilable and hinging upon particular statutes, let us try to solve the question before us by the application of fundamental rules. Is the term "office," as ordinarily used, broad enough to include the positions in question; and if it is, are they such positions as the framers of the Constitution intended should fall under the ban of the language they used?

It will be admitted that if the word "office" can, under no reasonable definition, be expanded so as to include the positions in question, it is immaterial that they are affected with the danger against which the clause in question was intended to safeguard the Republic. But is that the situation? It is a cardinal rule of construction, particularly of constitutions, that "words are to be taken in their natural and obvious sense and not in a sense unreasonably restricted or enlarged." (Martin *v.* Hunter's Lessee, 1 Wheat. 326.)

It is frequently asserted that they are to be taken in their ordinary and usual sense.

"In general, statutes are presumed to use words in their popular sense; uti loquitur vulgus. (Endlich on Interpretation of Statutes 76.)

"Indeed, it is probably not inaccurate to say that, as between two meanings of a word, the ordinary and popular meaning is, in general, to be preferred and is most frequently in harmony with the subject matter and object of the enactment." (Id. 78.)

To ascertain the usual and ordinary sense of words, we have recourse to the dictionary. The Century Dictionary defines "office" as follows:

"A position of authority under a government; as a man in office; to accept office. In law: (*a*) The right and duty conferred on an individual to perform any part of the functions of government and receive such compensation, if any, as the law may affix to the service; more specifically called public office. It implies authority to exercise some part of the power of the State, a tenure of right therein, some continuous duration, and usually emoluments. It is often defined simply

as a public charge or employment; but there are many instances of public charge or employment which are not in law deemed offices, such as the service of a janitor, or that of a person designated by special act to buy goods for public use. In early English law office was regarded as a right and could be conferred on a man or his heirs. In United States law it is a duty or agency conferred for public benefit; and, although the tenure is to some extent matter of right, the compensation is subject to change by the legislature unless constitutionally fixed."

Webster contributes the following:

"Office; 1. A particular duty, charge, or trust, as one conferred by public authority and for a public purpose; an employment undertaken by commission or authority; a post or position held by an official or functionary; specifically, a position of trust or authority under a government, as the office of a premier. 2. Law: (1) A legal right to exercise a public function or employment and to take its lawful emoluments. (2) In a more general sense, administrative or executive rights, powers, or duties, as in semipublic or private capacities, constituting established and legally recognized functions, as the office of trustee."

Though mention is made here of emoluments as being a feature generally of an office, it has been determined judicially that, while common, such a feature is not essential. (In re Corliss, 11 R. I. 638.)

That case held that members of a commission created by act of Congress to prepare and superintend the execution of a plan for holding the Centennial Exposition hold an "office" under the United States.

Undeniably a member of the Funding Commission holds an office under the dictionary definition, but if there were any doubt about it, or if the term is sometimes used in a more narrow sense, and it is essential to inquire whether in the case before us it is to be given the narrower significance, attention may, yea, by a rule both ancient and universal, must be paid to the mischief which the law was to guard against and the purpose which was to be subserved in its enactment, and such a construction must be given to the language assumed to be of doubtful import as will effectuate and not defeat the purpose of the authors of the statute. That rule, applicable alike to the statutes, constitutions, and treaties, is the subject of the following comment by Vattel, as quoted by Sedgwick (235, 236):

"The reason of the law or of the treaty—that is to say, of the motive which led to the making of it and the object in contemplation at the time—is the most certain clue to lead us to the discovery of its true meaning; and great attention should be paid to the circumstance whenever there is question either of explaining an obscure, ambiguous, indeterminate passage in a law or treaty, or of applying it to a particular case. When once we certainly know the reason which alone has determined the will of the person speaking, we ought to interpret and apply his words in a manner suitable to that reason alone. * * *

"The consideration of the reason of a law or promise not only serves to explain the obscure or ambiguous expressions which occur in the piece, but also to extend or restrict its several provisions independently of the expressions and in conformity to the intention and views of the legislature or the contracting parties rather than to their words, for, according to the remark of Cicero, the language invented to explain the will ought not to hinder its effect. When the sufficient and only reason of a provision, either in a law or a promise, is perfectly certain and well understood, we extend that provision to cases to which the same reason is applicable, although they be not comprised within the signification of the terms. This is what is called interpretation. It is commonly said that we ought to adhere rather to the spirit than to the letter. Thus the Mohammedans justly extend the prohibition of wine in the Koran to all intoxicating liquors, that dangerous quality being the only reason that could induce their legislator to prohibit the use of wine."

Much the same thought was expressed by Judge Sanborn in Stevens *v.* Nave-McCord Mercantile Co. (150 Fed. 75), as follows:

"Cardinal rules for the construction of a statute are that the intention of the legislative body which enacted it should be ascertained and given effect, if possible, regardless of technical rules of construction and the dry words of the enactment; that that intention must be deduced not from a part but from the entire law; that the object which the enacting body sought to attain and the evil which it was endeavoring to remedy may always be considered for the purpose of ascertaining its intention; that the statute must be given a rational, sensible construction; and that, if this be consonant with its terms, it must have an interpretation which will advance the remedy and repress the wrong." (United States *v.* Ninety-nine Diamonds (C. C. A., 8th Cir.), 139 Fed. 961, 965; 72 C. C. A. 9; 2 L. R. A. (N. S.) 185.)

The positions under consideration being easily within the meaning of the word "office" as it is popularly understood and being undeniably of the character the framers of the Constitution intended should not be open to Members of Congress in the creation of which they participated, however faultily they may have expressed that intention, it must be held that such Members are ineligible under the Constitution.

But it is not necessary to insist upon an enlarged definition of the word as it is used in the law. Cases can be found in which an exceedingly restricted significance has been given to it. As a rule they have not presented for consideration either the particular provision here under consideration or any of similar import. So much importance is attached to one of these (Bunn *v.* People, 45 Ill. 397) as to justify a brief review.

It considered the validity of an act of the legislature creating a commission to supervise the construction of a State capitol, the members being named in the act, though the constitution provided that the governor should nominate and by and with the advice of the senate appoint all officers whose offices were established by the constitution or created by law. It was held that such commissioners were not officers, because it was asserted "no tenure of office is fixed by the act, no permanency is attached to it," and "the appointees are to perform a duty single in itself." It was remarked that "no power is given to levy taxes," though perhaps few would contend that that feature is of consequence.

In the first place the discussion was by a divided court, consisting of three members, one of whom filed a vigorous and persuasive dissenting opinion in which a number of cases were cited, including State *v.* Kennon (7 Ohio Stat. 456), a case quite like the one before the Illinois court, which held directly to the contrary. It might be added that Bunn *v.* People is flatly opposed by In re Corliss, elsewhere herein referred to.

In the second place the decision was so generally disapproved by the people of Illinois that three years afterwards, when they framed a new constitution in 1870, they inserted therein a provision to neutralize for the future the obnoxious judgment in Bunn *v.* People, as follows:

"An office is a public position created by the constitution or law, continuing during the pleasure of the appointing power or for a fixed term, with a successor elected or appointed. An employment is an agency for a temporary purpose which ceases when that purpose is accomplished."

That this provision of the Illinois constitution owes its origin to the decision in Bunn *v.* People is asserted in People *v.* Loeffler (175 Ill. 585, 602–603), and in Ratton *v.* Board of Health (127 Calif. 388, 396–397).

The definition of "office" as set out in the Illinois constitution conforms quite accurately to that assigned to it very generally by the courts. In most cases in which the subject is considered they are called upon to differentiate between an office and a mere employment, the one resting upon a statute and being impersonal in character, the other founded on contract. The outstanding characteristic of the office is that if the incumbent dies or resigns the appointing power fills the vacancy.

Among other cases upon which Judge Walker founded his dissent in Bunn *v.* People was United States *v.* Maurice (2 Brock. 96), in which the opinion was written by Chief Justice Marshall who therein stated:

"An office is defined to be a 'public charge or employment,' and he who performs the duties of the office is an officer. * * * Although an office is 'an employment,' it does not follow that every employment is an office. A man may certainly be employed under a contract, express or implied, to do an act or perform a service without becoming an officer. But if the duty be a continuing one, which is defined by rules prescribed by the Government, and not by contract, which an individual is appointed by Government to perform, who enters on the duties appertaining to the station without any contract defining them, if those duties continue, though the person be changed—it seems very difficult to distinguish such a charge or employment from an office, or the person who performs the duties from an officer.

The opinion in the California case cited, after quoting from Marshall, continues:

"Judge Cooley distinguished the 'officer' from the 'employee' in the 'greater importance, dignity, and independence of his position, in being required to take an official oath, and perhaps to give an official bond, in the liability to be called to account as a public offender for misfeasance or nonfeasance in office and usually, though not necessarily, in the tenure of the position.' (Throop *v.* Langdon, 40 Mich. 673.) But it has been held that an oath of office is not a necessary criterion, nor is a salary. These are but incidents and form no part of the office, though they may aid in determining the nature of the position. Duration or continuance have been said to be embraced in the term 'office,' and Chief Justice Marshall, in the case cited, spoke of the duty being a continuing one as an important element. But Chief Justice Pearson, in the North Carolina case cited, said 'that it made no difference whether there be but one act or a series of acts to be done, whether the office expires as soon as the one act is done or is to be held for years or during good behavior,' the service being performed for the State. Our court at an early day, in Vaughn *v.* English (8 Calif. 40), held that the clerks in the offices of secretary of state and controller and treasurer of state were officers within the meaning of the act of April 21, 1856. (Stats. 1856, p. 224.) It was there said: 'The term "officer," in its common acceptation, is sufficiently comprehensive to include all persons in any public station or employment conferred by Government.' The definition given in 4 Jacob's Law Dictionary, 433, was quoted as follows: 'It is said every man is a public officer who hath any duty concerning the public, and he is not the less a public officer where his authority is confined to narrow limits, because it is the duty of his office and the nature of that duty which makes him a public officer, and not the extent of his authority.' The opinion continues: 'The respondent was appointed by Government; the duties which he is to perform concern the public, and he is paid out of the Public Treasury; he is, therefore, a public officer.' It was held that because there was no definite term of the office could not be urged as an objection, for the clerks are appointed for the term of the officer making the appointment, subject to the power of removal."

How valueless many of the cases defining the word in question are may be judged from the fact that the Supreme Court of the United States held in United States *v.* Mouat (124 U. S. 303) that a paymaster's clerk is not an "officer" of the Navy, and in the case next reported in the same volume, United States *v.* Hendee, that he is an "officer" of the Navy, the court having under consideration a different statute in each case, and attempting in each to give effect to the intention of Congress.

The appropriate use of the term in the law is accordingly to be gathered rather from the law dictionaries and from a general review of the authorities than from specific cases. From these it is to be concluded that anyone who exercises a portion of the sovereign power of the State is an officer. Bouvier has the following:

"Public office in the Constitution means a permanent public trust or employment, not merely transient, occasional, or incidental; In re Hathaway (71 N. Y. 238). The term embraces the ideas of tenure, duration, emoluments, and duties; United States *v.* Hartwell (6 Wall., U. S. 385, 18 L. ed. 830); but it has been held that duration and salary are not of the essence of public office and that the duty of acting for and on behalf of the State constitutes an office; People *v.* Bledsoe (68 N. C. 457); even though it expires as soon as a single act is done; State *v.* Stanley (60 N. C. 59, 8 Am. Rep. 488). The true test is that it is a parcel of the administration of Government; Eliason *v.* Coleman (86 N. C. 241); though it is a clerkship in a department and the duties are confined within narrow limits; Vaughn *v.* English (8 Calif. 39). * * *

"A public officer is one who renders a public service—a service in which the general public is interested; Schmitt *v.* Dooling (145 Ky. 240, 140 S. W. 197, 36 L. R. A. (N. S.) 881, Ann. Cas. 1913B, 1078). One who exercises some portion of the sovereign power of the State, either in making, adminstering, or executing the laws."

In an elaborate note to Groves *v.* Barden (Ann. Cas. 1917D, pp. 320 and 321) the author concludes, citing many cases, that:

"To constitute an office it is essential that the position shall be created by the constitution or statutes of the sovereignty, or that the sovereign power shall have delegated to an inferior body the right to create the position in question. * * *

"An indispensable element of a public office as distinguished from an employment is that the duties of the incumbent of an office shall involve an exercise of some portion of the sovereign power."

The concluding portion of the note advances the view, amply supported, that though the term "office" may embrace the idea of tenure, bond, oath, and compensation, none of those features are essential.

The conclusion that the positions in question fall under the operation of section 6 of Article I of the Constitution is enforced by a consideration of other provisions of the Constitution in which the words "office" and "officer" are used. The President is by it to nominate and by and with the advice and consent of the Senate to "appoint ambassadors, other public ministers and consuls, judges of the Supreme Court, and all other officers of the United States whose appointments are not herein otherwise provided for and which shall be established by law." Obviously Congress was of the opinion in enacting the law in question that the members of the commission are officers of the United States, for it is therein expressly provided that they should be nominated by the President and confirmed by the Senate, a circumstance which affords cogent proof of the fact that, as the term is popularly understood, the members of the commission hold "office." But it is said that this conclusion is at least weakened by the fact that the act provides that the Secretary of the Treasury shall be a member of the commission, leading to the inference that Congress could not have deemed that the members would be officers of the United States, since Congress has no power to appoint such, the Constitution having reposed such authority in the President subject to the approval of the Senate. That argument, however, is not sound. The act simply, so far as the Secretary of the Treasury is concerned, adds to the duties imposed upon him by law. Statutes creating boards composed of State officers for the better administration of State laws are common and universally upheld upon the principle stated. (State v. Porterfield, 47 S. C. 75.)

Congressional acts of like character are numerous, the statutes creating the Council of National Defense and the Water Power Commission being representative.

By another provision of the Constitution no "person holding an office of trust or profit under the United States shall be appointed an elector" of President and Vice President. It was this clause that was under consideration in In re Corliss, in which the Supreme Court of Rhode Island held that a member of the Centennial Exposition Commission holds an office under the United States. This provision likewise had its origin in a widespread apprehension that under the system being devised the Executive, in whom was reposed an enormous patronage, would use it to further his own purpose and ambitions. The electors it was assumed would be at liberty to exercise some independent judgment, and it was feared that an appointee of the President, eligible for reelection, would or might be constrained by a sense of interest or of gratitude to vote for him or at his direction or in conformity with his desires.

Let any Senator inquire of himself whether the framers of the Constitution intended that a citizen appointed to the high place occupied by members of the Funding Commission should, notwithstanding the ties which bind him to the Executive, be eligible as an elector of President and Vice President.

Still another provision of the Constitution is to the effect that "all civil officers of the United States shall be removed from office on impeachment for and conviction of treason, bribery, or other high crimes and misdemeanors. Are the members of the commission exempt from impeachment for bribery or other dereliction in connnection with the discharge of their duties? If so, how can they be removed? The President may, of course, remove them, having the power to appoint. But is Congress powerless in the premises? Is it true that the Constitution makers reserved to Congress the right to remove by impeachment every petty officer of the United States, but surrendered it in the case of these high functionaries?

It is required by Article VI of the Constitution that all executive and judicial officers, both of the United States and of the several States, shall be bound by oath or affirmation to support the Constitution. Is it conceivable that the authors of our fundamental law prescribed that a town constable or a poundmaster should take the oath, but that such important public servants as those under consideration should be exempt from that requirement?

Another particularly pertinent provision of the Constitution deserves notice, namely, that which prescribes that "No title of nobility shall be granted by the United States; and no person holding any office of profit or trust under them shall, without the consent of Congress, accept of any present, emolument, office, or title of any kind whatever from any king, prince, or foreign State. Comment is unnecessary.

The places for which Senator SMOOT and Representative BURTON have been nominated are offices within the meaning of section 6 of Article I, and they are ineligible thereto.

APPENDIX A.

[PUBLIC—NO. 139—67TH CONGRESS.]

An act (H. R. 8762) to create a commission authorized under cretain conditions to refund or convert obligations of foreign Governments held by the United States of America, and for other purposes.

Be it enacted, etc., That a World War Foreign Debt Commission is hereby created consisting of five members, one of whom shall be the Secretary of the Treasury, who shall serve as chairman, and four of whom shall be appointed by the President, by and with the advice and consent of the Senate.

SEC. 2. That, subject to the approval of the President, the commission created by section 1 is hereby authorized to refund or convert, and to extend the time of payment of the principal or the interest, or both, of any obligation of any foreign Government now held by the United States of America, or any obligation of any foreign Government hereafter received by the United States of America (including obligations held by the United States Grain Corporation, the War Department, the Navy Department, or the American Relief Administration), arising out of the World War, into bonds or other obligations of such foreign Government in substitution for the bonds or other obligations of such Government now or hereafter held by the United States of America, in such form and of such terms, conditions, date or dates of maturity, and rate or rates of interest, and with such security, if any, as shall be deemed for the best interests of the United States of America: *Provided*, That nothing contained in this act shall be construed to authorize or empower the commission to extend the time of maturity of any such bonds or other obligations due the United States of America by any foreign Government beyond June 15, 1947, or to fix the rate of interest at less than 4½ per cent per annum: *Provided further*, That when the bond or other obligation of any such Government has been refunded or converted as herein provided, the authority of the commission over such refunded or converted bond or other obligation shall cease.

SEC. 3. That this act shall not be construed to authorize the exchange of bonds or other obligations of any foreign Government for those of any other foreign Government, or cancellations of any part of such indebtedness except through payment thereof.

SEC. 4. That the authority granted by this act shall cease and determine at the end of three years from the date of the passage of this act.

SEC. 5. That the annual report of this commission shall be included in the annual report of the Secretary of the Treasury on the state of the finances, but said commission shall immediately transmit to the Congress copies of any refunding agreements entered into, with the approval of the President, by each foreign Government upon the completion of the authority granted under this act.

Approved, February 9, 1922.

APPENDIX B.

REPORT OF SENATOR HOAR.

Mr. HOAR. Mr. President, I have taken very great interest in the question raised by the proposed amendment of the Senator from South Carolina, and I hope he will take an opportunity, or that some other Senator will—if nobody else does, I shall, if I can get one—to bring up this question of the appointment by the President of Senators and Representatives in the other House for important public functions under circumstances where it can be carefully and thoughtfully dealt with as we should deal with a proposed amendment to the Constitution, or as we should have dealt with it if we had been in the Constitutional Convention in the beginning.

It is evident that it can not be so dealt with to-day. There is no time for a full discussion. It comes up on a measure to which it is hardly germane after the statements of gentlemen who are likely to know what is expected, that there is no thought or probability—the Senator from Rhode Island [Mr. Aldrich] corrects me by saying "possibility"—of individuals being taken from either House of Congress for this commission. So I hope the matter will be brought up at some time when it is not entangled in the least by personal considerations in regard to our colleagues or gentlemen in the other House who may have been asked to do such service, and will be dealt with solely as a broad general principle for the future.

Mr. President, a great many years ago a President of the United States—I am not sure whether it was in President Hayes's time or General Grant's, or a little later—was called upon to make up a commission to go to Europe to deal with the silver question, and he appointed on that commission—if I may be permitted to say so—the one man in the country who was fitted for that duty. That was the Senator from Iowa [Mr. Allison], now chairman of the Committee on Appropriations. I took the liberty then of expressing my feeling of anxiety that that act might grow into a precedent and be the occasion of public complaint.

Later, in President McKinley's time, there were some eight or ten appointments made from this body of a like character, and they were, I suppose, appointments that the whole country regarded as most admirable for the public service. They were men who had studied the subjects with which they were to deal, men of great capacity, and that they were men of the highest quality of personal integrity it is unnecessary to say.

But I have no doubt it seemed to a large majority of the Senate, on reflection, that the practice had better not go further, and two measures were referred to the Committee on the Judiciary, one a general law, the other a resolve of the Senate. The committee carefully considered them. It happened that there were three members of the committee at that time who had been among those who had been selected for such functions. The committee almost unanimously agreed to a resolution disapproving of this practice. One or two of the members thought the President ought not to be restricted in his resources for that branch of the public service. However, the committee thought such a resolution might be construed into some discourtesy to the gentlemen who had acted in such places. One of the men who was then acting as a commissioner under such an appointment was one of the most zealous and emphatic in favor of the resolution. He said he had accepted the place hastily, and he agreed that the practice ought not to go further.

But the committee thought it was not best, under the circumstances, to report the matter at that time, and instructed me to call upon the President and tell him what had happened and say to him that the committee hoped the practice would not be continued. I suppose there is no indelicacy in my reporting what happened. President McKinley said he was aware of the objections; that he had come to feel them very strongly; and while he did not say in terms that he would not make another appointment of the same kind, he conveyed to me, and I am sure meant to convey to me, an assurance that it would not occur again. But he said it was impossible to understand how few people there were in this country who were out of the Senate and the House who were qualified for important diplomatic service of that kind; that we had to contend with the trained diplomats of Europe, men who had studied the subject all their lives. He went over some of the difficulties he had encounted in making selections of ministers abroad for some very important matters that were expected to be dealt with. Our people come from entirely other service and conditions. He might have added what is an additional strong consideration, that we have to deal with nations who can wait, while in general our political conditions and diplomatic conditions are such that we can not wait.

The American people want to have a question settled and have it over. Great Britain says to us: "Well, if you do not come to my terms I will be here 50 years hence, and my minister of foreign relations very likely will be here 20 years hence, and we will wait. We are in no hurry."

But at the same time, in spite of all those considerations, it seems to me it is a violation of the sound principles of the Constitution as enunciated in the clause read by the Senator from Georgia [Mr. Bacon]. The Constitution says the President shall not have patronage enough at his command to give a Senator, during his senatorial term, a $20 a year post office in his county seat, where perhaps he is the only man who resides there receiving letters. During the term for which a Senator is elected he can not be appointed to any place which has been created or the salary of which has been increased by sixpence during the whole six years.

So careful were the framers of the Constitution of Executive influence and control. And yet if the practice is to go on the President must come into the Senate, pick out a half dozen of our Members and send them to Europe, where they spend the summer in the most honorable positions on the face of the earth, meeting the society of foreign capitals, and then he can pay them out of the contingent fund at his disposal a sum three times greater than our salary. Now, does anybody suppose the framers of the Constitution would have approved of that? It is the question of the relation between the legislative power and the Executive power. There were two things of which our fathers,

when they framed the Constitution, were especially afraid. One was corruption in office—and that was provided for by impeachment—and the other an Executive influence over legislation.

Mr. President, it seems to me at some convenient time we must have this matter out and have it settled so far as an act of Congress can settle it. At the same time I wish to say there is not, in my judgment, the smallest criticism to be made of the purity of purpose and patriotism of the gentlemen who in the past have been selected by the Executive for these various offices.

Take the late Senator from Minnesota, now unhappily withdrawn from the sphere of public service. It would be difficult for me to put into words an expression of higher esteem for the senatorial character as exemplified by any man with whom I have ever served than by that intelligent, brave, patriotic, and courteous man, so accomplished and delightful in every relation of life, a great citizen, a great soldier, a great Senator.

It is only when the President is forced to say, "The Senator I want to employ is the fittest man in the world for the service and I can not find anybody else," that it will be done this year or has been done last year or will be done next year. But if the practice is once established, it will be done as matter of course. Senators can not accept an office, but they can do something which has ten times the power and the distinction and the compensation of an office, and a measure can be carried through, if we ever have an unscrupulous Executive, by the knowledge that Senators are to be appointed to discharge the functions. It seems to me that hardly a more dangerous practice can be conceived of than this one.

I hope the question as to what the Senate think on this subject, or what they seem to think by their votes, will not be determined on a mere amendment coming in at the close of a session, when we can have no extended debate upon it, and on a bill which is not especially germane and to which it practically has no relation.

APPENDIX C.

While it may be admitted that all of the commissions, examining boards, regents, etc., considered by the committee do differ in many particulars as to their duties, still the legal principles involved in the consideration of this class of public servants apply to all of them, and therefore they will be considered together in discussing the law in respect to them.

It can not be contended that every position held by a Member of Congress is an office within the meaning of the Constitution, even though the term office may usually be applied to many of these positions. We are therefore led to an analysis and discussion of the word "office."

The chairman of a committee of Congress is in one sense an officer holding a position different from other members of the committee. Marks of honor and distinction are given to Members of Congress in many ways, but all incident to or growing out of their position as a Member of Congress. It is a mark of distinction to be selected as members of escorts to those of our number who die; designations are made of committees to notify the Senate and the President of certain matters. The mind will readily run over a list of many positions of trust and honor that are conferred upon Members of Congress where no pretense will be made that they are offices within the meaning of the Constitution.

In United States *v.* Hartwell (6 Wall. 393) it is laid down that "an office is a public station or employment conferred by the appointment of Government. The term embraces the ideas of tenure, duration, emolument, and duties."

Elsewhere it is held that an office is "an employment on behalf of the Government, in any station or public trust, not merely transient, occasional, or incidental." (20 John. Rept. 492, 7 Ohio State 536.)

A careful consideration of all of the positions above referred to will show that they are merely transient, occasional, or incidental in their nature, and none of them possess the elements of duration, tenure, or emolument.

All of these appointees were but instruments to procure detailed information for the better information and guidance of Congress and are wholly lacking in the essential elements of an office within the meaning of the Constitution.

"A public office is the right, authority, and duty, created and conferred by law by which for a given period, either fixed by law or enduring at the pleasure of the creating power, an individual is invested with some portion of the sovereign functions of the Government to be exercised by him for the benefit of the public." (Mechem's Public Offices and Officers, sec. 1; Matter of Hathaway, 71 N. Y. 238–243, 3 Greenleaf (Me.), 481; Public Officers, Throop, sec. 6; Olmstead *v.* The Mayor, etc., 42 N. Y. Sup. Ct. 481.)

It has been held that these functions must be either legislative, executive, or judicial, and that to constitute the person an officer he must have conferred upon him either legislative, executive, or judicial powers. (Mechem's Public Offices, etc., sec. 4, and cases cited.)

Says the author:

"SEC. 4. Office involves delegation of sovereign functions. The most important characteristic which distinguishes an office from an employment or contract is that the creation and conferring of an office involves a delegation to the individual of some of the sovereign functions of government, to be exercised by him for the benefit of the public; that some portion of the sovereignty of the country, either legislative, executive, or judicial, attaches, for the time being, to be exercised for the public benefit. Unless the power conferred are of this nature, the individual is not a public officer."

This involves necessarily the power (1) to legislate, or (2) execute law, or (3) hear and determine judicially questions submitted.

Therefore mere power to investigate some particular subject and report thereon or to negotiate a treaty of peace, or on some commercial subject, a report without power to make binding on the Government, does not constitute a person an officer.

"It (public office) implies a delegation of a portion of the sovereign power to, and the possession of it by, the person filling the office; and the exercise of such power within legal limits constitutes the correct discharge of the duties of such office." (3 Greenleaf (Me.) 481; Mechem's Public Offices, etc., sec. 2; Olmstead *v.* The Mayor, 42 N. Y. Sup. Ct. 481; Public Officers, Throop, sec. 6.)

Again, the employment must not be merely transient, occasional, or incidental.

In United States *v.* Hartwell (6 Wall. 385) the court held that the term "public office" embraces the idea of tenure, duration, emolument, and duties, and that the duties were continuing and permanent, not occasional or temporary.

In United States *v.* Germaine (99 U. S. Sup. Ct. 508) the question of who is or who is not a public officer was again up, and the court said:

"If we look to the nature of defendant's employment, we think it equally clear that he is not an officer. In that case (referring to United States *v.* Hartwell) the court said the term embraces the ideas of tenure, duration, emolument, and duties, and that the latter were continuing and permanent, not occasional or temporary. In the case before us the duties are not continuing and permanent, and they are occasional and intermittent. * * * He is required to keep no place of business for the public use. He gives no bond and takes no oath, unless by some order of the Commissioner of Pensions of which we are not advised. * * * He is but an agent of the commissioner, appointed by him, and removable by him at his pleasure, to procure information needed to aid in the performance of his own official duties. * * * There is no penalty for his absence from duty or refusal to perform, except his loss of the fee in the given case."

The duties of the commissioners appointed under the statutes—to which attention will be called—are not continuing or permanent; they have no place of business for the public use, or even for their own use; they give no bond and take no oath. In fact, they are mere agents appointed by direction of Congress for the purpose of gathering information and making recommendations for its use if the Congress sees fit to avail itself of the labors of the commission. The commissioners appointed under these statutes or resolutions can not be compelled to attend or act, and in the broadest sense they are mere agents of the Congress. These commissioners are not to execute any standing laws which are the rules of action and the guardians of rights, nor have they the right or power to make any such law, nor can they interpret or enforce any existing law.

Under a statute of Maine the governor was authorized "to appoint one or more agents for the preservation of timber on the public lands, and for other purposes," and the judges held that these agents were not a civil office of profit under the State, although they were entitled to compensation. (See 3 Greenleaf Reports (Me.), p. 481.)

In United States *v.* Hendee (124 U. S. 309) it was held that a paymaster's clerk in the Navy is an officer of the Navy, and in United States *v.* Mouat (124 U. S. 303) it was held that such paymaster's clerk, appointed by a paymaster in the Navy, with the approval of the Secretary of the Navy, is not an officer of the Navy in the sense that he is an officer of the United States.

The constitution of the State of New York, 1846, article 6, section 8, prohibits the judges of the court of appeals and justices of the supreme court from exercising any power of appointment to public office.

Section 16, chapter 280, Laws of 1847, conferred upon the chancellor power to issue a commission to some person, empowering him to act as a surrogate in a particular case when by reason of statutory disqualifications the officers designated to act could not do so. It was contended that such person when designated to act as surrogate became a public officer, inasmuch as for the time being and in the matter before whom he was to act as a judicial officer with full power to hear, try, and determine the particular case, but the court of appeals In matter of Hathaway (71 N. Y. 238) held:

"The term 'public office,' as used in the Constitution, has respect to a permanent public trust or employment, to be exercised generally and in all proper cases. It does not include the appointment, to meet special exigencies, of an individual to perform transient, occasional, or incidental duties, such as are ordinarily performed by public officers; as to such appointments the legislature is left untrammeled and at liberty to invest the courts with power to make them." (Church, Ch. J., Andrews and Miller, JJ., dissenting.)

In Hall *v.* State (39 Wis. 79, ch. 40, laws of 1857) (the law) appointed certain-named persons "commissioners to make a geological, mineralogical, and agricultural survey of the State," and provided that such commissioners should arrange and distribute the functions of such survey by mutual agreement. The law provided a salary and provided for filling vacancies, and gave the governor authority to remove any member for incompetency or neglect of duty. The court held that these commissioners were officers. The court said:

"The geological survey commissioners were appointed directly by legislature; no specific term of office was fixed (except by the governor, whose power to do so may well be doubted); provision was made by law for removing them for cause and for filling vacancies; their salaries were paid out of the State treasury, and their functions were not of merely private, local, or temporary concern, but related to the material and permanent interests of the whole State. The duty imposed upon them was an important public trust, to be exercised for the benefit of all the people of the State, and could only be discharged properly by gentlemen of high attainments in physical science. * * * It may safely be asserted that any person charged by law with the performance of public functions affecting the general interests of society, especially if he be elected thereto by the people, or appointed directly by the legislature, and who receives his compensation out of the public treasury, is a public officer, and as such can have no vested right in his office, unless secured by the constitution. * * * It may be difficult to draw the exact line between an officer and a mere service or employment; but, as already observed, when public functions are conferred by law upon certain persons elected by the people or appointed by the legislature, if those functions concern the general interests of the State, and are not of a nature merely local or temporary, such persons are public officers, especially if they are paid a salary for their services out of the public treasury."

In re Corliss (11 R. I. 638) the question was up whether the office of a commissioner of the United States Centennial Commission is an office of trust under Article II, section 1, of the Constitution of the United States, and it was held that he was such an officer. The law creating that commission provided "for the holding of an exhibition of American and foreign arts, products, and manufactures, under the auspices of the Government of the United States," and the functions of such commissioners were to continue until the close of the exhibition, and their duties were "to prepare and superintend the execution of a plan for holding the exhibition." By the act of Congress approved June 1, 1872, the duties and functions of the commission were further increased and defined, and a corporation was created called "The Centennial Board of Finance," to cooperate with the commission and to raise and disburse the funds. It was to be organized under the direction of the commission. The commission was also to adopt plans for the erection of buildings, and the corporation created was to erect them in accordance with these plans.

The act also provided that the commission should "have power to control, change, or revoke all such grants, and shall appoint all judges and examiners and award all premiums." The commission was also

"to supervise the closing up of the affairs of said corporation, to audit its accounts, and submit in a report to the President of the United States the financial results of the centennial exhibition." The act also provided "no compensation for services shall be paid to the commissioners or other officers provided by this act from the Treasury of the United States." The only other officers provided for by the act were alternates to serve as commissioners when the commissioners were unable to attend.

The court properly held that these commissioners were officers of the United States. They were certainly vested with sovereign functions of the Government which were to be exercised by them for the benefit of each and every State in the Union and for the benefit of all the people of the United States.

In Bunn v. The People (45 Ill. 397) the court held:

"A person employed for a special and single object, in whose employment there is no enduring element, nor designed to be, and whose duties when completed, although years may be required for their performance, ipso facto terminate the employment, is not an officer in the sense in which that term is used in the constitution of Illinois."

In re attorneys, etc. (20 Johnson, N. Y.), the court defines the legal meaning of the term "office" to be "an employment on behalf of the Government in any station or public trust not merely transient, occasional, or incidental."

In matter of Hathaway (71 N. Y. 238–243) the court said:

"'Public office' as used in the Constitution has respect to a permanent trust to be exercised in behalf of the Government, or of all citizens who may need the intervention of a public functionary or officer, and in all matters within the range of the duties pertaining to the character of the trust. It means a right to exercise generally and in all proper cases the functions of a public trust or employment."

In McArthur v. Nelson (81 Ky. 67) the question was up as to whether certain commissioners were district officers, and the case says:

"The first section of the act authorizes the judge of the circuit court to appoint three commissioners, residents of the district, who shall hold their office at the will and pleasure of the judge. It is made the duty of the commissioners to have the courthouse constructed at a cost not exceeding $50,000, and to enable them to raise this money they are authorized to issue bonds, with coupons attached, bearing interest at 5 per cent, payable semiannually; and to redeem the bonds and pay the interest they are further empowered to levy an annual tax on the real and personal property in the district not exceeding 12 cents on the $100, etc. * * * They are not district officers within the meaning of section 10 of article 6 of the Constitution, but are the mere agents for the district, required by the act to discharge certain duties with reference to the building of the courthouse, and when those duties end their employment terminates."

In United States v. Germaine (99 U. S. 508) the question as to who are and who are not officers of the United States was quite fully considered. Under section 4777 of the Revised Statutes, United States, it is provided:

"That the Commissioner of Pensions be, and he is hereby, empowered to appoint, at his discretion, civil surgeons to make the periodical examinations of pensioners which are or may be required by law and to examine applicants for pensions where he shall deem an examination by a surgeon appointed by him necessary, and the fee for such examinations and the requisite certificates thereof in duplicate, including postage on such as are transmitted to pension agents, shall be $2, which shall be paid by the agent for paying pensions in the district within which the pensioner or claimant resides out of any money appropriated for the payment of pensions under such regulations as the Commissioner of Pensions may prescribe."

It was held in the case cited that the appointees under this statute are not officers of the United States, but mere agents of the Commissioner of Pensions.

It is perfectly clear, therefore, that the commissioners appointed under the act approved July 7, 1898, "An act making appropriations to supply deficiencies in the appropriations for the fiscal year ending June 30, 1898, and for prior years, and for other purposes," the resolution approved July 7, 1898 (Pub. Res. No. 51), entitled "Joint resolution to provide for annexing the Hawaiian Islands to the United States," and the act approved June 18, 1898, entitled "An act authorizing the appointment of a nonpartisan commission to collate information and to consider and recommend legislation to meet the problems presented by labor, agriculture, and capital," are not persons "holding any office under the United States."

They are persons designated by authority of Congress to make certain investigations, inquiries, etc., or to conduct certain negotiations preliminary to and as a basis for possible action by the Congress of the United States or by one branch of it. They neither make law, execute law affecting the rights of the people, nor perform judicial functions. These commissioners are and are intended to be mere advisory agents of the Congress of the United States. Their investigations are confined to some particular matter or subject, and they are not required to take an oath of office. They have no power to decide any question or bind the Government or do any act affecting the rights of a single individual citizen.

If the House or Senate authorizes or directs the Speaker or President of the Senate, as the case may be, to appoint a special committee to investigate some particular matter or subject and report and recommend legislation, can it be claimed that an office is created or that the Members of the House or Senate appointed hold "an office"? Suppose the President of the United States is authorized to make the appointments. Does this create offices, and are the appointees "officers"?

The acts performed are for the information of the Congress, and it alone. Their suggestions and recommendations have no force; they may or may not be adopted. To make their suggestions or recommendations operative, bills or resolutions must be introduced embodying the provisions recommended, or their substance, and these must be enacted into law. If a treaty is recommended by peace commissioners, it must be submitted to the Senate and by it ratified. The acts of such a commission do not bind the President, the Senate, or the Government. Then such commissioners neither make, execute, nor interpret law. They do not possess or exercise any of the sovereign power of the Government of the United States.

That the Senate may feel that it ought to ratify or approve the recommendations of such a commission can make no difference; the fact remains that their acts are not binding upon anyone or upon any departments of the Government.

If the Congress of the United States should see fit by joint resolution to authorize the President to appoint 10 persons as commissioners, whose duty it should be to investigate the condition of the people residing in Porto Rico and recommend laws suitable to their government, and should appropriate money to pay the expenses of the commission, would anyone contend that such commissioners when appointed would become other than mere agents of the Congress for the purposes specified? Would they possess or exercise legislative, executive, or judicial functions or powers? Such commissioners would possess the mere naked power to investigate and report, and their action would conclude no one, nor would they execute or interpret any law. Their action would not affect in the slightest degree the personal or property rights of a single citizen of the Republic. They would be answerable to no power for misconduct; they would be bound by no oath.

"The officer is distinguished from the employee," says Judge Cooley, "in the greater importance, dignity, and independence of his position; in being required to take an official oath, and perhaps to give an official bond; in the liability to be called to account as a public offender for misfeasance or nonfeasance in office, and usually, though not necessarily, in the tenure of his position."

Attorneys and counselors admitted to practice in the courts of the United States are not officers of the United States. (Ex parte Garland, 4 Wall. (U. S.), 333; see also In re Robinson, 131 Mass. 376.)

In People v. Nichols (52 N. Y. 478), one of the judges of the court of appeals was designated by statute as one of three persons to examine and report upon the genuineness and value of certain relics which the State proposed to purchase, and upon the certificate of these commissioners the purchase price was to be paid. The court held that this was not an office or public trust within the meaning of the constitution of that State, which prohibits such judge from holding an office or public trust. Said the court: "It is very plain that the doing of such an act, a single act like this, is not within the meaning of the constitutional prohibition against holding any other office or public trust" (p. 485).

Applying these principles to what is known as the Postal Commission the committee finds that those Members of the House of Representatives appointed or designated as commissioners under Public Act 131, "An act making appropriations for the fiscal year ending June 30, 1899," are not, nor are any of them, officers under the United States within the meaning of the Constitution.

In respect to the Industrial Commission, the committee finds that those Members of the House of Representatives appointed or designated as commissioners under Public Act No. 146, "An act authorizing the appointment of a nonpartisan commission to collate information and consider and recommend legislation to meet the problems presented by labor, agriculture, and capital," approved July 7, 1898, are not, nor are any of them, officers under the United States within the meaning of the Constitution.

In respect to the Canadian Commission the committee finds that those Members of the House of Representatives appointed or designated as commissioners under Public Act No. 182, "An act making appropriations to supply deficiencies in the appropriations for the fiscal year ending June 30, 1918, and prior years, and for other purposes," are not, nor are any of them, officers under the United States within the meaning of the Constitution.

In respect to the Hawaiian Commission the committee finds that those Members of the House of Representatives appointed or designated as commissioners under Public Resolution No. 51, "Joint resolution providing for annexing the Hawaiian Islands to the United States," are not, nor are any of them, officers under the United States within the meaning of the Constitution.

In respect to visitors to the Military Academy, etc., the committee finds that those Members of the House of Representatives appointed and designated as visitors to the Military Academy at West Point, to the Naval Academy at Annapolis, and the regents and directors and consulting trustees to the various public institutions in the District of Columbia and appointed by the Speaker of the House, are not, nor are any of them, officers under the United States within the meaning of the Constitution.

APPENDIX D.

THE CONSTITUTION OF THE UNITED STATES.

[By David K. Watson, pp. 330 to 336.]

"No Senator or Representative shall, during the time for which he was elected, be appointed to any civil office under the authority of the United States which shall have been created or the emoluments whereof shall have been increased during such time; and no person holding any office under the United States shall be a Member of either House during his continuance in office." (The Constitution of the United States, art. 1, sec. 6, par. 2.)

The constitution of Georgia, adopted in 1777, provided: "No person shall hold more than one office of profit under this State at the same time." (Madison's Writings, vol. 4, 221.)

Few provisions of the Constitution created a more earnest debate in the convention, or were the cause of a more eloquent and forcible discussion of the principles upon which the American political system is founded, than the resolution and motions which resulted in the adoption of this clause.

There was a firm determination on the part of some of the ablest men in the convention that such a clause should be inserted in the Constitution, and a belief that to omit it would be a serious error, while other members of the convention, equally able and sincere, regarded the proposition as derogatory to individual merit and a reflection of individual integrity.

After the preliminary debates in the convention on this subject, the Committee of the Whole reported, "Members of the first and second branch of the National Legislature ought to be ineligible to any office established by a particular State, or under the authority of the United States (except those particularly belonging to the functions of each branch) during the term of service, and under the National Government for the space of one year after its expiration." (Journal, 160.)

Mr. Gorham moved to strike from the report that portion of it "concerning ineligibility of members of the first branch." He considered it unnecessary and unjust. (Journal, 222.)

Mr. Butler opposed the motion. This precaution against intrigue was necessary. Men going into Parliament that they might get office for themselves or their friends were a source of corruption that ruined Great Britain.

Mr. King thought such a restriction on the members would discourage merit; it would also give a pretext to the Executive for bad appointments.

Mr. Wilson was also against discouraging merit, and suggested the fatal consequence in time of war of rendering perhaps the best commanders ineligible.

Mr. Mason opposed the motion, and regarded the disqualification as a corner stone in the fabric.

Mr. Hamilton stated, "there are inconveniences on both sides. We must take man as we find him, and if we expect him to serve the public, must interest his passions in doing so. A reliance on pure patriotism had been the source of many errors. It was known that one of the ablest politicians of England (Mr. Hume) had pronounced all that influence on the side of the Crown, which went under the name of corruption, as an essential part of the weight which maintained the equilibrium of the Constitution."

The motion of Mr. Gorham was lost by an equal division. (Journal, 222, 223.)

On the following day Mr. Pinckney moved to strike out the ineligibility of members of the first branch to office established "by a particular State," and this motion prevailed.

Mr. Madison then moved "to render members of the first branch ineligible during their term of service, and for one year after, to such offices only as should be established or the emoluments augmented by the Legislature of the United States during the term of their being Members." (Journal, 223, 224.)

Another animated debate occurred on this motion, which met with serious opposition.

Mr. Mason said in arguing against it that genius and virtue ought to be encouraged. Genius, for aught he knew, might; but that virtue should be encouraged by such a species of venality had the merit at least of being new.

Mr. Wilson supported the motion, and said the proper cure for corruption in the Legislature was to take from it the power of appointing to office. He animadverted on the impropriety of stigmatizing with the name of venality the laudable ambition of rising into the honorable offices of the Government—an ambition most likely to be found in the earlier and most incorrupt period of life, and which all wise and free governments had deemed it sound policy to cherish, not to check.

The Members of the Legislature have perhaps the hardest and least profitable task of any who engage in the service of the State. Ought this merit to be a disqualification? (Journal, 225.)

Mr. Madison said he had been led to this motion as a middle ground between ineligibility in all cases and an absolute disqualification. * * * The question was not to be viewed on one side only. The objects to be aimed at were to fill all offices with the fittest characters, and to draw the wisest and most worthy citizens into the legislative service.

The motion was defeated by a vote of two to eight. (Journal, 226, 227.) The committee of detail reported that "Members of each House shall be ineligible to, and incapable of holding, any office under the authority of the United States during the time for which they shall respectively be elected; and Members of the Senate shall be ineligible to, and incapable of holding, any such office for one year afterwards." (Journal, 452.)

The most important debate on this question, and one of the most important of the whole convention, occurred when this particular clause of the report of the committee of detail was being considered. Mr. Pinckney argued that to make the members ineligible to office was degrading, inconvenient, and impolitic. Degrading, since their election into the Legislature implied that they had the confidence of the people. Inconvenient, because the Senate might be supposed to contain the fittest men. He hoped to see that body become a school of public ministers, a nursery for statesmen. Impolitic, because the Legislature would cease to be a magnet to the first talents and abilities. He moved to postpone the section, and take up the following: "The Members of each House shall be incapable of holding any office under the United States for which they, or any others for their benefit, receive a salary, fees, or emoluments of any kind; and the acceptance of such office shall vacate their seats respectively." (Journal, 520, 521.)

Mr. Mason ironically proposed to strike out the whole section, as a more effectual expedient for encouraging that exotic corruption which might not otherwise thrive so well in the American soil; for completing that aristocracy which was probably in the contemplation of some among us; and for inviting into the legislative service those generous and benevolent characters who will do justice to each other's merit, by carving out offices and rewards for it. In the present state of American morals and manners few friends, it may be thought, will be lost to the plan by the opportunity of giving premiums to a mercenary and depraved ambition.

Mr. Mercer said: "The Governments of America will become aristocracies. They are so already. The public measures are calculated for the benefit of the governors, not of the people. The people are dissatisfied and complain. Government can only be maintained by force or influence. The Executive has not force—deprive him of influence, by rendering the Members of the Legislature ineligible to executive offices, and he becomes a mere phantom of authority. The aristocratic part will not even let him in for a share of the plunder. The Legislature will be composed of wealth and ability, and the people will be controlled by a junto."

Mr. Gerry read to the convention a resolution of the Legislature of Massachusetts instructing her deputies in the convention not to agree in any case to give to the Members of Congress a capacity to hold office under the Government. The sense of the State was still the same. He could not think, with Mr. Pinckney, that the disqualification was degrading. Confidence is the road to tyranny.

Gouverneur Morris was against rendering the Members ineligible. Why should we not avail ourselves of their services, if the people choose to give them their confidence? There can be little danger of corruption, either among the people or the legislators who are to be the electors. If they say, "We see their merits, we honor the men, we choose to renew our confidence in them," have they not a right to give them a preference, and can they be properly abridged of it?

Mr. Williamson opposed eligibility, and said he had scarcely seen a corrupt measure in the Legislature of North Carolina which could not be traced to office hunting.

Mr. Wilson was far from thinking the ambition which aspired to offices of dignity and trust an ignoble or culpable one. He was sure it was not politic to regard it in that light, or to withhold from it the prospect of those rewards which might engage it in the career of public service.

Mr. Mercer was extremely anxious on this subject. What led to the appointment of this convention? The corruption and mutability of the legislative councils of the States. If the plan does not remedy these, it will not recommend itself. It is a great mistake to suppose that the paper we are to propose will govern the United States. It is the men whom it will bring into the Government and interest in maintaining it that will govern them, and he would ask if this could be done if the members of the legislature should be ineligible to offices of States; whether such disqualification would not determine all the most influential men to stay at home and prefer appointments within their own States.

The motion to substitute Mr. Pinckney's resolution was lost by an equally divided vote. (Journal, 522, 527.)

The consideration of the report of the committee of detail was postponed and finally referred to the committee of eleven, which reported the following as a substitute for the resolution of the committee of detail: "The Members of each House shall be ineligible to any civil office under the authority of the United States during the time for which they shall respectively be elected; and no person holding an office under the United States shall be a Member of either House during his continuance in office." (Journal, 649.) This report materially changed the question which previously had been discussed by the convention, first, by limiting the ineligibility of Members to any civil office under the authority of the United States; and, second, removing the ineligibility of Senators for one year after the expiration of their term.

Mr. Pinckney moved the following as a substitute for this report: "The members of each house shall be incapable of holding any office under the United States for which they, or any other for their benefit, receive any salary, fees, or emoluments of any kind; and the acceptance of such office shall vacate their seats respectively." (Journal, 651.) He considered the ineligibility of members of the legislature to the honorable offices of Government as resembling the policy of the Romans in making the temple of virtue the road to the temple of fame. (Journal, 651.)

The vote on the motion for substituting Mr. Pinckney's motion was lost. Another sharp debate occurred and the report was amended to read: "The Members of each House shall be ineligible to any civil office under the authority of the United States created, or the emoluments whereof shall have been increased, during the time for which they shall respectively be elected. And no person holding any office under the authority of the United States shall be a Member of either House during his continuance in office." (Journal, 653.)

This section is a prohibition against a Senator or Representative being appointed to any civil office which was created, or the emoluments of which are increased, during the term of the Senator or Representative, and against a person holding an office under the United States being a Member of the Senate or House of Representatives. (Watson, The Constitution, vol. 1, pp. 330–336.)

World War Foreign Debt Commission.

Opinion of the Attorney General.

[Vol. XXII, p. 184.]

Department of Justice,
August 18, 1898.

Sir: I have your letter of the 13th instant, asking my opinion upon the question whether Hon. William L. Putnam, United States circuit judge, who was appointed and has acted as one of the two commissioners under the convention of February 8, 1896, concerning claims growing out of seizures of vessels in Bering Sea, can be paid by you for his services as such commissioner.

Your attention, it appears, has been called to Revised Statutes 1763, 1765, and the Dockery law. (2 Supp. Rev. Stat. 212.)

The provision of the Dockery law referred to is as follows:

"No person who holds an office the salary or annual compensation attached to which amounts to the sum of $2,500 shall be appointed to or hold any other office to which compensation is attached unless specially heretofore or hereafter specially authorized thereto by law."

Article 7 of the treaty of 1896 is as follows:

"Each Government shall provide for the remuneration of the commissioner appointed by it.

"The remuneration of the umpire, if one should be appointed, and all contingent and incidental expenses of the commission, or of the umpire, shall be defrayed by the two Governments in equal moieties."

The treaty, article 3, speaks of the two commissioners as constituting a commission, and article 1 provides that the two parties agree to refer all claims growing out of seizures of British vessels in Bering Sea to two commissioners, one to be appointed by the President, one by the Queen. The duties of the commissioners are confined to fairly and impartially investigating and deciding upon the claims, jointly, and jointly reporting any disagreement; upon which, an umpire is to be chosen.

On May 7, 1896, Congress passed a law appropriating $75,000, "to be expended, under the direction of the Secretary of State, with the approval of the President of the United States, in fulfilling the stipulations of the treaty." This language evidently referred to article 7, and did not provide for the payment of the claims.

The question is whether the act of 1894 applies to the commissioner and prevents the payment to Judge Putnam of compensation from the $75,000 because it forbids the appointment to or holding of a second "office to which compensation is attached."

Article II, section 2, of the Constitution, establishing the executive branch of the Government, provides:

"He [the President] shall have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur; and he shall nominate, and by and with the advice and consent of the Senate shall appoint ambassadors, other public ministers and consuls, judges of the Supreme Court, and all other officers of the United States whose appointments are not herein otherwise provided for, and which shall be established by law; but the Congress may by law vest the appointment of such inferior officers as they think proper in the President alone, in the courts of law, or in the heads of departments."

It would seem that the phrase "which shall be established by law" was conceived as referring to the power of Congress to pass laws necessary and proper to carry into effect all the powers granted in the Constitution, and that there was no expectation that the "officers of the United States" would be established by treaties between the United States and other countries. The commissionership in question is not an office established by law in that sense. Neither does it seem to be within the clause "ambassadors, other public ministers and consuls," for their offices were adopted from the law of nations, and exist independently of statute or treaty. (7 Opin., 242.) The commissioner is, of course, not one of the officers "whose appointments are herein otherwise provided for."

In short, the office, if it be an office, is not one of those appointments which is required by the Constitution to be made in the ways enumerated in Article II, section 2.

The treaty, to which the commission and commissionership owe their existence, provides that the President (saying nothing of the Senate) shall appoint; but although this produces a resemblance to the constitutional requirement, the commissionership is none the more, on that account, an office known to the Constitution as such. It is an office or employment emanating from the general treaty-making power, and created by it and Great Britain. In the case of United States *v.* Germaine (99 U. S., 510) the Supreme Court says:

"That all persons who can be said to hold an office under the Government about to be established under the Constitution were intended to be included within one or the other of these modes of appointment (those of Article II, section 2), there can be no doubt. * * * If the punishment were designed for others than officers as defined by the Constitution, words to that effect would be used, as servant, agent, person in the service or employment of the Government; and this has been done where it was so intended, as in the sixteenth section of the act of 1846 concerning embezzlement, by which any officer or agent of the United States, and all persons participating in the act, are made liable."

In the series of statutes to which the act of 1894 belongs (Rev. Stat., 1763, 1764, 1765) it will be observed that the language of the Supreme Court finds further confirmation; for, after speaking of officers, they add words to include persons serving the Government in other or doubtful capacities.

It is true that the statutes referred to were criminal; but, while this may be a reason for not confining the word office in civil statutes to a strict construction, yet what the Supreme Court says seems to indicate that where, as in this series, that word is used and followed by other designations the line of cleavage is that between constitutional and nonconstitutional offices. (See United States *v.* Mouat, 124 U. S., 307.)

It would seem, therefore, that the word office in the act of 1894 is to be presumed, in the absence of indications to the contrary, not to embrace such a commissionership, because not what is called a constitutional office. But this may not be so; and therefore it is well to consider that, in addition to the constitutional, there is the legal and the popular sense of the word office.

The legal definitions of a public office have been many and various. The idea seems to prevail that it is an employment to exercise some delegated part of the sovereign power; and the Supreme Court appears to attach importance to the ideas of "tenure, duration, emolument, and duties," and suggests that the last should be continuing or permanent, not occasional or temporary. In case cited it was further said: "The surgeon is only to act when called upon by the Commissioner of Pensions in some special case, as when some pensioner or claimant of a pension presents himself for examination"; and this was regarded as making his duties "occasional and intermittent."

Whether this commissioner, sent to adjudicate upon certain-named claims, listed at the end of the treaty, whose employment was thus to perform a certain task which might take a month or several months, would answer the right legal definition of an officer, must be regarded as at least doubtful. He resembles a special assistant to a district attorney, to aid in a certain case or set of cases, who has been recognized as not an officer, although a regular assistant is an officer. No "emolument" was attached to his employment by the treaty or act of May, 1896, but the former signified no more on that point than that he was to be paid by the United States, if at all, and the latter, while appropriating money to be used in carrying out article 7, left the President and Secretary free to pay or not to pay the commissioner, as might be arranged. I am not prepared to say, however, that, if nothing else were lacking to make him an officer of the United States—and we may assume that only officers of the United States were in the mind of Congress in 1894—it would be easy to establish that the commissioner could be paid out of the $75,000 and yet be regarded as holding an employment to which no "emolument" belonged. It does seem, however, that the temporary character of the employment, which was to consist of and to terminate at the end of the examination of a limited number of specified claims, withdraws one of the elements of an office which the Supreme Court regards as essential. (Auffmordt *v.* Hedden, 137 U. S. 327.)

As for the popular language, it seems clear that a person employed solely as a sworn judge of a joint international commission would not be spoken of as an officer of either country, although, under a treaty requiring it, selected and sent to his post by one of them.

For these reasons it seems to me that this act of 1894, passed anterior to the treaty as a supplement to a series of acts which first concerned only collectors of customs, naval officers, and surveyors, and was afterwards extended to other officers, should be regarded as not intended by Congress to invade the domain of the treaty-making authority and establish restrictions upon future occasional and temporary commissionerships created by international agreement, the nature and functions of which neither Congress nor the framers of Article II, section 2, could wisely have undertaken to foresee. The treaty in this case might have provided for the appointment of an identical commissioner by our ambassador to Great Britain, or by the President of France, instead of by the President of the United States, and might, for reasons important to the two treaty-making authorities, have expressly required one of the judges of the Supreme Court to be appointed. With such matters, it seems to me, Congress, by the act of 1894, had no intention of interfering. If within the letter, such an employment seems to be beyond the intent of that law.

It has been a useful custom of the Government for a century to assign to special work of great international importance eminent judges—Ellsworth, Jay, Nelson, etc.—while it has been no part of our policy to require services for the public without pay, theoretically amounting to just compensation.

What I have said seems to have been the executive interpretation of the word office, for Mr. Senator Morgan was appointed and paid as a member of the fur-seal arbitration tribunal, although while a Senator he aided in creating that "civil office," and Mr. Justice Brewer and Judge Alvey, since this act of 1894, have been appointed upon the commission to report upon the divisional line between Venezuela and British Guiana, all being compensated out of general appropriations for the expenses.

While, therefore, the question is not free from difficulty, I am inclined to the opinion that Judge Putnam can be paid a sum additional to his salary as judge.

I do not regard Revised Statutes 1763 and 1765, to which you refer me, as applicable to the case. If not an office, the commissionership was a distinct place, position, or employment, having nothing to do with the duties of the judgeship and compatible therewith, to which position no superior authority could detail Judge Putnam. (U. S. *v.* Mullett, 150 U. S. 566, and cases cited.)

Respectfully,

JOHN W. GRIGGS.

The SECRETARY OF STATE.

COMMENTS OF SENATOR WALSH ON THE FOREGOING.

In the opinion of the Attorney General submitted to the Senate on March 8, 1922, reference is made to the opinion of Attorney General Griggs (22 Op. 184) as a ruling of the department on the question under consideration by the Committee on the Judiciary under Senate resolution 244. Not only that it is not such, but that it supports the position taken by the subcommittee will be revealed by even a cursory study of the reasoning of Attorney General Griggs.

In the statement submitted with the report of the subcommittee commissions upon which Members of Congress have from time to time been appointed were divided into three classes: (1) Commissions to negotiate treaties; (2) commissions arbitral in character, existing by virtue of treaties; (3) commissions to conduct investigations and to report to Congress with a view to legislation.

The commission considered by Attorney General Griggs falls within the second class mentioned, and the opinion proceeds upon identically the same ground upon which, in the statement heretofore referred to, such commissions are differentiated from the Foreign Debt Funding Commission. He was called upon to say whether within a statute Judge Putnam, in his capacity as American member of the commission to settle claims for the confiscation of Canadian vessels engaged in pelagic sealing, was an officer of the United States. He argued that Judge Putnam did not come under the operation of section 2 of Article II of the Constitution empowering the President, by and with the advice and consent of the Senate, to "appoint ambassadors, other public ministers and consuls, judges of the Supreme Court, and all other officers of the United States whose appointments are herein otherwise provided for and which shall be established by law," because that provision was intended to apply only to positions official in character, created by act of Congress, and not to positions existing by virtue of a treaty. As to such positions the Attorney General maintains they exist not under the authority of the United States, but under the joint authority of the United States and the other party to the treaty, as will be shown from the following from the opinion, for comparison printed in a column parallel to what was said in the views submitted with the report of the subcommittee.

[From the opinion of the Attorney General.]

It would seem that the phrase "which shall be established by law" was conceived as referring to the power of Congress to pass laws necessary and proper to carry into effect all the powers granted in the Constitution, and that there was no expectation that the "officers of the United States" would be established by treaties between the United States and other countries. The commissionership in question is not an office established by law in that sense. Neither does it seem to be within the clause "ambassadors, other public ministers, and consuls," for their offices were adopted from the law of nations, and exist independently of statute or treaty. (7 Opin., 242.) The commissioner is, of course, not one of the officers "whose appointments are herein otherwise provided for."

In short, the office, if it be an office, is not one of those appointments which is required by the Constitution to be made in the ways enumerated in Article II, section 2.

The treaty, to which the commission and commissionership owe their existence, provides that the President (saying nothing of the Senate) shall appoint; but, although this produces a resemblance to the constitutional requirement, the commissionership is none the more, on that account, an office known to the Constitution as such. It is an office or employment emanating from the general treaty-making power, *and created by it and Great Britain.* * * * * * It seems clear that a person employed solely as a sworn judge of a joint international commission would not be spoken of *as an officer of either country,* although, under a treaty requiring it, selected and sent to his post by one of them.

[From the argument of Senator WALSH.]

Another class of cases, quite similar in character, includes appointments on commissions to settle international disputes, like boundary commissions or other arbitration commissions, the members of which are appointed pursuant not to an act of Congress but to a treaty. Such officers, if they may be so denominated, do not come under the operation of the clause of the Constitution under consideration which was intended to exclude Members of Congress only from such office as they had as such a part in creating or in making more desirable by increasing the emoluments attached to it. The provision in question was one of the compromises of which not a few are found in the Constitution. The more skeptical wished to make Members ineligible to appointment to any office, and not only for the term of the Member but as well for a year after its expiration. Others objected to any restriction on the appointing power in that regard. It was finally agreed that the safety of the Republic would be sufficiently assured if the temptation were removed only with respect to such offices as the Members respectively participated in creating or making more inviting in the manner indicated. So, admitting that the members of commissions, such as those last referred to, are officers and that they act under the authority of the United States, rather than under a joint authority of our country and the other party to the treaty, the offices they hold are not of that class the makers of the Constitution had in mind when they framed the clause in question—that is, though they may be within its letter, they are not within its spirit.

In addition to the contention that a position existing by virtue of a treaty is not an "office under the authority of the United States" because created not by the United States but by the joint authority of the United States and the other party or parties to the treaty, it was urged that the makers of the Constitution could have had in mind only those offices in the creation of which Members of both Houses participated. It may be that there is equal reason for excluding Senators from office in the creation of which they participated by the ratification of a treaty as from offices created by act of Congress. But inasmuch as the ineligibility extends to Representatives in all cases in which Senators are disqualified, and the reason for the rule established by the Constitution fails as to Representatives in the case of positions created by a treaty, it is a reasonable con-

tention that such positions do not fall under the inhibition of the Constitution.

Accordingly the appointment of a Senator or a Representative as a member of an arbitral commission is not a persuasive precedent or, justly considered, a precedent at all for the appointments giving rise to the present inquiry.

MINORITY VIEWS.

The undersigned members of the Committee on the Judiciary, which committee has had under consideration Senate resolution 244, are unable to concur in the report of the committee, it being their opinion that the Hon. REED SMOOT and the Hon. THEODORE E. BURTON are eligible for membership on the commission created by the act of Congress approved February 9, 1922, entitled "An act to create a commission authorized to refund or convert obligations of foreign Governments held by the United States of America, and for other purposes."

They submit herewith their views upon the subject matter of the resolution.

KNUTE NELSON.
ALBERT B. CUMMINS.
WM. P. DILLINGHAM.
LEBARON B. COLT.
THOMAS STERLING.
RICHARD P. ERNST.
SAMUEL M. SHORTRIDGE.

The resolution directing the Committee on the Judiciary to make a report is as follows:

"*Resolved*, That the Committee on the Judiciary be, and it hereby is, directed to inquire into and report to the Senate, not later than Tuesday next (February 28, 1922), touching the eligibility of Hon. REED SMOOT and Hon. THEODORE E. BURTON to membership on the commission created by the act of Congress approved February 9, 1922, entitled 'An act to create a commission authorized to refund or convert obligations of foreign Governments held by the United States of America, and for other purposes,' reference being made to section 6 of Article I of the Constitution of the United States, as follows:

"'No Senator or Representative shall, during the time for which he was elected, be appointed to any civil office under the authority of the United States which shall have been created or the emoluments whereof shall have been increased during such time.'".

It will be observed that the committee is required to answer a pure question of constitutional law, namely: Are Senator REED SMOOT and Representative THEODORE E. BURTON eligible, under the Constitution, to receive appointments as members of the World War Foreign Debt Commission, a commission created by the act of February 9, 1922; the act having been passed while these nominees of the President were Members of Congress, and during the time for which they were respectively elected?

Whether these selections for the commission are wise or unwise, whether the reasons which prompted the provisions of section 6 of Article I of that instrument would logically lead to the further conclusion that Members of Congress should receive no appointments of any character from the President, is a subject not submitted to and upon which the minority of the committee expresses no opinion.

There are a thousand ways, some of them proper and some of them improper, through which the President, so far as the Constitution is concerned, can bring influence to bear upon Members of Congress, and likewise there are a thousand ways, some of them proper and some of them improper, through which the Members of Congress can exert their influence upon the Chief Executive. It must be constantly borne in mind that the committee is not charged with the duty of recommending amendments to the Constitution to supply the defects of an instrument prepared and adopted at a time and under conditions which rendered it impossible to foresee or anticipate all the needs of modern government. Nor should it be forgotten that it is just as destructive of the security afforded by a written Constitution to attempt to extend its terms by forced and unnatural interpretation as it is to limit its construction by similar methods.

Unquestionably it is not only our right but our duty carefully to consider the known object which the makers of our Constitution had in view when particular provisions were debated and adopted; but respect for our fundamental law will not long survive if, in order to reach what may now be regarded as a desirable end and one which we may believe that the framers of the Constitution would have desired to reach had they been able to conceive the present development of organized society, we refuse to accept the true meaning of the words and phrases actually employed.

The minority has referred to this phase of the subject because it is earnestly and ably contended that to appoint a Senator or a Representative to any position of honor, distinction, or profit would be attended by the same evils that were anticipated and provided against by our forefathers when they forbade the appointment of a Member of either House to a civil office under the authority of the United States created during the time for which he was elected.

The fundamental difference between the majority and the minority of the committee relates to the rule of construction which should be adopted. We may not differ upon literal definitions, but, nevertheless, lying deeper than the words which we may use to describe the guides which we follow, there is a radical divergence in thought.

The majority of the committee, while they would not admit the suggestion, are in fact applying the rule which a distinguished President of the United States once stated in this very plain, blunt way—we are not attempting to quote him literally, but the substance of his declaration was that the Constitution at any given time means what the needs of the people at that time require that it shall mean. There are a great many statesmen of high degree and lawyers of great attainments who if they are not willing to avow this canon of construction act in accordance with its standards.

It is not difficult to understand the attitude of men who feel that it would promote the public interest if Members of Congress were ineligible for appointment to any office, position, place, or employment which they helped to create; first, because in rare instance the possibility of appointment might present a temptation that would influence their votes or, second, because the opportunity for such an appointment might give to the Executive an undue influence respecting the legislative act.

The minority of the committee do not deny that there is a possibility of such a result, but they can not accept the conclusion that because there is such a possibility we are justified in rewriting this clause of our Constitution, ignoring the distinction between the words "office," "position," "place," and "employment," and having so rewritten it, in testing the eligibility of Senator SMOOT and Representative BURTON, not by anything that those who have adopted the Constitution declared but by words and phrases not found in that instrument, but which according to the view of the majority ought to have been incorporated in it. The minority are strongly in favor of a liberal construction of the Constitution, but they can not concur in the obvious effort to amend that instrument through interpretation.

Moreover, it is not necessary to wreck the Constitution in order to accomplish the purpose which the majority of the committee believe should be accomplished and to institute and maintain the public policy which they are so confident should control this and every other like situation. If the majority of the Senate are of the opinion that in this instance it is contrary to the public interest that these two Members of Congress shall become members of the commission, it can refuse to confirm them, and so end the whole controversy. In any future instance, if Congress desires to prohibit the appointment of Members of Congress to any position, place, or employment, as distinguished from an "office" created by any law that it may enact, it is within its constitutional authority to do so. This is mentioned not because it is strictly material to the inquiry, but in order to call attention to the remedy that is in the hands of the Senate in this particular case and that would be in the hands of the Congress in any case occurring hereafter.

Unquestionably the chief purposes of the clause of the Constitution under consideration were, first, to remove the temptation which, theoretically at least, is presented to Congress to create offices or increase the compensation of offices already created, which would be filled by the appointment of the Members of Congress, and, second, to preserve the independence of the legislative branch of the Government by excluding the improper influence of the Chief Executive.

It is manifest and would be at once admitted that the provision, even if rewritten by the majority of the committee, can not be extended to embrace all the influences of a generally similar character. For illustration: Suppose the act creating the commission had given to the President the authority to appoint a legal adviser to that body at a salary of $50,000 per annum and the President had appointed a Member of the Senate as such adviser; it is not contended that the person so appointed would be an officer of the United States. There is no authority, however extreme, that does not hold that such an appointment would be a mere employment, and yet the objectional temptation and the opportunity for improper influence would be as great, if not greater, than in the case of the creation of an office. Illustrations of this character could be indefinitely multiplied. One, however, is sufficient, and it serves to demonstrate how impossible it is to broaden the language of the Constitution so that it will meet all the evils which may be encountered in the general field relating to the eligibility of Members of Congress to receive recognition of any kind at the hands of the Executive.

In the discussion in which we have indulged it must not be understood that the minority of the committee entertain any doubt with respect to the propriety of the two appointments under consideration. On the contrary, we regard these appointments as eminently wise—first, because both the appointees are in every way highly fitted to perform the work assigned to them; and, second, because they understand the attitude of Congress toward the subject with which they are to deal, and are therefore likely to recommend to the President arrangements with our foreign debtors that will command the approval of the legislative bodies to which they belong.

We beg to submit that the view of the construction of the Constitution upon which we insist is not to be disparaged by the suggestion that those who hold it have resorted to a technicality. On the contrary, our contention relates to the very substance of orderly government. Any other rule of interpretation leads immediately to the complete overthrow of written constitutions and statutory enactments. The men who wrote the Constitution chose to confine the provision respecting Members of Congress to "civil offices." If the commissioners under the funding act hold civil offices, as distinguished from "civil positions," "civil places," or "civil employments," then Senator SMOOT and Representative BURTON are ineligible. The sole function of the Committee on the Judiciary is to answer the one question: Are these commissioners whose appointments are authorized by the funding act civil officers under the authority of the United States? If they are, then A. W. Mellon, Charles E. Hughes, and Herbert Hoover hold two offices, respectively, and Senator SMOOT and Representative BURTON are ineligible.

Before referring to the authorities, and there are many of them, in which the courts have had occasion to consider what is and what is not an "office" under the provisions of the various State constitutions and various Federal and State statutes, we turn to an examination of the terms of the particular act under which the World War Foreign Debt Commission was created. The material portions of the act are as follows:

* * * "That a World War Foreign Debt Commission is hereby created consisting of five members, one of whom shall be the Secretary of the Treasury, who shall serve as chairman, and four of whom shall be appointed by the President, by and with the advice and consent of the Senate.

"SEC. 2. That, subject to the approval of the President, the commission created by section 1 is hereby authorized to refund or convert, and extend the time of payment of the principal or the interest, or both, of any obligation of any foreign government now held by the United States of America, or any obligation of any foreign government hereafter received by the United States of America (including obligations held by the United States Grain Corporation, the War Department, the Navy Department, or the American Relief Administration), arising out of the World War, into bonds or other obligations of such foreign government in substitution for the bonds or other obligatons of such government now or hereafter held by the United States of America, in such form and of such terms, conditions, date or dates of maturity, and rate or rates of interest, and with such security, if any, as shall be deemed for the best interests of the United States of America."

The minority of the committee are of the opinion that, if the words "subject to the approval of the President" were not in the statute, there would still be room for the contention that the commissioners are not officers, under the principles announced and the definitions found in many of the authorities to which reference will hereafter be made. However, we frankly concede that if the words just quoted had been omitted there would be presented an entirely different question and an exceedingly close one. But these words "subject to the approval of the President" are in the statute, and they remove the question from the region of doubt or uncertainty.

While we postpone the consideration of the decided cases, it may be helpful to remember that the Constitution uses the words "civil office" to describe its purpose. Those who employed the words could have said, had they been so minded, "position," "place," "employment," or the like, but they did not; and it is the duty of the committee, under the resolution, to render an opinion upon the meaning of the word "office" as distinguished from the meaning of the broader and more comprehensive words "position," "place," "employment," or other

similar terms. The word "office" had a fairly definite meaning at the time the Constitution was adopted; and inasmuch as it occurs not only in the Constitution of the United States but in all the State constitutions and in innumerable laws, both Federal and State, it has been the subject, as heretofore suggested, of a great many judicial discussions and decisions, some of which have been collected and appear in the exceedingly interesting and able paper accompanying the report of the majority of the committee. These decisions are not harmonious; and as there are no two cases which involve the same conditions, they are of little value, save for one thing, namely, we are able to extract from them *and from commentators*, with fair precision, the elements which must concur and combine in order that any given position or place may constitute an "office." Disregarding all disputed elements, there will be found universal agreement as to one indispensable element. This element is not only admitted, but emphasized in the argument of the majority of the committee; and inasmuch as we desire to bring this matter at once to the test of this indispensable characteristic, we quote from Mechem's Public Offices, etc. (sec. 4), which states the principle as clearly as it can be found anywhere:

"Office involves delegation of sovereign functions. The great important characteristic which distinguishes an office from employment or a contract is that the creation and conferring of an office involves a delegation to the individual of some of the sovereign functions of the Government to be exercised by him for the benefit of the people; that some portion of the sovereignty of the country, either legislative, executive, or judicial, attaches for the time being to be exercised for the public benefit. Unless the powers conferred are of this nature the individual is not a public officer. This involves necessarily the power (1) to legislate, (2) execute a law, or (3) hear and determine, judicially, questions submitted. Therefore mere power to investigate some particular subject and report thereon, or to negotiate a treaty of peace or on some commercial subject and report, without power to make binding on the Government, does not constitute a person an officer."

The principles here announced are universally accepted, and by no one more clearly than the Senator from Montana. In his address to the Senate upon this subject he says (CONG. REC., February 24, p. 3329):

"Mr. President, I think the Senator from Arkansas [Mr. ROBINSON] correctly stated the necessary elements that make an office. The first question is, Is it created by law? Undoubtedly this commission was created by law—by an act of Congress. Second, is the officer, or are the commissioners, intrusted with a portion of the sovereign power of the Government either to legislate, to enact a law, to execute a law, or to construe a law?"

All that remains is to apply this test to the powers and duties of the commission created by the funding act. The commission has no power whatsoever. Its duties are purely preliminary and advisory. It can do nothing that will bind the Government of the United States in any respect or degree. Every act that it performs is without the least force or effect until approved by the President. It is not invested with any part of the sovereign authority of the United States. It has no function save to present to the President its work for his approval. It is to the President that Congress has delegated the authority to enter into a binding agreement. While the work of the commissioners may be more dignified and important than the work of any of the employees of the commission, it is in every sense of the same character. It is the President who becomes responsible for everything that is done.

It has been suggested that the President stands in the same relation to the commission that the courts bear to such tribunals as the Interstate Commerce Commission or the Federal Trade Commission, but we are not impressed with the analogy. It is true that there are instances in which the orders of these commissions may be reviewed by the courts, but the action of the reviewing courts is not necessary to make the orders of such commissions binding upon the parties to them. The moment they are issued they are in full force and effect until set aside by the judgment of a superior tribunal. It is not so with the commission created by the funding act.

That commission can make no order, enter into no contract, make no arrangement of any description until the President approves it. It is his approval, and his approval alone, which gives to the work of the commission its validity. The commission may negotiate, gather information, put proposed agreements into form, and report to the President. Its duties and powers are then concluded and if nothing further is done their work is valueless and can not in any manner affect the people or the Government of the United States. It is the President, and the President alone, who gives life and force to the agreements which may be presented to him. The conclusion is irresistible; the commissioners are not "officers under the authority of the United States."

The majority of the committee, in the course of their argument, mention the fact that the funding act itself contains the implication that the commissioners are officers, because it provided that they must be appointed by and with the advice and consent of the Senate.

With regard to this phase of the matter it is sufficient to say that the action of the Senate in this respect, whether considered or unconsidered, can not change the character of the duties performed by the commission, and is entitled to little or no weight in reaching a conclusion upon the merits of the subject submitted to the committee for examination and report. Moreover, whatever effect the inclusion of this provision in the act may have is entirely neutralized by another provision wholly inconsistent with it. The act contains this clause:

"That a World War Foreign Debt Commission is hereby created, consisting of five members, one of whom shall be the Secretary of the Treasury."

In this clause Congress attempts to select and appoint one of the members of the commission. It will not be denied that if the members of the commission are officers Congress can not select or appoint them. We are thus presented with this curious situation, that in the same sentence Congress has affirmed that the commissioners are officers and are not officers.

While it is not within the province of the committee to make observations upon the constitutionality of the funding act, it is, nevertheless, proper to say that if it be held that the commissioners are officers within the meaning of the Constitution there would arise at once the gravest doubt with respect to the constitutionality of the law creating the commission. While the reservation in the act providing for confirmation by the Senate of an appointment to a position, as distinguished from an "office," a reservation not warranted by the Constitution, might not affect the validity of the law, yet if these commissioners are officers, then the attempt on the part of Congress to select or appoint one of them, thus invading the authority of the President, would constitute an affirmative violation of the Constitution and invalidate the entire statute.

The clause of the Constitution now under discussion has never been judicially construed or applied, and therefore we can not appeal to any direct adjudication. It may be worth while, however, to pass from the consideration of the one element in an "office" concerning which there is no conflict of opinion and examine the question from another point of view.

In United States *v.* Germaine (99 U. S. 508) the Supreme Court of the United States found it necessary to determine whether a civil surgeon appointed by the Commissioner of Pensions under an act of Congress was an officer of the United States and subject to indictment and punishment under a criminal statute which declared as follows:

"Every officer of the United States who is guilty of extortion under color of his office shall be punished, etc."

In the course of the opinion (delivered by Justice Miller) the court said:

"If we look to the nature of defendant's employment, we think it equally clear that he is not an officer. In that case, referring to United States *v.* Hartwell (6 Wall. 385), the court said, the term embraces the ideas of tenure, duration, emolument, and duties, and that the latter were continuing and permanent, not occasional or temporary. In the case before us, the duties are not continuing and permanent, but they are occasional and intermittent. The surgeon is only to act when called on by the Commissioner of Pensions in some special case, as when some pensioner or claimant of a pension presents himself for examination. He may make 50 of these examinations in a year, or none. He is required to keep no place of business for the public use. He gives no bond and takes no oath, unless by some order of the Commissioner of Pensions of which we are not advised."

The general field which this case occupies is full of authorities from State courts. Prominent among these is Bunn *v.* The People (45 Ill. 397). In this case Jacob Bunn and others had been appointed, by an act of the Illinois Legislature, commissioners charged with the duty of erecting a new statehouse. The constitution of the State contained the following section:

"The governor shall nominate and, by and with the advice and consent of the senate (or a majority of all the senators concurring), appoint all officers whose offices are established by this constitution or which may be created by law, and whose appointments are not otherwise provided for; and no such officer shall be appointed or elected by the general assembly."

Another section declared:

"That no such officer shall be elected by the general assembly."

The proceeding was in the nature of a quo warranto brought for the purpose of testing the right of these commissioners to hold their alleged offices. We quote significant passages from the opinion:

"It is not contended that the magnitude of the object or the amount or varieties of duties imposed to carry it out determines the character of the employment or will convert that which was a mere employment, temporary in its very nature, into an office; it is only their continuous nature that will have that effect. * * *

"It seems to us that it can not be predicated of these plaintiffs in error that their duties are of such a character that a general duty continues, * * *. In fact, there are no general duties imposed by the act in question on these appointees; they have only one single special duty to perform, and that is to superintend the erection of a statehouse, and when that is performed their functions, ipso facto, are at end. * * *

"It seems to us the term 'such officer,' judging from the contemporaneous action and construction of the clause by the legislature, had reference alone to such officers as had some portion of the functions of government committed to their charge. No man can certainly say to which of the three departments of our Government these appointees belong. It will not do to say that they belong to the executive, because they are required to execute a law. The same may be said of road commissioners; they execute the laws under which they derive their appointment, and so of numberless persons necessarily employed by the State in subordinate positions and for a special purpose. So far as we have any knowledge on this subject or are enabled to judge from the facts of contemporaneous history, no one has ever supposed the legislature had not full power to appoint and employ all such agents as might be deemed necessary by them to perform duties not of a permanent but of a transient and incidental character such as we see in abundance in our statute books. No one has ever exalted such employees to the position of an officer, though their duties might require months or years for their full performance. There is no enduring element in these employments, nor designed to be; the duty being performed, the place is vacant by the very fact of performance. * * * * * * "The appointees are to perform a duty single in itself, which the legislature could not of and by itself perform—that is, to superintend the erection of a statehouse, and disburse the moneys the legislature may appropriate to such purpose. No power is given to levy taxes, and no governmental act is to be performed by them."

The court cites many of the older cases which are worthy of careful review but which we must leave to the examination of the members of the committee.

In the matter of Hathaway (71 N. Y. 238) will be found an instructive discussion of this phase of the subject.

In 3 Greenleaf, 48, which is the answer of the Supreme Court of Maine to a question propounded by the governor of that State, the distinction between an "office" and a "position," "place," or "employment" is as clearly defined as the English language can define it, and the opinion deserves the most careful study.

We could multiply cases of this general character indefinitely, but it would serve no useful purpose to do so, for after we have analyzed all the varying shades of judicial opinion and noted their inharmonious definitions, we must resort finally to our instinctive classification of the particular commission created by the funding act. No two commissions are alike in their powers or duties, and when we form a judgment with respect to the essential characteristics of an "office" as compared with a "position," "place," or "employment" our fair ordinary common sense must assign this commission to the one classification or the other.

There are some suggestions in the argument submitted with the majority report which seem to require a reply. The argument refers to several instances in which Senators or Members of Congress have been appointed to settle international disputes "like boundary commissioners or other arbitration commissions," and it is said that these commissioners have been appointed "pursuant not to an act of Congress but to a treaty," and it is further insisted that "such officers, if they may be so denominated, do not come under the operation of the clause of the Constitution under consideration." Why not? The Constitution does not say that the office must be created by an act of Congress. It says he shall not be appointed to any "civil office under the authority of the United States which shall have been created, or the emoluments whereof have been increased, during such time." A treaty is the supreme law of the land, and an office created by a treaty, even

though the Members of the House have no voice in bringing the treaty into existence, is just as clearly within the prohibition of the Constitution as is an office created under an act of Congress. It seems to be simply another effort to make the Constitution so flexible that it may shrink or expand to meet the constantly changing views of public policy.

In the majority argument great emphasis is placed upon the fact that unless the commissioners are held to be officers they can not be punished for infidelity or wrongdoing; that if they are officers they can be impeached, and that this situation should lead us to the conclusion that they are officers. It is quite impossible for the minority of the committee to give weight to this contention. Indeed, the suggestion that persons composing the commission under the funding act ought to be subject to impeachment, as they would undoubtedly be if they are officers of the United States, furnishes a powerful reason for the conclusion that they are not officers.

The impeachment and trial by the Senate of men whose work is of the most temporary character is hardly thinkable. There can be no more persuasive reason for believing that they are not officers than the insistence upon the part of the majority that they ought to be subject to impeachment. It will be observed that the funding act does not require these commissioners to take an oath of office, and from that omission it may fairly be inferred that Congress did not regard them as officers, but the act might well have contained apt provisions for their punishment in the event of wrongdoing. Impeachment, even followed by removal from their positions, would be very inadequate punishment for the crimes of which they might be guilty. It is quite illogical, it seems to us, to insist that we must hold the commissioners to be officers in order to subject them to impeachment, when Congress could very appropriately have attached whatever penalty it thought desirable for misconduct on the part of the commission.

For the reasons we have merely outlined in this report, the minority of the committee is of the opinion that Senator REED SMOOT and Representative THEODORE E. BURTON are eligible for appointment as members of the World War Foreign Debt Commission.

VIEWS AND OPINION OF SENATOR NELSON.

The funding act creates a commission of five members, of which the Secretary of the Treasury is one (and it is provided that he shall serve as chairman of the commission), and four others, who shall be appointed by the President and confirmed by the Senate. The work of the commission is, in all respects, subject to the approval of the President; in other words, it is in subrogation to his wishes and direction. If he approves the work of the commission, it becomes valid; if he disapproves, it is invalid. The entire authority granted by the act shall cease at the end of three years from the date of the passage of the act (February 9, 1922). No salary is provided in the act for the commissioners, and they are not required to take an oath or give a bond for the performance of their duties.

The question raised by Senate Resolution 244 relates to the validity of the appointment of one Senator and one Member of Congress as members of the commission. It involves the construction of section 6 of Article I of the Constitution, to wit:

"No Senator or Representative shall, during the time for which he was elected, be appointed to any civil office under the authority of the United States, which shall have been created * * * during such time."

And the question involved is whether this commission is such a civil office as is contemplated in the paragraph of the Constitution quoted.

Bearing in mind that the action of the commission is in all respects subject to the approval of the President, these commissioners can not be regarded as independent officers, but rather as a committee or board to advise and instruct the President. They have a specific duty in that respect to perform, and when that duty has been performed, or when three years have elapsed, their function is at an end. Under such circumstances the commission can not be regarded as an independent civil office, nor the commissioners as independent civil officers.

It is a question both of precedent and practice, and of legal principles. The Supreme Court of the United States, in the case of United States v. Hartwell (6 Wall., 385), lays down this general rule:

"An office is a public station or employment conferred by the appointment of the Government. The term embraces the ideas of tenure, duration, emolument, and duties."

In 1867 the Legislature of Illinois passed an act for the erection of a new capitol or statehouse, and in the act provided for the appointment of a commission of seven men named in the law to act as a commission to take charge of the erection of the new statehouse or capitol. The constitution of Illinois provided—

"That the governor shall nominate and, by and with the advice and consent of the senate (or a majority of the senators concurring), appoint all officers whose offices are established by this constitution or which may be created by law, and whose appointments are not otherwise provided for, and no such officers shall be appointed or elected by the general assembly."

The question raised was whether these commissioners appointed in the act were officers that should have been appointed by the governor within the meaning of the constitution. The case came before the Supreme Court of Illinois in the case of Bunn v. The People (45 Ill., 397), and it was decided by the court that the commissioners appointed by the legislative act were not officers of the character required to be appointed by the governor. The court in this case laid down this doctrine:

"A person employed for a special and single object, in whose employment there is no enduring element, nor designed to be, and whose duties when completed, although years may be required for their performance, ipso facto terminate the employment, is not an officer in the sense in which that term is used in the constitution."

The court further adds:

"In determining whether these commissioners are officers, it is proper to take into consideration the uniform contemporaneous and continuous expression given by the legislature, since the adoption of the constitution, to the clause in question, and from the construction thus given it must be concluded that they are not to be regarded as officers, and that such clause has only reference to such officers as had some portions of the functions of government committed to their charge."

In the case of Matter of Hathaway (71 N. Y., 238), the court laid down this rule:

"The term 'public office' as used in the constitution has respect to a permanent public trust or employment to be exercised generally and in all proper cases. It does not include the appointment to meet special exigencies of an individual to perform transient, occasional, or incidental duties such as are ordinarily performed by public officers. As to such appointment the legislature is left untrammeled and at liberty to vest the courts with power to make them."

In this case it was held that the order of the court appointing a person to act as surrogate and directing a commission to issue to him in the matter of the probate of a will in a case where a surrogate, county judge, and district attorney were disqualified from acting, was valid.

Mechem, Public Offices, section 4, contains the following statement:

"Office involves delegation of sovereign functions. The most important characteristic which distinguishes an office from an employment or contract is that the creation and conferring of an office involves a delegation to the individual of some of the sovereign functions of government, to be exercised by him for the benefit of the public; that some portion of the sovereignty of the country, either legislative, executive, or judicial, attaches, for the time being, to be exercised for the public benefit. Unless the powers conferred are of this nature, the individual is not a public officer."

In a case that came up in the State of Maine under an act of the State legislature authorizing the governor to appoint one or more agents for the preservation of timber on public lands and for other purposes, the question arose as to whether it was a civil office of profit under the State, so that no senator or representative of the legislature could be appointed as such agent. The opinion of the Supreme Court was sought upon this question, and there was a full discussion of the subject matter by the court. The court in its opinion, among other things, says:

"On a careful review of those sections in which the term 'office' or 'offices' is used it will be found from the connection in which it stands to have reference to the division of the sovereign power which has been before States into the legislative, executive, and judicial departments. * * * There is a manifest difference between an office and an employment under the Government. We apprehend that the term 'office' implies a delegation of a portion of the sovereign power to and possession of it by the person filling the office, and the exercise of such power within legal limits constitutes the correct discharge of the duties of such office. The power thus delegated and possessed may be a portion belonging sometimes to one of the three great departments, and sometimes to another; still it is a legal power which may be rightfully exercised, and in its effects it will bind the rights of others and be subject to revision and correction only according to the standing laws of the State. * * * It appears, then, that every 'office,' in the constitutional meaning of the term, implies an authority to exercise some portion of the sovereign power either in making, executing, or administering the laws."

The court came to the conclusion that these timber agents were not officers of the State within the meaning of the constitution.

In the case of McArthur v. Nelson (81 Ky. 67) the question was whether certain commissioners appointed by the circuit court to take charge of the construction of a courthouse were district officers within the meaning of the constitution of Kentucky. Upon this question the court states as follows:

"The first section of the act authorizes the judge of the circuit court to appoint three commissioners, residents of the district, who shall hold their office at the will and pleasure of the judge. It is made the duty of the commissioners to have the courthouse constructed at a cost not exceeding $50,000, and to enable them to raise this money they are authorized to issue bonds, with coupons attached, bearing interest at 5 per cent, payable semiannually; and to redeem the bonds and pay the interest they are further empowered to levy an annual tax on the real and personal property in the district not exceeding 12 cents on the $100, etc. * * * They are not district officers within the meaning of section 10 of article 6 of the constitution, but are the mere agents for the district, required by the act to discharge certain duties with reference to the building of the courthouse, and when those duties end their employment terminates."

If we apply these general rules laid down by the courts to the case in hand, it would appear that these commissioners are not civil officers of the United States within the constitutional sense. Without dwelling upon the point that these appointments are of a transitory character, that no provision is made for salaries, that no bond or oath of office is required, nevertheless the controlling and decisive fact is that they are in fact only the advisers of the President, for whatever program or plan they may adopt or whatever action they may take in respect to the funding of our foreign debts it is of no effect unless approved by the President, so that ultimately whatever is done in respect to the funding of our foreign debts is the act of the Executive and not the act of the commissioners.

These commissioners stand on a par with the members of many other commissions that have been appointed during the history of the Government. Among these are the so-called Industrial Commission, part of it appointed by the President of the Senate, part of it by the Speaker of the House, and part of it by the President of the United States, with power to investigate and report to Congress. The Hawaiian Commission of five members, two of whom were to be Hawaiians, were appointed by the President and confirmed by the Senate (see act of July 7, 1898, entitled "Joint resolution providing for annexing the Hawaiian Islands to the United States"). This commission was required to recommend such legislation as they deemed necessary to Congress. In substance this is similar to that of the funding commission, for practically the funding commission are required to report to the President, and he takes final action. Whether a report is made to Congress or to the President, in neither case does it become effective until approved—in the one case by Congress, in the other case by the President. Senators Morgan and Cullom and Representative Hitt were members of the Hawaiian Commission.

Pursuant to protocol entered into between our Government and Great Britain relative to the appointment of a joint commission for the adjustment of questions at issue between the United States and Great Britain in respect to the relations between the former and the Dominion of Canada, and pursuant to the following provision in the act of July 7, 1898, an act making appropriations to supply deficiencies for the fiscal year 1898, etc., to wit:

"Canadian Commission: For the expense on the part of the United States of a joint commission to be appointed for the adjustment of differences between the United States and Great Britain in respect to the Dominion of Canada, including the compensation of the commissioners representing the United States, the pay of expert service for preparation of papers, for the portion of joint expenses, chargeable to the United States, for printing and all other incidental expenses, to be disbursed under the direction of the Secretary of State, $50,000, to remain available during the fiscal year 1899."

Senators Faulkner and Fairbanks and Representative Dingley were appointed members of this commission.

The protocol of the conferences in Washington in May, 1898, leading up to the appointment of this commission, is found in volume 1 of Treaties, Conventions, etc., by Malloy, at page 776, and shows that the conclusions of the commission were to be binding on both the United States and Great Britain.

President Harrison, on June 6, 1892, appointed Senator John T. Morgan, of Alabama, as an arbitrator on behalf of the United States under the treaty of February 29, 1892, between the United States and Great Britain, to determine the jurisdictional rights of the United States in waters of the Bering Sea, for the preservation of the fur seals. This arbitration court met at Paris and its decision was binding and required no Senate ratification.

President Roosevelt, on March 4, 1903, appointed Senator HENRY CABOT LODGE a member of the tribunal to consider and decide the boundary line between Alaska and Canada under the provisions of the convention between the United States and Great Britain, signed at Washington January 24, 1903. The decision of the tribunal was to be final. (See convention of January 24, 1903, vol. 1, p. 787, Malloy's Treaties and Conventions.)

In the last two cases, that of Senator Morgan and Senator LODGE, their action as arbitrators or members of the tribunal was final and binding and required no ratification on the part of the Senate. Their duties were clearly of an executive character and were not subject to review either by the President or Congress; and they certainly were much closer to the definition of a "civil officer of the United States," found in the Constitution, than the members of the commission provided for in the funding bill.

In September, 1898, President McKinley appointed Senator Davis, of Minnesota, Senator Fry, of Maine, and Senator Gray, of Delaware, members of a commission to negotiate a treaty with Spain.

A number of other cases of commissions appointed by the President could be cited, much akin to the commission of the funding bill. While these cases that are cited, or might be cited, do not, ipso facto, settle the constitutional question involved, yet they serve to show the legislative and executive construction given to the provision of the Constitution here in question. In the case of many of these commissions, reports must be made to Congress. In the case under consideration, the report of the funding commission must be made to the President, and must be ratified by him before it becomes valid; hence it seems clear that these commissioners are simply advisers of the President, who prepare and recommend to him the proper course to be pursued and followed; but it is his act, his approval, that breathes life into the work of the commission and gives it any effective validity.

The Henderson report (H. R.) of February 21, 1899, finds, among other matters, that the members of the Hawaiian commission were not holding any office under the United States; that the members of the postal commission were not officers of the United States; that the members of the industrial commission were not officers of the United States; and that the members of the Canadian commission, heretofore referred to, were not officers of the United States.

In view of the legal principles quoted, and in view of the many legislative precedents referred to, our conclusion is that Senator SMOOT and Representative BURTON, appointed members of the commission provided for in the refunding law, would not, as such members of the commission, be holding "a civil office under the authority of the United States," and that they are eligible as members of the commission.

WORLD WAR FOREIGN DEBT COMMISSION.

Message from the President of the United States, transmitting, in response to Senate resolution of March 7 (calendar day, March 8), 1922, an opinion of the Attorney General relating to the eligibility of Senator SMOOT and Representative BURTON to serve on the World War Foreign Debt Commission.

THE WHITE HOUSE,
Washington, March 8, 1922.

Hon. CALVIN COOLIDGE,
President of the Senate, Washington, D. C.

MY DEAR MR. PRESIDENT: Agreeable to the request of the Senate, expressed in a resolution concerning the passage of which I have just been informed, I am sending to you an opinion of the Attorney General relating to the eligibility of Senator SMOOT and Representative BURTON to serve on the World War Foreign Debt Commission.

Very truly yours,

WARREN G. HARDING.

DEPARTMENT OF JUSTICE,
OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., March 8, 1922.

MY DEAR MR. PRESIDENT: I have the honor to acknowledge your request for my opinion as to whether the appointment of Senator SMOOT and Representative BURTON to the World War Foreign Debt Commission is invalid under Article I, section 6, of the Constitution.

Were this a case of first impression, I should have serious doubt as to what reply I should make. The language of the Constitution is so broad and comprehensive that it can not be denied that the commissioners in question, in a general sense, hold a "civil office under the authority of the United States," and as this commission was created by the Congress at a time when the two commissioners were Members of that body, the application of the section of the Constitution does present a serious and debatable question.

This department has already expressed an opinion on the subject, for, in an opinion rendered by my predecessor, Attorney General Griggs (Op. Atty. Gen., vol. 22, p. 183), specific reference is made to the fact that Senator Morgan was, with the approval of the Executive, appointed a member of the fur seal arbitration, although, while a Senator, he aided in creating that "civil office."

I have failed to find any judicial interpretation of the section of the Constitution now under consideration, and, in the absence of such finally authoritative interpretation, great weight must be attached to the practical construction put upon the Constitution from the beginning of the Government. In such practical construction a distinction has always been made between special employment on the one hand and offices on the other, and between offices—using that term in a general sense—which serve only a temporary purpose, and those which have duration and permanency. From the very beginning of the Government Members of the Senate and the House have, from time to time, been asked to render services for the Government upon commissions of various kinds, and it has never been decided that such temporary employment for a special purpose and to serve an immediate exigency constituted a "civil office" within the meaning of the constitutional provision above referred to.

The Supreme Court has held in a number of cases (United States *v.* Hartwell, 6 Wall. 385; United States *v.* Germaine, 99 U. S. 508; Auffmordt *v.* Hedden, 137 U. S. 310) that the word "office" "expresses the idea of tenure, duration, emolument, and duties." Its duties must be "continuing and permanent, not occasional and temporary." In the last-cited case the office then under consideration had no general functions, nor any employment which had any duration as to time, or which extended over any case further than the power to act on that particular case. It was held by the Supreme Court "that the incumbent did not hold an 'office' within the meaning of Article II, section 2, of the Constitution."

Where, therefore, a position does not have continuancy and permanency and its function is restricted to a single matter, the position seems to be that of an executive agent and not an "office" within the meaning of the Constitution.

Many cases could be cited in other jurisdictions and the views of text writers could also be readily adduced to justify the theory that the idea of an office "clearly embraces the idea of tenure, duration, fees, or emoluments, rights, and powers, as well as that of duty."

Applying this distinction between an "office" and a temporary trust to the act of Congress which created the World War Foreign Debt Commission, I would say that for several reasons it excludes the application of the word "office" as above defined.

The commissioners receive no compensation.

Their tenure of office is limited in time and is restricted to a single object.

The subject matter of their duties is work in which the Congress has a peculiar interest and as to which it is finally responsible; for if the adjustment of the debts due to the United States by foreign nations shall ultimately be accomplished by treaty, the latter must receive the sanction of the Senate, and therefore there is propriety in a Member of that body participating in the negotiations. So far as the adjustment of the debt does not depend upon treaty obligations, the question as to what adjustment will be made of it is for Congress to determine, and it has seen fit to delegate the difficult task of adjustment to the commission, with the approval of the President. This increases the propriety of having a Member of the Senate and of the House participate in such adjustment.

Moreover, the commissioners can take no action except with the approval of the President. Their duties, therefore, are primarily those of negotiators for the terms of such adjustment, and, secondarily, as an advisory body to the President of the United States.

Inasmuch as both the legislative and the executive branches of the Government have responsibility in the adjustment of these obligations, it was desirable that there should be coordination between the two branches of the Government, and presumably this consideration prompted the appointment of a Member of the Senate and a Member of the House to confer with the Secretary of State, the Secretary of the Treasury, and the Secretary of Commerce in reaching some wise conclusion which these representatives of the executive and legislative branches of the Government could recommend to the President, to whom the final decision was delegated by Congress.

In substance and effect, your appointment to the debt commission simply puts into operation that which, without the legislation, might have occurred with entire propriety, viz, a conference between the representatives of Congress charged with the final responsibility of adjusting the debt and Cabinet officers who are charged with the duty of carrying out the wishes of Congress. No one would have questioned the propriety of representatives of the appropriate committee of Congress conferring with the Secretary of the Treasury and the Secretary of State, with a view to some recommendation to be made to the President which would guide him in his duty of negotiating with foreign countries for the adjustment of their financial obligations to this country.

Having in mind the debates in the Constitutional Convention, it seems clear that the purpose of Article I, section 6, was to prevent Members of Congress from creating offices which thereupon they would seek to fill by resigning their positions in Congress. Thus the fundamental idea was the incompatibility of the new offices thus created with their existing office as Members of Congress. This reason is plainly inapplicable to the present legislation, for, when Senator SMOOT and Representative BURTON act on this debt commission, they are not exercising duties which are incompatible with their duties as Members of Congress, but, on the contrary, their duties as commissioners are, in a sense, an auxiliary to their work as Congressmen, and moreover an auxiliary to all the Members of Congress in any further consideration that that body may feel obliged to give to this matter of adjusting these foreign obligations.

Here, again, it seems unreasonable to interpret the provision of the Constitution in question in a way that would forbid the cooperation between the legislative branch of the Government and the executive, which, with the growing complexity of life, is becoming increasingly necessary.

I can not think that such a statesmanlike solution of the question is within the mischief against which the constitutional provision above referred to was made. That provision (Art. I, sec. 6) evidently intended, on the one hand, that Congress should not create offices which its Members should fill, and that it should not be within the power of the President, on the other hand, to appoint to office Members of Congress when the offices have been created during their membership. This was a wise and salutary provision; but it seems to me to strain the language to apply it to a mere temporary employment, without compensation, and purely of an advisory capacity and intended to serve a temporary emergency.

To take an extreme illustration, it could hardly be said that if Congress creates a joint commission, to be composed of executive officers and Members of Congress, to take charge of the inauguration of a President, that such temporary and honorable employment offends the inhibition of the Constitution. There must be, in the nature of the case, as our governmental machinery becomes more complex, frequent measures to insure closer cooperation and a better coordination between the Executive and the legislature. It has long since been found impracticable to apply the Montesquieu doctrine as to the separation of the Government into three distinct and independent departments in all its literal force. Coordination must be secured if the machinery of the Constitution is to function, and to do so it must be possible, where temporary emergencies require it, to enable members of the executive and legislative departments of the Government to cooperate for special purposes on special commissions, and to construe the constitutional inhibition as obstructing and preventing such reasonable coordination tends

to make the section of the Constitution in question impracticable of enforcement.

An impracticable and unreasonable construction of any clause of the Constitution ought to be avoided, and, as no judicial authority can be cited which forbids the views herein expressed, and as the practical construction by the Government from its very beginning and long acquiesced in has given some sanction to the views above expressed, I have less hesitation in advising you that in my judgment the appointment of Senator SMOOT and Representative BURTON does not offend Article I, section 6, of the Constitution.

Respectfully,

H. M. DAUGHERTY,
Attorney General.

The PRESIDENT,
The White House, Washington, D. C.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House had passed a bill (H. R. 11065) making appropriations for the Departments of State and Justice and for the judiciary for the fiscal year ending June 30, 1923, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED JOINT RESOLUTIONS SIGNED.

The message also announced that the Speaker of the House had signed the following enrolled joint resolutions, and they were thereupon signed by the Vice President:

H. J. Res. 7. Joint resolution to amend section 2 of the joint resolution entitled "Joint resolution to authorize the operation of Government-owned radio stations for the use of the general public, and for other purposes," approved June 5, 1920; and

H. J. Res. 249. Joint resolution authorizing the Secretary of the Interior to donate and grant certain buildings in Alaska to the Woman's Home Missionary Society of the Methodist Episcopal Church.

PETITIONS AND MEMORIALS.

Mr. WILLIS presented the petition of Wm. J. Brownlow and sundry other citizens of Cleveland, Ohio, praying for the passage of the soldiers' bonus bill, which was referred to the Committee on Finance.

He also presented a resolution adopted at a meeting of the Presbytery of Mansfield (U. P.), held in the United Presbyterian Church at East Mansfield, Ohio, favoring the enactment of legislation providing for compulsory Sunday observance in the District of Columbia, which was referred to the Committee on the District of Columbia.

He also presented a resolution adopted at a meeting of the Presbytery of Mansfield (U. P.), held in the United Presbyterian Church at East Mansfield, Ohio, favoring the enactment of legislation prohibiting polygamy, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted at a meeting of the Presbytery of Mansfield (U. P.), held in the United Presbyterian Church at East Mansfield, Ohio, favoring the enactment of legislation providing for uniform marriage and divorce laws, which was referred to the Committee on the Judiciary.

Mr. PEPPER presented a resolution of the Philadelphia (Pa.) Board of Trade favoring the inclusion of a provision in the naval appropriation bill for the maintenance and efficient operation of the Philadelphia Navy Yard, which was referred to the Committee on Appropriations.

He also presented a petition of the Philadelphia (Pa.) Board of Trade praying for the enactment of legislation providing a subsidy for the merchant marine, which was referred to the Committee on Commerce.

Mr. HARRIS presented a resolution adopted at a regular meeting of the Lamar County Board of Trade, of Barnesville, Ga., favoring acceptance of the proposal of Henry Ford relative to the Muscle Shoals project, which was referred to the Committee on Agriculture and Forestry.

RESTRICTION OF IMMIGRATION.

Mr. HARRIS. Mr. President, I present and ask permission to have printed in the RECORD and referred to the Committee on Immigration a letter from Dr. David Starr Jordan, president of Leland Stanford University, of California, in regard to the immigration bill, and also a petition from several hundred people in Chicago in regard to the same measure.

There being no objection, the letter and petition were referred to the Committee on Immigration and ordered to be printed in the RECORD, as follows:

STANFORD UNIVERSITY POST OFFICE,
California, April 5, 1922.

Hon. WILLIAM J. HARRIS,
Senate Office Building, Washington, D. C.

SIR: Permit me to say that I regard the continuation of the present limited immigration law for another year, and until Congress orders otherwise, by a carefully worked out general immigration law, as of vital importance.

It should, however, be so modified as to prevent certain avoidable hardships to desirable people. Especially, I think that New Zealand, Australia, Canada, and South Africa should be recorded as British. No country has a finer population than New Zealand, and few of its people emigrate. The quota is thus soon filled, and some excellent people have been humiliated and perhaps turned back from San Francisco.

It is a plain fact that our population has been diluted to an alarming extent by the incoming of peoples which are biologically incapable of rising either now or through their descendants above the mentality of a 12-year-old child. Education and Americanization may help the individual a little, but can never improve the stock.

Guizot once asked James Russell Lowell, "How long will your Republic last?" "As long," said Lowell, "as the spirit of the fathers is in the hearts of the people." How long will this spirit endure, we may ask? Just as long as the blood of free men runs in the veins of the people. In every race there are some men and strains capable of freedom and some strains hopelessly incompetent—as in the London slums. It is hard to discriminate at Ellis Island, and to have this done in foreign lands may be impossible for legal reasons. But while it is plain that most immigrants from northern Italy, for example, are competent and desirable, there is not one in a thousand from Naples or Sicily that is not a burden on America. Our social perils do not arise from the rapacity of the strong, but from the incapacity of these hereditarily weak.

Sincerely yours,

DAVID STARR JORDAN.

CHICAGO, ILL.

PETITION.

We, the undersigned citizens of the State of Illinois, earnestly urge Congress to extend and make permanent the Johnson-Dillingham restriction law, which expires June 30. With over 5,000,000 unemployed in this country, 15,000,000 foreign born, 7,000,000 aliens, 5,000,000 persons unable to speak our language, some 5,000 foreign newspapers, and the so-called melting pot overflowing and our forces of assimilation swamped, we strongly memorialize Congress in favor of an immigration period. Our first duty is to those here. We should look after our own household. Every alien now entering becomes dependent upon some one here or takes the job from some person already here.

THE TARIFF.

Mr. McCUMBER, from the Committee on Finance, to which was referred the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes, reported it with amendments and submitted a report (No. 595) thereon.

Mr. GOODING subsequently said: I submit three amendments to the tariff bill, and ask that they be read and lie on the table.

The PRESIDING OFFICER (Mr. STERLING in the chair). The Secretary will read the proposed amendments.

The Assistant Secretary read as follows:

On page 111, line 14, strike out the figure "four-tenths of 1" and insert in lieu thereof the figure "1½," so that the paragraph as amended will read as follows:

"PAR. 760. Oil-bearing seeds and materials: Castor beans, one-half of 1 cent per pound; flaxseed, 40 cents per bushel of 56 pounds; poppy seed, 32 cents per 100 pounds; sunflower seed, 2 cents per pound; apricot and peach kernels, 3 cents per pound; soya beans, 1½ cents per pound; cotton seed, one-third of 1 cent per pound: *Provided*, That no allowance shall be made for dirt or other impurities in seed provided for in this paragraph."

On page 104, line 22, strike out the figure "three-eighths of 1" and insert in lieu thereof the figure "2"; on page 104, line 23, strike out the figure "five-eighths of 1" and insert in lieu thereof the figure "2"; on page 105, line 1, strike out the figure "one-fourth of 1" and insert in lieu thereof the figure "2"; so that the paragraph as amended will read as follows:

"PAR. 728. Paddy or rough rice, 2 cents per pound; brown rice (hulls removed), 2 cents per pound; milled rice (bran removed), 2 cents per pound; broken rice and rice meal, flour, polish, and bran, 2 cents per pound."

On page 110, line 23, strike out the figure "three-fourths of 1" and insert in lieu thereof the figure "3"; on page 110, line 24, strike out the figure "1½" and insert in lieu thereof the figure "4"; so that the paragraph as amended will read as follows:

"PAR. 757. Peanuts, not shelled, 3 cents per pound; shelled, 4 cents per pound."

Mr. HARRISON. Are these amendments offered to some bill that is in committee, or what were they?

Mr. GOODING. They are amendments to the tariff bill, which was reported to-day from the Finance Committee.

Mr. HARRISON. May I ask the Senator, was the tariff bill reported to-day?

Mr. GOODING. It was.

Mr. HARRISON. I have been here ever since the Senate convened this morning. I had not heard of it being reported.

Mr. WARREN. It was reported in the executive session.

Mr. HARRISON. It is perfectly natural that that should have been done. Everything else that has been done about the bill has been done in secrecy.

The PRESIDING OFFICER. The amendments will lie on the table and be printed.

REPORTS OF COMMITTEE ON MILITARY AFFAIRS.

Mr. WADSWORTH, from the Committee on Military Affairs, to which was referred the joint resolution (S. J. Res. 181) providing for the payment of war-risk insurance in certain contingencies, asked to be discharged from its further consideration and that it be referred to the Committee on Finance, which was agreed to.

He also, from the same committee, to which was referred the bill (S. 3412) authorizing the Secretary of War and the Auditor for the War Department to consider and settle the claim of Mrs. John D. Hall, widow of the late Col. John D. Hall, United States Army, retired, for personal property destroyed in the earthquake at San Francisco, Calif., asked to be discharged from its further consideration and that it be referred to the Committee on Claims, which was agreed to.

REPORT OF THE BOY SCOUTS OF AMERICA (S. DOC. NO. 180).

Mr. MOSES, from the Committee on Printing, reported the following resolution (S. Res. 273), which was considered by unanimous consent and agreed to:

Resolved, That the report entitled "The Eleventh Annual Report of the Boy Scouts of America" be printed as a Senate document.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JONES of Washington:

A bill (S. 3432) to increase the efficiency of the Coast and Geodetic Survey, and for other purposes; and

A bill (S. 3433) to increase the efficiency of the Coast and Geodetic Survey, and for other purposes; to the Committee on Commerce.

By Mr. JOHNSON:

A bill (S. 3434) directing the Veterans' Bureau to pay Constance Van Brunt Lynch the present value of a term insurance policy; to the Committee on Finance.

A bill (S. 3435) for the relief of E. J. Hendrycks; and

A bill (S. 3436) for the relief of Francis Nicholson; to the Committee on Claims.

A bill (S. 3437) granting a pension to Mary D. O'Malley;

A bill (S. 3438) granting a pension to Mrs. Henry C. Halpenny;

A bill (S. 3439) granting a pension to Conrad Miller;

A bill (S. 3440) granting a pension to Altana B. Clark; and

A bill (S. 3441) granting a pension to Mitchell Gatter; to the Committee on Pensions.

By Mr. McNARY:

A bill (S. 3442) for the relief of the Portland Iron Works; to the Committee on Claims.

A bill (S. 3443) granting an increase of pension to Albert T. Baker; to the Committee on Pensions.

By Mr. WILLIS:

A bill (S. 3444) to amend sections 4826 and 4827 of the Revised Statutes of the United States relating to Board of Managers of National Home for Disabled Volunteer Soldiers; to the Committee on Military Affairs.

By Mr. SIMMONS:

A bill (S. 3445) to amend the act approved July 17, 1916, known as the Federal farm loan act; to the Committee on Banking and Currency.

By Mr. SUTHERLAND:

A bill (S. 3446) granting a pension to George W. Johnson; to the Committee on Pensions.

By Mr. CALDER:

A bill (S. 3447) authorizing and directing the Secretary of the Treasury to promulgate a schedule of fees to be charged vessels at the New York Quarantine Station as will be fair and reasonable for services rendered; to the Committee on Commerce.

AMENDMENT OF AGRICULTURAL DEPARTMENT APPROPRIATION BILL.

Mr. HARRISON submitted an amendment proposing to increase the appropriation for cooperative agricultural extension work, etc., between the agricultural colleges in the several States receiving the benefits of an act of Congress approved July 2, 1862, and of acts supplementary thereto, and the United States Department of Agriculture, from $1,000,000 to $1,500,000, intended to be proposed by him to House bill 10730, the Agricultural appropriation bill, which was ordered to lie on the table and to be printed.

AMENDMENTS OF TARIFF BILL.

Mr. CAMERON submitted an amendment intended to be proposed by him to House bill 7456, the permanent tariff bill, which was referred to the Committee on Finance, ordered to be printed, and to be printed in the RECORD, as follows:

On page 120, line 18, strike out the figure "7" and insert in lieu thereof "15," so as to make the paragraph, as amended, read:

"PAR. 900. Cotton having a staple of 1⅞ inches or more in length, 15 cents per pound."

Mr. SHORTRIDGE submitted an amendment intended to be proposed by him to House bill 7456, the tariff bill, which was ordered to lie on the table and to be printed.

HOUSE BILL REFERRED.

The bill (H. R. 11065) making appropriations for the Departments of State and Justice and for the judiciary for the fiscal year ending June 30, 1923, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

ADDRESS BY FEDERAL PROHIBITION COMMISSIONER HAYNES.

Mr. PEPPER. Mr. President, I wish to make a request for unanimous consent. Last night the Federal Prohibition Commissioner made an important speech in Philadelphia, giving certain facts on the subject of law enforcement which I think it would be well to have inserted in the RECORD. I ask unanimous consent for such insertion and that the address be printed in the regular RECORD type.

There being no objection, the address was ordered to be printed in the RECORD in 8-point type, as follows:

[Address delivered by Federal Prohibition Commissioner R. A. Haynes, at law enforcement meeting, Academy of Music, Philadelphia, Pa., Monday night, April 10, 1922.]

I congratulate the great State of Pennsylvania upon such a magnificent demonstration of loyalty to our Constitution as this meeting reflects. I am thrilled as an American by your splendid enthusiasm for law enforcement, and yet, my friends, I am not surprised, for any State that has such leadership as that of Senator PEPPER and Governor Sproul must of necessity be found in the front ranks of patriotism and progress. This great audience stirs me to a deeper optimism, for here is the social and political force that is powerful enough to arouse the public conscience on the subject of law enforcement.

It is a great pleasure and satisfaction to speak for a Government that has outlawed the liquor traffic in Pennsylvania and upon every inch of soil under our flag. It is just such citizenship as that gathered here to-night that has registered this great moral advance of our country and prophesies the fact that the Constitution of the land, and with it, if you please, the eighteenth amendment, which is a part of it, shall not be defied, nullified, and, I think I might add, modified.

It is far from my purpose to occupy your attention with oratory or with well-rounded periods. I am here to give you facts; some of them eloquent of achievement and others which give us most serious concern. I am here as a public servant to render an account of my stewardship, and I trust to report some progress in our common task of making the law of the land effective in operation toward the high and the low alike.

Very soon after assuming the duties of Federal Prohibition Commissioner I was startled by the headlines of a great metropolitan daily which carried my own picture with the caption, "The man with the hardest job in the world." I found myself pondering the question, "Is it true that the job of enforcing the law in this great country has become the most difficult task of the hour?" I remembered that this particular law had behind it nearly a century of education and agitation; that it had become part of our Constitution over the veto of a President, and that it was ratified by 46 States, the largest number of States that had ever ratified a constitutional amendment. Remembering the courage and persistency of those who had enacted the law, I determined to consecrate myself to the task of making their dream come true. So it was that I sat down with the great problem that I felt must be solved.

I realized that the problem was more difficult because of the hour in which we lived; that we were in a period of reconstruction when the whole world was still suffering from the shock of battle that nearly wrecked the civilization of the world; that all the civilized world had been unstabilized, especially psychologically; that the backwash of the military tide registered itself in a crime wave, world-wide, and that the reflex in America was registered in the prevalence of crime from coast to coast. The war was over; the great armies of America were demobilized and all the military restraints were broken. Two million men were walking the streets in idleness. Fortunes made in the war had been lost in the early days of reconstruction; the spirit of unrest was everywhere rampant. Lawlessness and idleness were factors that entered into the problem faced. Prohibition had been on the statute books for a year and a half, but liquor was plentiful, and many good citizens were asking the question, "Is the Government really in earnest on the subject of prohibition enforcement?" The purpose that actuated the Government under President Harding, I knew. Believing that law enforcement was fundamental to the perpetuity of our institutions, it appeared to me that the prohibition law-enforcement machinery then in operation was wholly inadequate to the task that presented itself. Because of the spirit of the times, all laws were difficult of enforcement, and this law so newly placed upon the

statute books would of necessity be difficult of enforcement. Two things became evident:

The first, the need of men of the highest type and of unquestioned conviction and patriotism, for I regret to say in some localities the prohibition service was a discredited service; the other was the pressing need for a reorganization along lines especially adapted to the peculiar phases of this particular problem of law enforcement.

I shall not burden you with the details of the reorganization which has resulted and of which I am proud, and in which I have absolute confidence; but let me call your attention to the fact that its purpose was and is immediate attack upon flagrant violations of the law which has been a threefold problem. First, unwarranted withdrawals which had amounted in the calendar year 1920 to nearly 12,500,000 gallons of red liquor.

The second phase of the problem was the large amount of alcohol being diverted to beverage purposes through fraudulent manufacturing concerns, and to the large releases of beer containing an excessive alcoholic content.

The third phase of the problem was the enormous quantities of liquor then being smuggled into the country from over our borders and along the shore lines.

The threefold problem was so large and the enforcement machinery so inadequate that it became apparent from the beginning that all effort must be concentrated upon a single phase of the problem at a time.

The first effort was directed at the enormous releases of red liquor presumably for medicinal purposes. It must be remembered that 24 States out of the 48 in the United States are medicinally dry. There are approximately 150,000 physicians in the United States, and about 40,000 of them reside in these 24 medicinally dry States. Of the 110,000 physicians remaining, less than 35,000 hold permits to prescribe liquor; and yet, as one paper described it, there was a "deluge of booze." To cut down this unwarranted flow of bonded liquor was by no means an easy task. It did not mean to wage warfare upon the conscientious physician or the legitimate druggist, but it did mean to face a powerful combine of corrupt forces who through duplicity, bribery, and every other device known to the illicit traffic, were securing large withdrawals of liquor to be diverted for beverage purposes. To correct this miscarriage of the law required the dismissal of Government agents and the indictment of some men holding high offices of trust. It meant the perfecting of our permit system and sleepless vigilance on the part of the loyal officers of the Government.

It is now nearly 10 months since the renewed effort began to restrict good liquor into legitimate channels, and I am happy to report that this result is perhaps as nearly achieved as possible. The years immediately preceding prohibition showed an annual consumption in the United States of about 130,000,000 gallons of American-made whisky. During the calendar year 1920 there was withdrawn on permits approximately twelve and one-half million gallons and in the calendar year 1921 withdrawals amounted to about three and one-half million gallons. Withdrawal for this calendar year on the basis of the last three or four months will amount to about 2,000,000 gallons, which is perhaps only about one-half million gallons in excess of normal medicinal requirements.

The release of liquor in your city alone at the present withdrawal rate is just about one-fifth of what it was 10 months ago, and in the city of New York, in less than 3 months, under rigid supervision, regularly released liquor became restricted to practically legitimate uses. How nearly we are accomplishing the task of restricting bonded liquor to bona fide uses can be gleaned from the fact that of all the liquor seized by Government agents at the present time, less than 2 per cent is found to be high-grade liquor, revealing the fact that the bootlegger is unable to obtain bonded spirits. Ninety-eight per cent of the illegally obtained spirits is positively dangerous to health and often life itself.

The next phase of the problem to be attacked was the large amount of industrial alcohol being diverted to beverage purposes. There was apparently a combination whereby large quantities of alcohol used in the manufacture of synthetic whisky were marketed at enormous profits. This activity constituted a formidable opponent of the Government, for you must remember that many of these men were schooled in devious methods of evading the law. Eight or nine major violators in this classification have already been apprehended. Seizures have been made wherever warranted by the evidence and all the offenders are being prosecuted vigorously, and it is safe to say that the differential or prohibitive tax assessed against three violators alone will amount to more than $6,000,000. Governmental restrictions have been so placed around operating plants conducted according to law that the problem ceases to be longer serious.

At the beginning of this fiscal year there were approximately 500 breweries engaged in the manufacture of near-beer. Word was received from every side that many of these breweries were not obeying the law; 285 of them have been reported for violation of the law; 95 of these plants are now under seizure by the Government; 60 breweries have been seized since July 1. Two of these breweries have submitted offers in compromise of $96,000 each and the other offers reach from $20,000 to $60,000, and this does not mitigate possible criminal liability against the companies. I have long been persuaded that fines against large violators are but very small deterrent forces, so we are citing on criminal informations in the United States courts all breweries found guilty of violations. We are not only revoking permits of the guilty, but are also refusing to reissue permits to persons who have violated the provisions of their permits, and this has resulted in the closing down of about 50 near-beer plants in recent months.

Smuggling is not a new art, and the smuggling of liquors into this country was not new with the coming of prohibition. The fabulous revenues to be gained made strong appeal to unscrupulous men, and the traffic in smuggled liquors soon appeared as a menace that threatened to engulf the whole program of law enforcement and was the third phase of the program. It was necessary to enlarge the forces along our borders and to augment the general agents' force that had particular contact with this phase of the work.

Early in the administration it seemed wise to make representations to the commissioners of Canada, and an invitation was accepted to enter into a conference with the liquor commissioners from several Provinces. On November 1, 1921, the representatives of the attorneys general and the commissioners from the various Provinces met the representatives of the prohibition unit at Saskatchewan. Another conference was held at Detroit. The result of these meetings was that the Canadian officials have given to our Government the utmost possible cooperation in our efforts to close the border. The Canadian law permits exportation. Our law prohibits importation; therefore the difficulties are peculiarly complicated. However, at the present time the smuggling of liquor from Canada is having careful attention and is admittedly under better control than ever before.

A most careful and thorough investigation has been made of the liquor smuggling from the Bahamas and the Indies. We are in possession of all the hideous facts concerning the smuggling traffic. We have discovered the ships and their owners, their methods and their sea routes, and we are to-day attacking this problem by means of an air service and a marine service, and I hope the time is not far distant when we shall have such treaties with these friendly nations who are our neighbors that their subjects or citizens will no longer be permitted to commit the unfriendly act of rendering assistance and comfort to the outlaws within our country who are engaged in a business that violates the Constitution and the laws of the land.

If I were asked to name a definite result of the war, I would without hesitation say that the war has taught us how tremendous is the power of propaganda. Let the press and the platform concentrate upon one idea or purpose, and by constant effort impress it upon the minds of the people, and eventually the public will become obsessed with the idea. To me there is grave danger in the propaganda that is being waged against the enforcement of the eighteenth amendment. Nothing is being left undone to impress upon the public mind the idea that the law is not operative. Surely there is grave danger to the Republic in the attitude that the minority need not submit to the expressed will of the majority, and the question arises at once as to the security of our free institutions. As an American I am inclined to believe that the source of this propaganda is not to be found in the unwillingness of the minority to submit to the dictates of law, but that this propaganda has its origin in a well-defined purpose to nullify the law in the interest of large personal gains on the part of a comparative few, who have felt most forcefully the effect of the law; and it is significant that at the time when liquor is the most difficult to obtain in all our history, when drunkenness has decreased to a very appreciable degree, when convictions for the violation of the law are becoming most numerous, that at such time the largest amount of space is given in some of our newspapers to articles most flimsy of fact which set forth the idea that "prohibition is a failure."

Over 10,000 convictions for the violation of the law have been obtained during the last nine months. It would not be

strange if some of the hue and cry, "Prohibition is a failure," might have arisen from some of the very ones who have felt the force of the law, either in the temporary loss of their liberty, in property losses, or in the loss of their social standing. It is not to be expected that certain interests of this country will bow to the will of the majority without making a most determined effort to regain some of the sources of revenue of which they have been deprived by an outraged public. The chief cry of the antiprohibition law propagandist is that "prohibition is a failure," and the question arises in the mind, Wherein has it failed? No one expected 100 per cent enforcement. What law can you suggest that is enforced 100 per cent? But again, wherein has it failed? The drunkard has almost disappeared from the streets of our great cities; arrests for drunkenness have decreased 60 per cent under prohibition; scores of institutions for the treatment of inebriates have closed their doors; the open saloon has disappeared and the influence of sober workmen is evident everywhere in the industries of our country; and it is safe to say that for every job lost by prohibition two others have been created. Economically, the biggest thing the prohibition law has done was to destroy a parasitic business.

This in itself has been one of our greatest sources of strength during a period fraught with great financial peril. And yet the cry is that "Prohibition has failed." To the thinking man the issue is clear. This is no hour to determine whether or not the law is a failure. Every law requires the test of time, and, as Chief Justice Taft is reported to have said, not until we have tried this law for at least 10 years may we with propriety discuss whether or not the law is a failure. At least, the law should be given a fair chance and the enforcement of it should be intrusted to the friends of the law and then its value determined by its good or bad results. The cry, "Prohibition is a failure," at this particular time is much like the cry that Vanlandingham raised against Mr. Lincoln's administration of the war; it was premature and refuted by subsequent events.

This is an hour when the burden of the war rests heavily upon our people through the imposition of taxes, and so the astute propagandist has singled out the cost of prohibition and in large letters pointed to the fact that it will cost this Government nearly $10,000,000 this coming year, but the people are not apprised of the fact that there is a revenue derived from fines, taxes assessed, and properties seized under the provisions of the prohibition act. It would be interesting to the people to know that if we were to collect the fines, penalties, and special tax imposed upon violators of the law in the first six months of this administration they would more than pay two and one-half times the estimated cost of enforcing the prohibition law for the next year. These enormous figures do not include nearly $3,000,000 in bonds that are being forfeited to the Government, or $2,000,000 that have been offered in compromise by 21 of the large violators of the law, and do not include the $6,000,000 in differential or prohibitive tax that has been referred to previously. So it is not difficult to see that if Uncle Sam is at all adept in collecting his claims prohibition should be no burden upon the law-abiding citizen. The reason that certain interests are protesting against this law is the fact that they are now forced to pay for its enforcement through these fines, forfeited bonds, and prohibitive taxes. These facts do not trouble the law-abiding citizen.

That which the country at large is meeting from the propagandist to-day is what each of the various States experienced when first they adopted laws which were similar to our prohibition act and their experience, which has been well expressed by Governor Allen, of Kansas: "Kansas has had prohibition for over 25 years. When first passed there was great opposition and for the first 15 years the temperance question was the storm center of all campaigns, but each year opposition grew less and its provisions were strengthened." He further states that "to-day in Kansas the dry law is as successfully enforced as any other law, and any effort to remove the prohibition law from the statute books of Kansas would be defeated by a vote of 50 to 1." This might well be taken as the prophecy of the national experience. It is hard to believe that even the most ardent opponent of the law believes that the law can be overthrown; the most that could be done is a nullification of this law by public officials failing to do their duty in its enforcement, so the propaganda is largely an effort to intimidate honest public officials, to break down the morale of our best citizenship, and to encourage a lawless element to hold the law in total disregard. As long as enforcement officers could be easily bribed; as long as the traffic went on unimpeded by either taxes, fines, or jail sentences; so long as only the small offenders were brought to justice, there was little cause for the insidious propaganda that finds large space in that portion of the press that is still hostile to prohibition and its enforcement.

Among the most subtle and deceptive of all the propaganda directed against the enforcement of the eighteenth amendment is the persistent cry that the law is unpopular and can not be enforced; that it is being flagrantly violated and therefore should be repealed. The contention is that because this law is violated it puts all law in jeopardy and tends to develop a spirit of defiance toward all our laws. It does not take keen intelligence to see that this contention itself is subversive of law enforcement and is the veiled confession that any law that is unpopular with a minority of the people may be held in disregard, and if the Government accedes to this demand a precedent is established against the enforcement of any law rendered difficult of enforcement because of adverse propaganda. If, on the other hand, this great Government is seen to be firmly behind the laws enacted by Congress and this law is well enforced it will bring an added weight of authority to all the laws of our land. Nothing can be more fallacious than the statement that it should be repealed because it is violated.

Recently I read with keen satisfaction an editorial in one of your great dailies here. It was one of those brilliant, strong, 100 per cent American editorials that come from the brain and heart of Van Valkenburg. It was captioned, "The law is defied—Repeal it." He shoots the light of clear logic quite through the fallacy that the law should be repealed because it is violated. He shows the prevalence of banditry and points out how far-reaching and prevalent has become this form of lawlessness, with its attacks upon human life and property, and says two menacing conditions have resulted: "First, criminally inclined persons are losing all respect for the law and the agencies of enforcement, and second, law-abiding citizens are losing faith in the power of the Government to apply the statutes. And nothing will tend more swiftly to undermine public order than repeated demonstrations that laws can be violated with impunity." He also says, "If the laws against banditry were repealed it would no longer be a crime, and hence conditions which are undermining respect for those laws would disappear." With the same unanswerable satire and relentless logic he deals with the laws against stock swindling and takes up other phases of violation, and then comes to this most thought-provoking statement of present-day propaganda, "We have merely suggested some logical implications from their contention that a law which is widely and defiantly violated ought for that reason to be repealed lest it and all laws be brought into disrepute, and in order that its violators may become orderly citizens. And the remarkable fact about their demand is that it is not directed against laws which have become obsolete or have outlived their usefulness, but against the most recent of important enactments. The prohibition law, which they want repealed because it is not, they say, effective, is part of the Constitution of the United States."

It is not a question as to the popularity of the law, my friends. The question is, Is the law just and American? Does it work toward the highest destiny of this country?

Does it in its operation contribute to the well-being of our people. The communities in which this law is most unpopular are those communities where they have had the least enforcement of this law, and it would be difficult to conceive of this law ever becoming as unpopular with Americans as was the open saloon and the evils that this law is designed to eradicate from our political and social system.

Nothing can affront the American people more than the statement that we can not enforce our laws. In this statement lies the death warrant of the Republic, for this Nation can not endure without reverence for law, without the recognized authority of law. If the laws passed by Congress are no longer binding upon the people, and if the executive power of our Government entrusted with the enforcement of law is powerless, where shall we look for the seat of government? The perpetrators of this new treason have overlooked one of the great essentials of the American people—that law is but an expression of the Nation's will—and the will power of America has ever met apparently insuperable difficulties and changed them into world-amazing achievements. It is no mere expression of pride to say that when America wills to do that which other nations have not done she will not fail of that achievement.

Let us confess that the eighteenth amendment leads the way for all the nations of the earth in moral achievement; that America is the pathfinder for the race in this legislation; but let us also remember that the majority has spoken and that American backbone is as strong to-day as it was when the

world laughed at the experiment of independence or scorned the prophecy of Lincoln or doubted the dream of Roosevelt of the Panama Canal.

"Prohibition in this country is pitiful to look at" are the words reported to have been uttered by a visiting nobleman. Immediately an American editor answered in these words: "Howbeit, sir, this opinion is itself pitiful. It indicts his sense of proportion, his perspective, his sense of fitness and high weighing of values, or else his sincerity."

Let us not overlook the real issue that underlies all the contest that wages around prohibition enforcement. It is in the last analysis Americanism in conflict with Old World customs and concepts; it is democracy against avarice, lawlessness, and anarchy. The issue divides men not upon the question of their appetites but upon the question of their loyalty to their country; it is no longer whether we are wet or dry; it is whether we are American or un-American; whether we are for the Constitution and the laws of our land or for our personal convenience or self-indulgence. It is not illogical to assume that if 80 per cent of the violators of this law are alien those who aid and abet them in violation of the law are themselves un-American in spirit.

To me the prohibition act is essentially American in its purpose. Its aim is to develop the highest type of American character and manhood. Without going into the question of political science, I think it must be admitted that Washington was right when he said that our free institutions rest in the last analysis upon American character.

It is very difficult for the alien to understand this law because of the fact that he has been reared under institutions hoary with years; he has been surrounded with customs that are ancient; he has lived in a country where the population is homogeneous, and so a law that touches one's personal habits as closely as the prohibition law is quite foreign to his thought. On the other hand, we are a very heterogeneous population; our institutions are new and our customs are largely in the making, and we must of necessity have laws which are character forming and directing as to conduct in order that we may develop the American type of character which alone insures our perpetuity as a free people.

The law is essentially American, not alone in its purpose but in its outlook. There is a puzzle that is sometimes given to the student of ethics, "when is good bad?" There is one answer, "good can only be bad when it keeps us from our best." American idealism is always striving for the highest possible destiny, and our watchword is the achievement of our best. Prohibition is a great moral and social advance, and is a logical part of the Nation striving to reach its highest possible destiny.

Prohibition has not divided the Nation against itself. It has rather ranged the great forces of our Government squarely on one side of a great question, and I am pleased to say that the real forces of Americanism are lined up on the right side of the question of law enforcement. In every severe test the Supreme Court of the United States has gone squarely on record as to the constitutionality of the prohibition act. There is no question to-day as to where the Houses of Congress stand, for whenever the question is clearly defined an overwhelming verdict is rendered in favor of the prohibition act and its enforcement. You will remember that only last week the House of Representatives by a majority of more than 3 to 1 passed a bill to deport all alien violators of the liquor and narcotic laws.

With the passage of the nineteenth amendment the women of the country came into their long-delayed rights of citizenship and at that moment there entered into the realm of our political life a force that can always be relied upon to exert itself on the right side of every moral or social question. Beyond the peradventure of a doubt the women of this country can be depended upon either at the polls or in the jury box to cast their vote for law and rigid law enforcement.

There is no question as to where the leaders of this administration stand on law enforcement. Attorney General Daugherty recently said: "The Government will endure on the rock of law enforcement or it will perish in the quicksands of lawlessness. My duty is clear. As long as I am the responsible head of the Department of Justice the law will be enforced with all the power possessed by the Government which I am at liberty to call to my command." This leaves no question as to his attitude or the commitment of his department to a vigorous enforcement of the law.

No less drastic is the conviction of Assistant Attorney General Goff: "The law must be and shall be enforced as it is conceived and written, and always without fear or favor. And so to you, and through you, I bring the pledge that in so far as it lies within the power of the Department of Justice to execute and enforce the law of the land, there will be no backward step, no retreat, in preserving the Constitution and carrying out the mandate of the people."

Our great Secretary of State, who has rendered a service to the whole world in his recent leadership at the Conference for the Limitation of Armanent, has also voiced with characteristic clearness and patriotism this thought when he said: "Everybody is ready to sustain the law he likes. That is not in the proper sense respect for law and order. The test or respect for law is where the law is upheld even though it hurts."

There is no question as to where we will locate the President of the United States on this great issue, for with the same constructive statesmanship with which he has viewed the distracted conditions of Europe, he has keenly penetrated to the very heart of the great problem at home and has spoken the word that leaves no doubt as to the large place which he has given to law enforcement. He recently said:

> Whatever breeds disrespect for the law of the land, in any particular department of our community relations, is a force tending to the general breakdown of the social organization. If the people who are known as leaders, as directing influences, as thoroughly respected and respectable members of society, shall in their respective communities become known for their defiance of some part of the code of law, then they need not be astonished if presently they find that their example is followed by others, with the result that presently the law in general comes to be looked upon as a set of irksome and unreasonable restraints upon the liberty of the individual. Every law involves more or less of this element of restraint. Nearly every individual will find some part of the code that to him seems an unreasonable inhibition upon his personal freedom of action. Our only safety will be in inculcating an attitude of respect for the law, as on the whole, the best expression that has been given to the social aspiration and moral purpose of the community."

These words are eloquent; they are pregnant of thought; they have couched in them great and far-reaching truths, but to me entrusted, as I am with the enforcement of this law, the attitude of this great President toward my problems has been eloquent beyond even these most brilliant periods. In the very hours when he has been carrying a burden perhaps larger than that of any other man in the world, he has found time to encourage me in the task that lay before me. While he was wrestling with questions of world-wide importance, he has found the wakeful hours to acquaint himself with the problems that confronted me, and at no time has he been too busy to interest himself or to render every possible assistance within his power when there appeared to him an opportunity to render service to law enforcement.

I say there is no question as to where these great men stand, or where the great forces of our national life are to be found. The question is where you as an individual citizen shall be located and what is your attitude toward the law?

I think little is to be feared from those who are positively hostile to law enforcement. I think there is danger in those who are negative or fail to express themselves. If the question of law enforcement is as these good men see it to be, fundamental to the life of the Nation, then the individual citizen immediately is placed in a position where he must become militant in its defense. To assist in the enforcement of the law must become his duty toward his country.

No trivial or superficial obligation rests upon the American citizen who receives all the benefits of citizenship in this great land and he only discharges the conditions of citizenship when he gives his best effort toward the perpetuity of his country. If lawlessness endangers this Republic, then there can be only one attitude of the citizen upon the subject.

You may ask, "What can I do to express my patriotism and to place myself positively upon the side of law enforcement?" As citizens of Pennsylvania, you can give your cooperation and assistance to Director Davis and the splendid organization that he is now perfecting; you can help in the enforcement of this law by publicly and privately registering your sentiment in favor of vigorous enforcement of the law; you can greatly assist by serving upon juries, as every good American citizen should do. You can render assistance by expressing your opinion to the editor of your paper and by encouraging the faithful public servant who is doing his best to enforce the law; you can register yourself in favor of law enforcement by affiliating yourself with those societies and organizations that have for their purpose the inculcating of the spirit of reverence for law in both young and old. And not the least among all the things to be observed that will place you on record is your daily conduct where in strict obedience to the law you will create an example that will point others to a proper attitude toward the law.

Let us then, my countrymen, enroll ourselves in the cause of our country's safety and the security of our Constitution. Let us renew our courage and strengthen our hope that our country

shall endure. Let us listen to the heroic voices of the past and dedicate ourselves anew to their unaccomplished task. Before the altar of our Nation, let us consecrate our lives and our love in the service of one God, one country, and one flag.

AGRICULTURAL DEPARTMENT APPROPRIATIONS.

Mr. McNARY. Mr. President, I ask unanimous consent that House bill 10730, the unfinished business, may be temporarily laid aside.

The VICE PRESIDENT. It is the understanding of the Chair that the unfinished business has already been informally laid aside, there having been a recess taken last evening until to-day.

HOSPITAL FACILITIES FOR EX-SERVICE MEN.

Mr. BALL obtained the floor.

Mr. FERNALD. Will the Senator yield to me for a moment in order that I may give a notice?

Mr. BALL. I yield.

Mr. FERNALD. Mr. President, I had intended to call up House bill 10864, the hospitalization bill, to-day, but two or three Senators have asked me to defer the consideration of that measure until to-morrow. I now simply wish to give notice that during the morning hour to-morrow or immediately thereafter I shall ask that the Senate consider the so-called hospitalization bill.

EXTENSION OF DISTRICT RENT COMMISSION.

Mr. BALL. I ask unanimous consent that the Senate proceed to the consideration of Senate bill 2919, being Order of Business 519.

The VICE PRESIDENT. The Senator from Delaware asks unanimous consent for the present consideration of a bill the title of which will be stated.

The ASSISTANT SECRETARY. A bill (S. 2919) to extend for the period of two years the provisions of Title II of the food control and the District of Columbia rents act, approved October 22, 1919, as amended.

Mr. MYERS. I object to the request.

The VICE PRESIDENT. There is objection.

THE LEAGUE OF NATIONS.

Mr. McCORMICK. Mr. President, there is a matter of some moment to which I venture to call the attention of Senators before the Senate undertakes the consideration of any of the pending bills.

You have noted, sir, that in New York on Saturday last ex-Governor Cox, of Ohio, in substance submitted to his hearers the program which he presented at the notable gathering in Dayton on the 25th of January last. I will not trespass upon the time of the Senate this afternoon to speak of the portions of his address which dealt with issues wholly or primarily domestic; but I think it proper that, in the presence of the distinguished leaders of the Democratic Party on the other side, we ask if they join with him in the belief that the United States should become a party to the covenant of the League of Nations, and that despite events which have transpired since the last election?

Governor Cox at Dayton in January, and again in New York last week, spoke in forthright, downright, and direct fashion; there is no mistaking his meaning. One may believe that a great part of the address of Governor Cox was burbling and blithering bombast; but whether he so believes or not, he can not mistake Governor Cox's intention to carry the people of America into the League of Nations whenever the opportunity presented.

There were long weeks when we discussed the text of the league covenant.

Mr. BORAH. Mr. President, may I ask the Senator a question?

Mr. McCORMICK. Most certainly.

Mr. BORAH. The Senator has submitted to the other side a question as to whether they agree with ex-Governor Cox. I should like to ask how many Senators on this side would vote with the other side if the League of Nations were proposed at this time?

Mr. KING. Does the Senator mean proposed by the President?

Mr. BORAH. By anybody.

Mr. McCORMICK. The Senator from Idaho has as Delphic a capacity for prophesy as has any other Senator.

Mr. BORAH. But I am not in as close touch with the organization as is the Senator from Illinois, and I should like to know how many Senators on this side are now prepared to go into the league. I know that there are some prepared to do so.

Mr. McCORMICK. I think the remnant is so exiguous as to be almost invisible to-day.

Mr. BORAH. I am afraid not; I am afraid the number is increasing.

Mr. McCORMICK. Mr. President, when the Senator from Idaho asked the question which he is better able to answer than am I, I had said that during long weeks we discussed the text of the covenant, its meaning, explicit or implicit; we discussed the possibilities latent in the instrument; but to-day we may judge of the league by what has been accomplished in Europe since its first assembling.

Mr. HARRISON. Mr. President, will the Senator yield for a question?

Mr. McCORMICK. Certainly.

Mr. HARRISON. On yesterday in the official organ it was stated that the Senator from Illinois would be the spokesman of the administration to-day in presenting to the Senate the matter which he is discussing. So I am curious to know whether there is any truth in the rumor which is afloat that there will be introduced shortly, and backed up by the administration, a bill proposing representation upon the part of this Government on the Reparation Commission. Will the Senator tell us whether that is true?

Mr. McCORMICK. Mr. President, the humorous and witty Senator from Mississippi knows very well that the newspaper to which he refers does not speak for me, and that I am not in the confidence of its editors. He knows, too, I am sure, that I have not been advised as to the purpose of Senators or of the administration with regard to the Reparation Commission.

Mr. HARRISON. No; I do not know that. I know of no Senator who is closer to the administration, and I thought that the official organ was speaking by the card when it said that he would in his speech to-day represent the views of the administration. I thought, perhaps, then, the Senator could tell us whether or not it is proposed that the United States shall have a representative on the Reparation Commission.

Mr. McCORMICK. If the newspaper so stated, it spoke without any warrant in fact. The Senator from Illinois is voicing no other views than his own.

We may judge of the accomplishment of the league by the record. We know, as I have said before in the Senate, that in the determination of disputes, in the arbitrament of boundaries, nothing has been done by the league or through the league which might not have been done under the old diplomacy and by our arbitral tribunals as formerly constituted. There is no record that the league has determined any dispute which might not have been determined in the normal course of conciliation or arbitration, while in the liquidation of the graver differences which have halted the reconstruction of Europe, in the reestablishment of the economic foundations upon which the future must be built, in the abatement of hates, in the reduction of armaments, the league has accomplished nothing. It promises to accomplish nothing; hence the gathering at Genoa of the assembly to-day, presided over by the Italian Prime Minister.

Despite the existence of the league, there are well-nigh as many armed men in Europe to-day as there were before the outbreak of the Great War and before the dismemberment of the Hapsburg monarchy and the disarmamemt of Germany. The league has brought into being in Europe no true peace. It has not inspired men to lay down their arms or to live in concord. We have as witness to that fact the pope, who in his letter to the archbishop of Genoa spoke of "the forest of bayonets" which environed the assembly about to gather.

So futile have been the labors of the league, so signally has it failed to imbue statesmen with a spirit of peace, so utterly has it been delinquent in bringing forward measures of reconstruction, that the pope has thought it appropriate, through the medium of a letter addressed to the archbishop of Genoa, to call upon the political leaders there assembled to attempt to do that which the League of Nations has left undone.

I know that there are some who honestly believe—I fear that there are others who for argument's sake will hold—that if America had entered the League of Nations it might have been otherwise.

The candidate of the Democratic Party for the presidency, who must remain the titular leader of the Democracy until formal action or the course of events has chosen as his successor some other, and very likely one of the Senators whom I see before me, has held not only that America must enter the league but that America should have granted credits and still more credits to Europe.

This would Governor Cox do despite the economic conditions inevitably consequent upon the war but aggravated, as all men know, by the political rivalries, the international jealousies and hates of the European powers and the armaments which they maintain because of those rivalries and hates.

The full text of the speech of the leader of the Democratic Party, delivered in New York, was not published in any of the newspapers which have come to my attention; but you may

find in his address, delivered last January in Dayton and published in full in his own newspaper, his views not only on the League of Nations but on the part which America should play in the economic reconstruction of Europe.

Europe requires credit—

Said he—

America had a prosperity upon which credit could have been given. American gold advanced would scarcely have left our vaults, because it would have been merely the base of financial transactions for the products of our farms and factories. Our vast surplus would have brought happiness to Europe and maintained prosperity at home.

"America," said the governor, "had a prosperity upon which credit could have been given." He does not speak of the security necessary for the granting of credits. He ignores or he is ignorant of the fact that the excess of exports over imports indicates that since the signing of the armistice private credits have been granted to Europe in the sum of six or seven billion dollars. He has taken no note of the fact that since January 1, of 1921, European securities in the sum of $800,000,000 have been underwritten in the American market.

He would hale a free America to the bar of the league, there to petition for admission, while about its capital are encamped 2,000,000 armed men. He would have America grant credits, and credits still, aye, even in excess of those which from private sources have been granted to Europe since the signing of the armistice and at a time when we are about to undertake the difficult and hazardous negotiation for the resumption of interest upon the debt due from European Governments to the American Government, and for the ultimate payment of the capital of that debt, however doubtful some may think that payment to be.

Mr. KING. Mr. President——

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Utah?

Mr. McCORMICK. I yield very readily to the Senator.

Mr. KING. The Senator a moment ago adverted to the fact that Governor Cox had pleaded for an extension of credit to Europe upon the part of Americans, and alluded to the fact that credits to the extent of five or six billions of dollars had been extended. I think the figures given by the Senator are approximately correct, that the private credits extended are between five and six billions of dollars. The question I desire to ask the Senator is this: Does the Senator think that it was wrong economically, politically, or morally for the United States, either the Government or individuals, since the signing of the armistice, to extend to Europe the large credits which were extended, as the result of which we found a market for our surplus products, increased our exports and thus increased somewhat our imports, and in a general way brought prosperity to the United States, while at the same time aiding in the stabilization of conditions in Europe, and materially diminishing the sufferings and the sorrows and the woes to which those unhappy people were subjected?

Mr. McCORMICK. The Senator from Utah, I must think, has studied the speech of his leader either less carefully than I, or not so recently.

Mr. KING. I have not read it.

Mr. McCORMICK. I thought as much.

Mr. KING. I am speaking for myself.

Mr. McCORMICK. I have no doubt that when the Senator from Utah and other Senators have read it, they will be disposed publicly to advise the country whether they agree or disagree with the leader of the Democratic Party.

Mr. KING. Mr. President, if the Senator will pardon me, without reference at all to anything that Governor Cox said, the Senator accurately stated that we had extended large credits to Europe since the armistice. I ask the Senator whether he believes that was wrong, economically or otherwise?

Mr. McCORMICK. I said the Senator must have read the speech of his leader less recently or less carefully than I. Let me ask the Senator to note this difference, that private credits granted were granted upon sufficient security. No man reading the Dayton speech of the leader of the Democratic Party can find any but the implicit meaning that credits should be granted Europe, not upon security found overseas, but upon the surplus wealth of the United States.

Mr. KING. Mr. President, I was not speaking with reference to what security had been demanded; I was taking the situation as it exists, namely, that we had extended large credits. Assume that we did or did not have security for the credits extended, but taking the broad fact as it is, does the Senator contend that the extending of credit which has been made by private individuals was wrong?

Mr. McCORMICK. If private individuals have extended credit without sufficient security for repayment, I condemn it. If they have granted credit upon sufficient security, security which guarantees payment for that which has been sold upon credit, that is sound business, beyond dispute.

Mr. KING. If those who extended the credit have been and are satisfied, then the distinguished Senator from Illinois can not complain, and the Senator from Illinois must know that economically the United States has prospered by reason of the extension of those credits. Whether or not adequate security was given, that fact stands forth, I think, demonstrable and indisputable.

Mr. McCORMICK. Mr. President, I will not labor the argument that credit granted by private sources upon insufficient security will not in the long run contribute to the wealth or prosperity of the United States. I rose to call to the attention of Senators on the other side of the Chamber the salient features of the two addresses delivered by the leader of the Democratic Party—that which dealt, if I can understand his speech, with the granting of unsecured credits to the Old World in excess of the sum in which they had been granted and that which dealt with the League of Nations.

Providence alone can forecast what may be determined at the conference of Genoa. We must hope that if it accomplish but little, that little will point the road to the drastic curtailment of armaments, to the no less drastic curtailment of civil expenditures in Europe, to the balancing of budgets, to the cessation of the issue of fiat money. If Europe can put aside her differences, if European statesmen assembled at the Genoa conference can accomplish, even in part, what assembled in the League of Nations they failed to do, then America can help in the economic reconstruction of Europe. That, I think, is a question upon which we are not disagreed. That presents an issue upon which the parties will not differ.

Mr. President, I rose to call to the attention of the leaders of the Democratic Party, many of whom I see yonder, and one of whom is likely to be nominated in succession to Governor Cox—I rose to call to their attention his argument for the granting of credits and to his demand that America enter the League of Nations. I hope that they will speak their minds as fully as he has upon those questions.

Mr. KING. Will the Senator yield?

Mr. McCORMICK. I yield.

Mr. KING. I think the Senator made just one error in the concluding part of his statement when he referred to some person on this side who would be nominated as successor of Governor Cox. He ought to have made that statement a little fuller, and he would have been more accurate if he had said some Democrat would be elected as the successor of President Harding.

Mr. McCORMICK. Mr. President, I welcome the issue which will be presented if Senators on the other side will join Governor Cox in demanding that America enter the League of Nations, and will make the campaign of 1924 as Governor Cox made the campaign of 1920. Let him who is without fear among you be the first to join himself with Governor Cox upon that issue.

Mr. BORAH. Mr. President, the Senator from Illinois voices a sentiment with which I am heartily in accord—that is, that the League of Nations will again be made the issue in another campaign, in order that we may separate this time the sheep from the goats inside our own party.

Mr. POMERENE. Mr. President——

Mr. BORAH. The Senator from Illinois is chairman of the senatorial election committee.

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Ohio?

Mr. BORAH. I yield.

Mr. POMERENE. I was just wondering if the Senator from Idaho would go a little further and tell which were the sheep and which the goats?

Mr. BORAH. The Senator from Ohio does not need any instruction upon that question so far as the viewpoint of the Senator from Idaho is concerned.

I want the Senator from Illinois to make that the issue inside the Republican Party. It is within his power to do it. Entertaining the views and sentiments which he does, that the entrance of the United States into the league would be a disaster to this country, it is his highest and most solemn obligation to make it the issue.

So far as I am individually concerned, Mr. President, I occupy the same position with reference to the league that I occupied two years ago. If I know it, I will support no man for a position in this body who is in favor of entering the league, and I will support any man who is opposed to entering, whether he is a Republican or a Democrat. I confess that it may not be easy

for me to ascertain that fact, judging by the experience of the past; but if I am able to ascertain it, that will be my position.

This is not a party issue. This is not a party question any longer. There are just as many Democrats opposed to the league as there are Republicans, possibly, who are in favor of it, and this administration can not for a moment be considered as an antileague administration. The most powerful influences in the administration, outside of the President himself, are in favor of the United States entering the League of Nations, and if they are correctly reported by their proleague friends they are doing all they can to take the country into the League of Nations. No, Mr. President, it is not a party question, unless the able Senator from Illinois, through his leadership, believing as he does, is able to make it a party question.

The fundamental principles upon which the people rejected the League of Nations in 1920 were the principles which are found embodied in Washington's Farewell Address. The people did not stop to discuss reservations. They did not discuss the question of how you could form a political copartnership, and whether or not you could go part of the way in and retire at leisure, or whether you could form a limited copartnership.

The question which appealed to the American people in 1920 was the preservation of the doctrine announced by the fathers, that we should never suffer any political connections with foreign powers. That they distinctly understood; that they comprehended, and comprehending they spoke in no uncertain way. The layman, the man behind the plow, the man in the workshop, the farmer, those who were not schooled in questions of international law and the niceties of obligations, understood that simple, fundamental proposition, and upon that question they voted. If there be any candidate for Senator on this side of the Chamber who thinks the people did not or do not believe in that doctrine let him have the courage in this campaign to try it out.

Mr. President, what is the situation now with reference to that principle? In my humble judgment that principle has already been surrendered. The fundamental principle upon which the fight was made is already gone, and the question is not now the preservation of it, but the regaining of the position which we asserted in 1920. We have already made political connections and we are preparing to make others. Step by step we are moving toward a complete political association with all nations.

Permit me to recount one or two or three of the steps which we have taken, and more which we propose to take. We ratified what was known of the German treaty. In doing so we availed ourselves directly or indirectly of the most obnoxious obligations of the Versailles treaty. In other words, we reserved the right to avail ourselves of those obligations in the treaty which, to my mind, are to-day the cause of the economic chaos in Europe.

What is the proposition now pending? If we are correctly advised by the newspapers, the proposition is already at hand to introduce a joint resolution or a bill in the Congress by which the President shall be authorized to appoint a member of the Reparation Commission. When we become a member of the Reparation Commission, we will have entangled ourselves with every conceivable political question which can arise in Europe for the next 40 years. There is no proposition into which we would have entered or become entangled by reason of our entrance into the league which will not confront us and be a part of our program if we become a member of the Reparation Commission.

The Reparation Commission is itself a government, a government in Europe, exercising quasi legislative, judicial, and executive functions, a government which has practically the power of life and death over a large portion of the people of Europe, a government which centers in itself autocratic and despotic powers and touches every political nerve on the European Continent. Into that commission we propose to enter, so we are told, and I submit to my able friend from Illinois now, when the bill or resolution authorizing the President to appoint a member of the Reparation Commission comes to this body, what will be the position of the Republicans in that fight? What will be our attitude? Does he doubt for a minute what as a party we will do? And the league Democrats will join you, because it is a long step toward that for which they have been contending.

I am not so much concerned about the Democratic Party. It is not for me to care how often it is defeated; but I am concerned a little to know whether the party which sits upon this side of the Chamber proposes that the United States shall become a member of the Reparation Commission, and thus violate every pledge made to the people in 1920. Does any Member on this side of the Chamber know what the program is? I should like to hear from him. I should like to have those who are bantering our friends on the other side of the Chamber tell me what they propose to do when that proposition comes in for consideration.

I stated at the time the German treaty was up for consideration that in due time that proposition would be submitted to the Senate and we would accept it. The President has already notified the public that the first step should be taken, and is waiting for the Senate to take it; but if the Senate does not, he doubtless feels under obligation to do it.

Now, suppose we join the Reparation Commission. Have we not then abandoned the principle upon which we made the fight in 1920? Have we not become entangled in European affairs? Have we not committed ourselves to the political affairs of Europe? Have we not associated ourselves with every feature of European life—political, economic, militaristic, and every other kind? Is there anything which we would do under the league in the way of political entanglements that we are not bound to do as a member of the Reparation Commission?

Sir, the mere fact of technically refusing to join the league is not to preserve that faith the American people supposed they were voting for. We will have surrendered the principles for which we fought, whether we technically become a member of the league or not.

But that is not all. We can not become a member of the Reparation Commission and do our duty as a member of that commission and carry out the obligations of the commission and execute the obligations of the treaty without joining ourselves to the League of Nations. They were so interwoven at Versailles, made into one unit, one supporting the other and cooperating with the other, that we would be in the same position when we join the Reparation Commission and refuse to become a part of the league that those who now insist that we should join the Reparation Commission say we are at the present time, to wit, in a position where we could not enjoy our full rights or discharge our full obligations with reference to Europe.

That is the second step. The first step has been taken. The second step is near at hand, and the third step will be to become a member of the council and of the assembly at Geneva, and it will follow, in my judgment, as inevitably as the night follows the day, because when we are a member of the Reparation Commission the other is the logical and inevitable position for us to take.

Mr. President, I do not find fault with men who are for the league and say so and who are fighting for it. They have a perfect right to their opinion. Therefore it is in no spirit of personal criticism; but we know that the Secretary of State, the most influential member of the Cabinet in foreign affairs by reason of his position, is an open, avowed leagueist and always has been. We know he is in favor of becoming a member of the League of Nations with a reservation or two with reference to article 10, which are now hardly necessary by reason of article 2 in the four-power treaty, and that his object and purpose, as stated to his countrymen in 1920, was to pull the Republican Party into a position where it would have to join the league. Go back and read the proclamation which was given to the people in October, 1920, signed by Mr. Hughes, Mr. Hoover, Mr. Paul D. Cravath, Mr. Root, and others. They told the people in plain words that the only way to get into the league was to vote the Republican ticket and put the Republican Party in power. What is the interpretation of that? Certainly it bound Mr. Hughes, if he was in a position to exercise power or influence or ability or ingenuity, to exercise it in behalf of going in that direction, and he is doing it with a marked degree of success. Let no man be misled; he is carrying out his purpose.

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

Mr. BORAH. I yield.

Mr. KING. Does the Senator think that it is entirely proper in this discussion to exclude the President from the category of those favoring the league, at least with reservations? The Senator knows that when President Harding was a Member of this body he voted for the league with the so-called Lodge reservations. In many of his speeches prior to his election his attitude was such and his declarations were such that millions of Americans construed the position of President Harding to be in harmony with that just announced as the position of Mr. Hughes and Mr. Root and others, namely, that America should go into the league with reservations with respect to article 10.

Mr. BORAH. Mr. President, in discussing the league question it is only necessary for a Republican to discuss those Republicans who are distinctly announced in favor of the league. I am always hopeful that the sorely tempted may not ulti-

mately fall. Mr. Hughes has not left his position in doubt. The declaration of 1920, read in the light of present events, does not leave his purpose in doubt and leaves not in doubt at all his intention of carrying out his purposes.

Mr. President, there are still others. Mr. Hoover, who was another gentleman who signed the declaration of 1920, is a very active, influential, and powerful member of the Cabinet. Mr. Hoover makes no concealment of the fact at all that we are going into the league; that we ought to be in it now; that affairs will not go as they should until we are in the league. Mr. Hughes and Mr. Hoover are perfectly willing to move cautiously, just so they move. Suppose Mr. Cox had been elected President and Mr. Cox had appointed as his Secretary of State one of the ablest and most pronounced antileaguers in the United States, or suppose he had formed a Cabinet, a majority of whom were in favor of the league and some of whom were distinctly advocating it all the time, would not the members of his party have a right to say that the zeal of the President, as he would then be, was not commensurate with the promises which he had made?

So I repeat, Mr. President, it is no question of party issue. It is a question of individuals. Upon that the question will have to be fought out, and the Senator from Illinois, as chairman of the election committee, can make the issue clear and distinct and pronounced within his party. So far as I am concerned I can perhaps be of very little assistance to him, but in so far as I can aid him in that issue I stand ready to answer to his call at any hour of the day or night. On this question I know no party obligation. I can look with no more complacency upon betraying and surrendering the great policies which I believe essential to the life of this Republic by a Republican than by a Democrat. Let us again stand up and be counted. Let Republican candidates who want to go into the political embroilments of Europe say so to their people. I shall not complain of the result.

Mr. ASHURST. Mr. President, my friend the Senator from Illinois [Mr. McCORMICK] adverted to an address recently delivered by former Governor Cox at a Jefferson Day banquet in New York City. It is true that Governor Cox lost the election and lost the Presidency, but in that disastrous campaign he won that which politicians can never give and can never take away. He won the esteem of the American people. He never spoke in cryptograms.

Never was there an administration whose home or domestic policies pleased the American people more than the home or domestic policies of Woodrow Wilson. Why, then, did we sit in sackcloth and ashes after the election?

He is not only a wayfarer, he is a pretender who says the league was not an issue in 1920. If the league was not the issue, what was the issue? You can not make a contract in politics. The only way by which you can bind men in politics and statesmanship is by honor. The learned Senator from Illinois, who graces the Senate, presided at a meeting in Chicago during the league contest, at which his countrymen gathered, not by the thousands but by the tens of thousands. As chairman of that meeting he introduced a number of speakers and promised that the United States would be drawn into no league nor semblance of league, no alliance or entanglement with foreign powers, if the Republicans were successful.

The Senator from Illinois was a member of the battalion of death which stabbed the league. The Senator from Illinois denounced the league, its parents, and its friends. And yet, sir, only one capricorn had passed when the roll was called upon a vicious alliance into which we were invited—the quadruple alliance—and the Senator from Illinois voted "yea."

He voted to take the United States into an alliance with an oriental power that is challenging and undermining our American culture. He voted to take the United States into an alliance with an imperialistic government. But the Senator from Illinois did have the manhood, he did have the conscience to say that he did it reluctantly, and that he was not "enamored of such a treaty."

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

The PRESIDING OFFICER (Mr. JOHNSON in the chair). Does the Senator from Arizona yield to the Senator from Illinois?

Mr. ASHURST. Certainly.

Mr. McCORMICK. The Senator has described my course more leniently than other Democrats will as the campaign progresses. I am grateful to him for that. Now that he has done speaking of me——

Mr. ASHURST. I have not quite finished speaking of the Senator.

Mr. McCORMICK. Will he tell us, for himself and his colleagues, whether or not they agree with Governor Cox that we ought to enter the League of Nations and subscribe to the covenant thereof?

Mr. ASHURST. Mr. President, we Democrats do not have any Delphic oracles to speak for us. We think for ourselves and act accordingly.

Mr. McCORMICK. I did not say that Governor Cox thought for himself; I said he spoke for himself. There is a distinction.

Mr. ASHURST. I believe that Governor Cox thinks for himself and speaks for himself; and I will read to the Senator from Jefferson's first inaugural address, of March 4, 1801. Pretermitting a number of paragraphs, Mr. Jefferson, the founder of the Democratic Party, said——

Mr. McCORMICK. Mr. President, I should like to ask if the answer to my question is to precede or to follow the Senator's literary exercise?

Mr. ASHURST. Will the Senator repeat his question?

Mr. McCORMICK. Does the Senator agree with Governor Cox or disagree with him on the issue of the entrance of the United States of America into the League of Nations?

Mr. ASHURST. Mr. President, I am amazed that my friend would ask that of a Democrat. Let me read from Jefferson's inaugural address:

> Absolute acquiescence in the decisions of the majority, the vital principle of republics, from which there is no appeal but to force.

Mr. President, am I obliged again to traverse the ground which I traversed a moment ago when I said the issue in 1920 was the league, and that by promising to stay out of the league the Republicans triumphed? Does the Senator believe that a Democrat now is seeking against that majority to take the United States into the league?

Mr. McCORMICK. What interpretation does the Senator put upon the speech of Governor Cox, of Ohio?

Mr. ASHURST. The utterance of a dauntless man——

Mr. McCORMICK. Who has rejected the doctrine of Jefferson.

Mr. ASHURST. I read further from the same inaugural address of Jefferson, in which he said:

> Equal and exact justice to all men, of whatever state or persuasion, religious or political; peace, commerce, and honest friendship with all nations; entangling alliances with none.

The League of Nations had at least the poor virtue, which if Senators be fair they are going to admit, to wit, that it kept the door open so that all powers of the earth might join; so that all the powers might at least be heard.

Of course, Mr. President, the Senator from Illinois would be glad to have the League of Nations for an issue.

Mr. McCORMICK. He would.

Mr. ASHURST. He would; and, of course, the leader of the majority would be glad to have the league for an issue.

Mr. McCORMICK. Mr. President——

Mr. ASHURST. I yield to the Senator from Illinois.

Mr. McCORMICK. Furthermore, the Senator from Illinois will do his best to have it for an issue.

Mr. ASHURST. I do not blame you.

Mr. McCORMICK. And thus to satisfy the Senator from Idaho [Mr. BORAH].

Mr. ASHURST. The Senator from Illinois in stating that he desires to have the League of Nations for an issue discloses a perspicacity that will be valuable not only to the Republican Party but to any association with which he is affiliated. The Senator from Illinois is too keen a man to fail to perceive the lamentable failure of the Republican Party to keep its promises. I do not blame him, in his desperation, for trying to induce Democrats to set up the league as an issue; having betrayed the confidence of the people in taking this Nation through the back door into the quadruple alliance, it becomes him now to try to make the country believe that it is necessary to perpetuate his party in power in order to escape the league.

Mr. President, it is appropriate that I should say that you, sir [Mr. JOHNSON in the chair], stood the fire. Although some prominent men in your party and a representative of a great foreign power were sent to your State to make speeches whilst the four-power treaty was under discussion, you stood like a man. Notwithstanding the backfire and the effort to align your own State against you, you delivered your vote at your country's altar for the good of your country.

Mr. President, the transparency of the Republican attempt to make the league an issue is so obvious that the most unpretending simpleton can see that it is only an effort on the part of the Republicans to get away from their record.

Mr. McCORMICK. Mr. President——

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

Mr. ASHURST. I yield.

Mr. McCORMICK. Will the Senator from Arizona, who is as candid as he is fair, not address his remarks to Governor Cox, of Ohio? It was he who in Dayton and again in New York said that events were carrying the United States eastward to the seat of the League of Nations at Geneva. It was Governor Cox who twice said that events would bring about the entrance of the United States into the league.

Mr. ASHURST. I am aware of that, and I am also aware of the fact that the Senator from Idaho [Mr. BORAH] said that it was obvious that the attempt was now being made to take the United States one more step toward the league by having a commissioner appointed to the Genoa conference. It is very convenient for Republican leaders to talk of the League of Nations so that the people may forget that $180,000 or more were expended to secure the seat of a Member of the Senate.

Mr. KING. Over $250,000.

Mr. ASHURST. Mr. President, in the State of Arizona, which voted for Harding electors and sent my Republican colleague [Mr. CAMERON] here in 1920, you filled the sky with your promises to the people that if they would send a Republican Senator to Washington and vote for Republican electors for President you would place a duty of 20 cents a pound on long-staple Pima cotton. The people there in part believed you.

Mr. CARAWAY. But they will not do so any more.

Mr. ASHURST. The tariff bill came here from the House of Representatives the 22d day of July, 1921, 8 months and 19 days ago, and in that bill long-staple cotton was on the free list. You seek to escape the effects of that violated promise.

That is the record from which you seek to escape; that is the record in front of which you want to erect the barrage or smoke screen of the League of Nations.

I recur now to the Budget. Here I sincerely pay my tribute of respect to my friend from Illinois for his work on the Budget bill, and to another great Illinoisan, General Dawes, but the Budget crumbled and fell to pieces in a body with over a hundred Republican majority when a river and harbor bill came along.

So much for the Budget.

Mr. McCORMICK. Mr. President——

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

Mr. ASHURST. I yield.

Mr. McCORMICK. So much for the Budget, and so much for long-staple cotton. How much for the League of Nations?

Mr. ASHURST. What is that?

Mr. McCORMICK. The Senator can not hear the question?

Mr. ASHURST. No; I can not.

Mr. McCORMICK. No; and others will be deaf to that question in the next campaign.

Mr. ASHURST. I am glad to listen.

Mr. McCORMICK. How many of you agree with Governor Cox that America must enter the League of Nations?

Mr. SHEPPARD. Mr. President, will the Senator permit me to answer, for one, that I agree with the governor?

Mr. McCORMICK. The Senator is secure in the vast spaces of Texas. He is for the League of Nations. I want to hear from some of the Senators from the border and northern States.

Mr. ASHURST. Of course, other Senators speak for themselves. I am speaking for myself.

Mr. McCORMICK. I thought the Senator was speaking for the whole Democracy.

Mr. ASHURST. I never have pretended on any occasion to speak for any other than myself. At times, in what I say, my own constituents do not agree with me. That is one reason why they elect me—because they know I say what I think, in the State and elsewhere.

Mr. McCORMICK. Mr. President, every Senator in this Chamber will readily bear witness not only to the ability but to the downright courage of the Senator from Arizona.

Mr. ASHURST. I thank the Senator.

Mr. McCORMICK. But I hope he will not consider me discourteous if I express the fear that his eloquence, if long continued, may serve as an anesthetic and lull his hearers to sleep, so that they may forget that he has not answered my question, nor has any other Senator save the Senator from Texas.

Mr. ASHURST. Not all the drowsy sirups and mandragora of the earth could lull to sleep the writhing conscience of the Republican Party when it reflects upon its broken promises.

Mr. McNARY obtained the floor.

Mr. McCORMICK. Mr. President, it seems to me that an opportunity ought to be given to other Senators on the other side of the Chamber to declare their agreement or disagreement with Governor Cox; and therefore I make the point of no quorum.

The PRESIDING OFFICER (Mr. CAPPER in the chair). The Secretary will call the roll.

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

Ashurst	France	Lenroot	Poindexter
Ball	Gooding	McCormick	Pomerene
Borah	Hale	McKinley	Rawson
Broussard	Harris	McNary	Sheppard
Bursum	Harrison	Moses	Spencer
Cameron	Heflin	Myers	Sterling
Capper	Hitchcock	New	Sutherland
Caraway	Johnson	Newberry	Swanson
Colt	Jones, Wash.	Norbeck	Townsend
Curtis	Kellogg	Norris	Trammell
Dial	Kendrick	Oddie	Wadsworth
Edge	Keyes	Overman	Warren
Ernst	King	Page	Watson, Ga.
Fletcher	La Follette	Pepper	Willis

The VICE PRESIDENT. Fifty-six Senators having answered to their names, a quorum is present.

Mr. BALL. Mr. President, I give notice that immediately after the passage of the Agricultural appropriation bill I shall move that the Senate consider Senate bill 2919, known as the District of Columbia rent bill.

Mr. McCORMICK. Mr. President, I requested the presence of a quorum in order that Senators on the other side of the Chamber might not be delayed by the intervention of other business in announcing their agreement or disagreement with Governor Cox, of Ohio. I note that in response to the call a fifth of the Democratic Senators are present. I hope that among that number there will be two or three to tell the country whether they hold with the Senator from Arizona [Mr. ASHURST] that as an issue the League of Nations is a corpse, or whether they agree with Governor Cox that it lives, and that they urge with him that the United States shall subscribe to the terms of the covenant, and take its place at Geneva, surrounded by the 2,000,000 bayonets of the peoples of Europe.

Mr. WATSON of Georgia. Mr. President——

Mr. CURTIS. May I make a parliamentary inquiry?

The VICE PRESIDENT. The Senator will state his inquiry.

Mr. CURTIS. Has the Agricultural Department appropriation bill been laid before the Senate to-day?

The VICE PRESIDENT. It has not been laid down.

Mr. CURTIS. Will the Senator from Georgia yield so that the bill may be laid before the Senate?

Mr. WATSON of Georgia. Certainly.

AGRICULTURAL DEPARTMENT APPROPRIATIONS.

Mr. McNARY. I ask that House bill 10730, the Agricultural Department appropriation bill, be laid before the Senate.

The Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 10730) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1923, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. McNARY. I ask that the formal reading of the bill be dispensed with, that the bill be read for amendment, and that the committee amendments shall be first considered.

The VICE PRESIDENT. Without objection, it is so ordered.

CURRENT POLITICAL ISSUES.

Mr. WATSON of Georgia. Mr. President, the statement made by Governor Cox to the effect that our present situation is due to the fact that we did not enter the League of Nations should not be allowed to go unchallenged. Everyone knows what a terrible condition our country has been in, beginning two years ago, and its condition now; but, Mr. President, the same conditions prevail in Switzerland, which is a member of the League of Nations, and which was neutral during the war.

Switzerland enjoyed profound peace while other nations were convulsed. It stayed out of the vortex into which we drifted. Her profiteers made fortunes, as ours did. She was the land of refuge of thousands of people who had to leave their native lands. Her industries flourished during the war. Since the war they are prostrated. And why? She is in the league; we are not. Her industries were prostrated by the very same causes which prostrated ours. Those causes have been pointed out in a masterly and eloquent way time and again by the junior Senator from Alabama [Mr. HEFLIN].

Switzerland went crazy about the gold standard, just as we did. Switzerland refused to supply paper money to her people. We had a supply, and it was wickedly destroyed to the extent of two thousand million dollars.

Switzerland's money is so dear, the value of the dollar has been so inflated, that one industry after another has become extinct. She no longer makes the finest watches for the world. She no longer exports shoes, or laces, or embroideries, or silks, or dyes. She no longer exports the milk chocolates and the con-

densed milk which were sold in every market in the world. Therefore not only are the men, the women, and the children unemployed, but the very cows are unemployed. Except for domestic purposes, the cow is unemployed, meaning that her product is no longer used for the milk chocolates and the condensed milk which once brought in marvelous revenues to the Swiss.

On the other hand, Mr. President, Germany is not in the league, but Germany increased her issues of paper money until the volume of it is six or eight times as great as it was before the war, and the German goods entering the Swiss markets are underselling the Swiss goods in those markets. Germany has sprung from her ashes. Germany is industrially rehabilitated. And by means of what? Because of the increase of her currency. Switzerland is in ruins, as we are, because of our dear currency, our precious gold.

Governor Cox would make the league the issue in the next campaign. Speaking for myself only, I will say that, in my judgment, no greater mistake could be made by the Democratic Party than to try to breathe the breath of life into that dead issue.

We need not look far for issues. There is issue after issue which can be used against the Republican Party. One of the mightiest swords that could be drawn upon the opposition in the campaign of this year would be this new judge bill, which was put through last Friday night. That is the most radical, the most savage, the most dangerous attempt that has been made upon the independence of the judiciary since the year 1687, when James I of England put the judges under his feet.

There was a demand throughout this country for an additional judge here and there and yonder. That demand should have been met by separate bills, giving to this State, that State, and the other State the needed judge. There was no demand whatever for any revolutionary change in the system itself; yet that revolutionary change was made, and now the sword of Damocles is suspended by a hair over the head of every district judge in America.

Formerly the district judge, acting through his clerk and the seal of the court, sent out his signal of distress, his cry for aid, and the circuit judge had to respond to that appeal for help, and to send him a district judge from that circuit. It is true that the circuit judge, when he was convinced of the necessity for it, could himself send in a judge; but the practice had been for the circuit judge to wait upon the initiative of the district judge. Now that initiative is taken away from the district judge. He is at the mercy of the circuit judge. In some State there will be a district judge who is industrious, capable, conscientious, discharging his full duties, giving a full day's work as often as his dockets require it, disposing of all cases with due promptitude, disposing of all motions without unnecessary delay; but because he does not take the case in his own hands and direct the jury to find some bootlegger guilty; because he does not take away from the jury its constitutional rights; because he does not deprive the jury of the right of giving the accused the benefit of every reasonable doubt, the circuit judge, instigated by some prohibition officer, will send in from outside the circuit a tyrant who will storm at the jury, who will intimidate the jury, who will direct the jury, and thus reduce the 12 jurors to 12 nullities.

The other day in Arkansas a district judge of the Federal court was dissatisfied because a jury, composed of the most prominent business men in that town, refused to convict. He publicly insulted them and ordered their names stricken off the jury list forever. By what right did he do that? No right at all, but the thing is done.

Another judge put jurors in jail because they would not convict a bootlegger. They did not think the evidence warranted his conviction. They gave him the benefit of the doubt, as it was their duty to do.

We do not allow a juror to go into the box until he has satisfied the court that his mind is a clean slate, upon which can be written "guilty" or "not guilty," according to the evidence. If he has a bias or prejudice for or against the accused, he is automatically disqualified to serve on that case. Will any lawyer tell me why a judge should not go on the bench with his mind as impartial as that of everyone of the 12 jurors? Yet it is stated openly by the head men of the Anti-Saloon League that they are going to have judges to suit them.

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

Mr. WATSON of Georgia. Certainly.

Mr. HEFLIN. It has been the fundamental law always heretofore that it was the province of the judge to pass upon the law and the province of the jury to pass upon the facts. There are scores and scores of instances where the Supreme Court, in State and in National Government, has reversed and remanded cases because the trial judge refused to give a charge that read like this: "It is the duty of the jury to give the defendant the benefit of every reasonable doubt," or words to that effect, "and unless he is proven guilty beyond a reasonable doubt it is the duty of the jury to acquit him."

Mr. WATSON of Georgia. That is sound law.

Mr. HEFLIN. The judge of whom the Senator spoke in Arkansas undertook to direct the jury as to its verdict in a criminal case, and invaded the province of the jury when he did so.

Mr. WATSON of Georgia. Of course, that is correct.

Mr. President, in the New York World of last Thursday appeared an editorial in which Congressman TINKHAM, of Massachusetts, is quoted as saying that the Anti-Saloon League boasts that it controls Congress.

The Senator from Tennessee [Mr. SHIELDS] read into the RECORD the other day a letter from Wayne B. Wheeler, chief counsel of the Anti-Saloon League, in which he virtually told the Senator from Tennessee that he could have a new judge for Tennessee if the Anti-Saloon League could name the man. Having control of Congress, as they say, they want control of the judiciary; and if they can control the legislative and the judicial departments of the Government, the executive department will have its hands tied and 110,000,000 people will be governed to a large extent by the Anti-Saloon League.

One of its affiliated associations is the National Reform League, of which the Rev. Sam Small is one of the speakers and organizers.

Mr. LENROOT. Mr. President——

Mr. WATSON of Georgia. I yield to the Senator from Wisconsin.

Mr. LENROOT. I did not catch the Senator's statement as to the contents of the letter sent to the Senator from Tennessee by Mr. Wheeler.

Mr. WATSON of Georgia. As I understand it, in substance—I will not quote the language—it was that they would assist him in getting a new judge for Tennessee if he would allow them to name the man.

Mr. LENROOT. Will the Senator from Georgia look that up, and if he is inaccurate will he not correct himself?

Mr. WATSON of Georgia. I shall certainly take pleasure in doing so. That is the way I understood it. I so understood it at the time the Senator from Tennessee made the statement on the floor. I did not read his remarks in the RECORD, because I heard the speech. I attended a farewell dinner that was given at the home of Congressman GORDON LEE, of the Georgia delegation, just prior to the departure of Gen. Peter Harris, of Georgia, for France, and at the table, where conversation was free, I mentioned what I had heard in the Senate that day, as I understood it. One of the gentlemen at the table said, "Judge SHIELDS told me the same thing." As already stated, if I am in error, I will correct my statement.

The superintendent of the Tennessee Anti-Saloon League is quoted editorially by the New York World as follows:

> A number of Congressmen who hold the balance of power to pilot majorities in Congress come from Southern and Western States, where money for organization and educational purposes is scarce. They always had to have help from the national league.

In other words, here is the responsible head of the Tennessee Anti-Saloon League saying, virtually, that the league finances southern and western Congressmen who, of course, are expected to remember gratefully the assistance given them to be reelected, or elected in the first instance, and whose gratitude will take the form of votes as demanded by the Anti-Saloon League. Therefore, if what they say is true, the independence of Congress is gone. If they can hang a threat and cloud of danger over the heads of district judges the independence of the judiciary, won by 300 years of stubborn struggle, will be gone.

When our forefathers were framing the Constitution under which we live, the proposition was made by Mr. Dickinson, of Pennsylvania, to vest the Executive with the power to remove Federal judges when so requested by both Houses of Congress. That motion was opposed by Gouverneur Morris, by Edmond Randolph, and by Mr. Rutledge, as attempting to interfere with the complete independence of the judiciary; and when the final vote came only one State, Connecticut, voted for the provision. They left the judges completely independent, even of Congress and of the President. The life term itself was given to them in order that they might not fear removal, which had been practiced in England, especially under the Stuart kings.

Mr. President, the great trouble with our country to-day is that we have forgotten at what tremendous sacrifice our forefathers won the pearls of personal liberty. There is not a

diamond in the crown of our civic glory that did not cost the lives of thousands of brave men.

Now, the Federal judges have been mobilized and Chief Justice Taft made commander in chief. What is his record? The American people showed what they thought about his record when they gave him the worst beating that any presidential candidate ever got at the polls until Governor Cox ran. Judge Taft, on the district bench, was the very first Federal judge who nailed the engineer to his locomotive and denied him his right to quit work when the job and the pay dissatisfied him. It is as much the right of a human being to quit work as it is his right to earn his living by work. Both are natural rights, and no judge can legally take them away. Taft took them away from the engineer.

Suppose the engineer had sought an injunction against the railroad management to restrain them from dismissing the engineer, what would have been Taft's decision? Would he have enjoined the management from dismissing the engineer? The case would have been laughed out of court. If the one is good law, the other is, because the converse of the proposition that you can make a man keep on working is that you can make an employer keep on employing him.

But I mentioned the Rev. Sam Small, who is connected with the Anti-Saloon League and the National Reform Association. The Reverend Sam says they are going to spend in the election this year the $2,000,000 of their annual income. That is a fine idea of reform, is it not? They are going to debauch the electorate. Two million dollars! The first thing we know the Newberry case will become eminently respectable. We have all been sorry that so much money was spent. The Senator from Michigan himself came on the floor of the Senate and said he was very sorry, and said he was especially sorry that day, just before the vote was taken. I made a speech for the Senator on the law of the case, and I do not take back a word of it, either. They did not prove anything against him. No votes were corrupted, but the speeches cost too much; the music cost too much; those pictures taken on the battleship in the park in New York City—about which my friend from Alabama [Mr. HEFLIN] grew so eloquent—cost too much; newspaper space cost too much. Publicity cost too much, but they had to have it. Henry Ford already had it.

But here is the Anti-Saloon League claiming that it already controls the balance of power in Congress, and this was the power behind the judges' bill, which changes our judicial system, places Taft in command, and puts the circuit judges in control over the district judges. Tell me, would you not feel mortified and humiliated, if you were doing what you thought was your duty and keeping the docket clear, if the circuit judge himself were to come in, or send in an outside judge to your district? You would take it as a reflection upon yourself. You would take it as a public reprimand, and if you were a man of pride you would resign.

Another thing: The circuit judge can change a district judge around over the country until, being a man who loves his home, his home folks, his friends, his old associations, he will find life not worth living, and he will quit. Then, in comes your partisan, who will virtually abolish the office of the jury and virtually deny jury trials to the accused.

Then, too, they are to have an annual convention, with Taft presiding, and have it anywhere that he chooses, and as long as he chooses, getting $10 a day, while they are holding the convention.

The language of the bill is so vague that the convention may virtually give orders to every district judge in the Union, and he will have to obey them, else they will make him feel sorry that he did not; they will punish him in some way.

It is consolidation, centralization, putting all power here in the Chief Justice, whereas the Supreme Court should have no further power over lower courts than to reverse their decisions. That is all the power a higher court ought to have over a lower court.

Mr. HEFLIN. Mr. President——

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from Alabama?

Mr. WATSON of Georgia. With pleasure.

Mr. HEFLIN. As I understood the Senator from Georgia a little while ago, if a district judge's docket now becomes crowded and he desires help from the outside, he will make known that desire and a judge will be sent down to help him clean up his docket?

Mr. WATSON of Georgia. That is the existing law.

Mr. HEFLIN. In other words, the needs of the locality control in the matter, the National Government responds, and aid comes?

Mr. WATSON of Georgia. Yes.

Mr. HEFLIN. But now the need of the locality is to be ignored, the authority is lodged at Washington, and the opinion of the Chief Justice of the Supreme Court and his council will decide whether or not a judge shall be sent down?

Mr. WATSON of Georgia. Exactly so.

Mr. President, I offered an amendment to restore to the district judge the power to call for help, through the certificate of his clerk, under the seal of the court, but the Republicans voted the amendment down. If they did not have some hidden design in that bill, why did they not leave the law as it now is?

By another provision in this proposed new law the circuit judge may name himself to go into the district and take the business out of the hands of the local judge. I offered an amendment to strike that provision out, because it seemed altogether wrong in principle to allow a judge to select himself to take the place of the district judge; but the Republicans voted my amendment down. Why was that done? The Republicans did not explain it then. I ask any of them to explain it now. It can not be explained on any theory consistent with the independence of the judiciary.

There are other issues the Democrats may use in the campaign without going into the last year's bird's nest of the League of Nations. They can use the four-power pact, which is worse than the League of Nations would have been. The league had its machinery for the adjustment of differences between nations, large and small. In the league our Republic could have protected itself from Japan and against France and against England, but in the four-power pact we have no such protection. Senators on the other side of the Chamber said that it would take a unanimous vote to decide a disputed question. Where did they get that idea? If that is true, why did they not write it into the bond? Why did they not give us the protection of three or four words, which would have made that meaning clear? Sir, we shall be bound, as all bodies in this country and others are bound, unless otherwise stipulated, by a majority vote, and Japan, France, and England will be the arbiters of our destiny.

While the debate was in progress we on this side of the Chamber spoke of the danger of the four-power pact driving Germany, Russia, and China together; we spoke of the war that was inevitable between Japan and Russia on account of Japan's aggression upon the island of Sakhalin and the mainland of Siberia. The newspapers bring us word day by day of the ever-widening area of the war. There was a battle fought day before yesterday in which it is said there were tens of thousands engaged and thousands killed. The Moscow government is behind the government at Chita. The 4,000,000 men under Trotski may even now, while I speak, be on the march toward the Siberian frontier. There is an issue. It may be debated until the hot blood of indignation runs through the veins of every true American and his eyes blaze at the way in which a party elected by such a tremendous plurality in November, 1920, because of the league, has now gone completely back and given us something worse than the league.

Let the league alone; fight the four-power pact. Tell the people that we made a struggle here to uphold the banner of traditional American policy; that we did our best, under great odds, to maintain the historic policy handed down to us by Washington, Jefferson, Madison, and Monroe. Tell them that we were handicapped from the beginning, because the first thing the President did was to take our leader away and leave us without a head.

I do not think I mistake the sentiment of the American people. They are as much devoted as ever to the policy of America first, America all the time, friendly relations, commercial treaties with foreign nations, but no political alliance at all, because any such alliance is bound to be an entangling one, drawing us into the whirlpool of European politics. It is now widened out to Asia and Africa. Our proud ship of state is launched upon a shoreless sea, without compass or rudder; we are dragged at the chariot wheels of Japan, made subservient to the imperial ambitions of Great Britain, made an ally to the imperialism of France, with her white army of 700,000 men and her black army of 4,000,000.

In God's name, what have you done—you who came to open a peace conference and who took advantage of closed doors, under the popularity of the peace cry, secretly to form this four-power pact, which needed amendment almost as soon as it saw the light?

There are other issues; a sufficient number of issues have arisen here during the short year that I have been in this Chamber. I will not enumerate them now, nor discuss them, but I have said enough to indicate what I mean. Let us bring the campaign up to date; let us not deal in back numbers and past issues. Take what our friends on the other side have done in this Congress, from the time they reversed themselves on the

Colombian treaty and the soldier bonus on down to last Friday night, when they revolutionized the judiciary system of our fathers.

And think of what was done here to-day! It is not proper for me to state what occurred in executive session, but I can announce the result. The Senate confirmed the appointment of a Senator and a Representative in Congress to act as commissioners in settling the greatest international debt that ever existed, a debt involving $11,000,000,000, with $1,000,000,000 of accrued interest due upon it. Our forefathers said that no Senator and no Representative in Congress should hold an office created during his term.

Senators have contended that these commissioners are not officers within the meaning of the law. Mr. President, the Constitution of the United States was not the work of amateurs, legal or literary; it was the work of veterans, of experts. Alexander Hamilton and James Madison were the authors of almost the entire Federalist, which has been called one of the greatest books of its kind ever written, and is standard authority to-day. Do you suppose that Hamilton, a finished scholar as well as a consummate lawyer, did not know the meaning of the word "office"? Did not James Madison, an accomplished scholar, know the sense in which the word "office" was used? Edmund Randolph, one of the splendid lawyers of his day; Elbridge Gerry, who wrote the judiciary act of 1789, which is one of the greatest statutes ever framed, the bedrock of our judicial system; George Mason, who wrote the Virginia Bill of Rights, a better paper, in my judgment, than the Declaration of Independence—do you mean to say that in the Senate now we have better lawyers, better artists in the use of words than were the men whom I have named?

The word "office" is synonymous with "employment," "position," a public, official "charge."

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

Mr. WATSON of Georgia. I yield.

Mr. OVERMAN. Is it not a fact that the refunding act that we passed, in its first provision, in providing that the commissioners should be confirmed by the Senate, recognized the fact that they were officers?

Mr. WATSON of Georgia. That is my understanding, Mr. President. I thoroughly agree with the Senator.

It has been contended that these men will have no power, that they will conclude nothing, that the President will have to approve. Can anybody conceive that President Harding would veto the work of that great international conference, after it had spent weeks, perhaps months, in adjusting the claims and reaching a final decision? It is inconceivable to me that President Harding would do anything of the kind. At any rate, the President does not come into action until the refunding commission shall have acted. The President is up in the air until they give him something to stand on. Their work is the work to which he will put simply his O. K. Therefore they do have a place of tremendous power, handling the biggest debt the world ever knew. The way in which it is settled, the kind of bonds they take—meaning, of course, the nationality of the bonds—will affect the destinies of the whole world for the next 25 or 50 years.

So I say, Mr. President, I think it would be very unfortunate if Governor Cox should make the country believe that our depression in all lines of business is due to the fact that we did not go into the league. It is due to the fact that our currency began to be destroyed in 1920; and, at the very time they began to destroy the currency, the slump began; and now, with two thousand million dollars of our money taken away from the channels of trade, there is nothing to stimulate enterprise, give hope to labor, give employment to idle hands, and put legitimate business on its feet.

It is an amazing thing that in Switzerland, which went into the league and adopted exactly the same policy that was adopted here by the Federal Reserve Board, they have the same fatal results that we got; and it is a stranger thing that Germany, on her back so short a while ago, meeting her future under such difficulties and so many discouragements, should have adopted the method which always puts new life into an industrial body; and she is to-day underselling us in the markets, underselling Switzerland in the markets, underselling England in the markets; and with her loins girded up in strength and with hope in her heart she goes forward to an assured industrial future with the victor song of Miriam on her lips.

Mr. LENROOT. Mr. President, I desire merely to correct a statement made by the distinguished Senator from Georgia.

The Senator from Georgia stated that Mr. Wheeler, of the Anti-Saloon League, wrote a letter to the Senator from Tennessee [Mr. SHIELDS], stating in that letter that if the Anti-Saloon League could name the judge in Tennessee they would assist him in securing an additional judge. I was amazed at the statement. I thought I recollected the letter. I asked the Senator from Georgia if he would repeat his statement, thinking I might have misunderstood him. He did repeat it, and in the same language.

I have the letter before me, Mr. President. While I hold no brief for the Anti-Saloon League or for Mr. Wheeler, there is not the slightest warrant in that letter for the statement made by the Senator from Georgia. There is not one single word in the letter intimating in the remotest degree that the Anti-Saloon League, if they could name the judge in Tennessee, would assist in procuring one. I should like to have the attention of the Senator from Georgia, if I may.

Mr. WATSON of Georgia. I am listening.

Mr. LENROOT. I am very sure the Senator from Georgia would not intentionally misrepresent anyone.

Mr. WATSON of Georgia. Why, no; certainly I would not.

Mr. LENROOT. I call the Senator's attention to the fact that the letter to which he has referred is found upon page 4861 of the RECORD. I ask him to read the letter, and then make the correction in the same public way that he made the statement.

Mr. WATSON of Georgia. I shall certainly do it, if I have made any mistake about it.

Mr. WATSON of Georgia subsequently said:

Responding to the suggestion of the Senator from Wisconsin [Mr. LENROOT], I read from the CONGRESSIONAL RECORD of March 31, 1922, page 4861, from the remarks of the senior Senator from Tennessee [Mr. SHIELDS]. The Senator from Tennessee said:

> I received a letter from Mr. Wheeler concerning this Tennessee judgeship, and I will read it and my answer. I know I am giving entirely too much importance to what Mr. Wheeler says and does; but as he seems to be engaged now in initiating legislation, passing laws, and influencing the President in appointing judges and the Chief Justice in the assignment of judges, I think I may notice him a little.
>
> This letter is dated March 14 and addressed to myself. I read:

I select the sentences which seem to me to bear on this most particularly.

> Permit me to inform you that we—

That is, the Anti-Saloon League—

> now are and always have been in favor of having an extra judgeship for the State. * * * I have a letter from the United States attorney in the middle district of Tennessee in which he says—

Then the Senator from Tennessee remarked, in parenthesis:

> It seems he was interfering with the discharge of the duties of the district attorney down there.

Then he proceeded reading from the letter:

> In this district the docket is fearfully congested, so that it is almost impossible for a case to be called for trial until a year and a half old, and, of course, this greatly militates against successful prosecution.

Then the Senator from Tennessee proceeded:

> This district attorney, instead of answering that letter evidently calling him to task for supposed dereliction in his duties, wrote an apologetic letter. If I were President of the United States and there was a district attorney who would apologize to any interest for the manner in which he discharged his duty and took a reprimand from it, I would remove him as soon as I heard it.

Then the Senator read his reply to Wayne B. Wheeler, as follows:

> Your letter tendering to me your assistance in providing a United States district judge for the middle district of Tennessee received.
>
> I do not wish or need your assistance in this matter.
>
> The Senators and Representatives from Tennessee are amply able to take care of all legislation concerning their State, and I resent any interference by outsiders and special interests, especially concerning the judiciary.

Mr. President, as I said, I did not read the speech, because I heard it; and I got the general idea from it that Wayne B. Wheeler was interfering with the independence of the judiciary, and interesting himself unduly in the selection of judges. The remarks of the Senator from Tennessee, I am sure, will bear that interpretation without any violence being done to his words. Of course, there is always room for honest differences of construction, but that is the construction I gave them.

Mr. LENROOT. Mr. President, does not the Senator admit there was no foundation in the letter to which the Senator referred for the statement that he made?

Mr. WATSON of Georgia. Mr. President, I did not attempt to quote the words. I quoted what I understood to be the meaning, and I stand by it; that is, I contend that that inference is fairly to be drawn from the words. Why should Wayne B. Wheeler be concerning himself about the condition of the dockets in these district courts? That is the business of David H. Blair, Commissioner of Internal Revenue; that is the business of Mr. Haynes, the internal-revenue enforcer. It is not the business of Wayne B. Wheeler to be cracking whips over the heads of district attorneys, and offering to assist Senators in getting new judges, carrying with it naturally the inference that the new judge must be the kind of a man he wants, or he will not assist in getting him.

AGRICULTURAL DEPARTMENT APPROPRIATIONS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 10730) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1923, and for other purposes.

Mr. FRANCE. Mr. President, I am deeply interested in the agricultural appropriation bill, having been for some time a member of the Agricultural Committee; and I am particularly interested in an amendment which I desire to offer to that bill during the pendency of the measure. Unfortunately, important engagements call me away from the city for a few days, and I desire to ask unanimous consent to present this amendment before the committee amendments are considered. It will take only a few minutes, and I shall briefly explain the purpose of the amendment if the unanimous consent is granted.

The PRESIDING OFFICER (Mr. STERLING in the chair). Is there objection to the request of the Senator from Maryland? The Chair hears none.

Mr. FRANCE. I desire, on page 65 of the bill, to offer an amendment increasing the appropriation to investigate and encourage the adoption of improved methods of farm management and farm practice from $291,707 to $301,707, with the following proviso:

Provided, That $10,000 of this sum may be used to enable the Secretary of Agriculture to provide means for the study of the problem of the standardization and simplification of farm implements and machinery, and of the repair parts for the same, with a view to the possible more economical manufacture and use of the same.

Mr. President, this subject of the standardization and simplification of farm machinery is a very important subject, and it is one which has engaged the attention of those interested in agriculture for many years. It is quite apparent that if farm machinery could be so standardized that there would be manufactured, for example, one mowing machine instead of many varieties of mowing machines, a standard implement with standardized parts, an enormous saving could be effected in the manufacture of that particular form of farm machinery. It is quite evident, also, that the cost of the repair parts for such a standardized machine would be greatly reduced. Moreover, Senators will realize that the distribution of the standardized machine parts for standardized machines would naturally be much easier, and that it could be accomplished in a much more economical manner.

I have long been interested in this subject. Recently the Maryland Legislature adopted a memorial recommending such legislation as that embodied in this amendment, and I feel that the Maryland Legislature was very well advised in adopting such a memorial.

Of course, the appropriation of this $10,000 would simply mean that the Secretary would have at his disposal a small sum which would care for the clerical work involved in an investigation which in a large measure would consist merely in calling together the large manufacturers of farm machinery for consultation as to the possibility of some cooperation in the standardization of machine parts and of the forms of farm machines. One of the large companies—a company which has rendered very valuable service to the country in the invention and in the production of new machines—manufactures, I believe, in its own factory several varieties of implements for one particular process of agriculture. Every farmer well knows that this large company at one time manufactured three different types of mowing machines and two or three different types of binders. If that one company could be persuaded to substitute one standardized machine for these three varieties much might be accomplished in the way of economy.

Mr. JONES of Washington. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Washington?

Mr. FRANCE. I yield to the Senator.

Mr. JONES of Washington. I want to call the Senator's attention to the fact that the Bureau of Standards of the Department of Commerce is doing work right along that line. I do not know that they have taken up particularly farm machinery; but I know that the Secretary of Commerce presented this very idea to us in connection with the appropriation bill for the Department of Commerce, and they also had a provision of that sort in the bill of last year—that is, the bill for the current year—and the Secretary called attention to the work they have done along various lines. I do not remember the particular manufactured articles, but where there had been heretofore 66 different varieties of the article manufactured they have got it down, I think, to 11; and then in another case where there were 32 varieties they have got it down to 6 standard articles, right in line with what the Senator is favoring.

I simply wanted to call the Senator's attention to the fact that all of that work could be done by the Department of Commerce. We ought to avoid duplication as much as possible. It is a very important object, of course.

Mr. FRANCE. Mr. President, in response to the Senator I will say that I am much gratified to know that the Bureau of Standards has carried its work so far. Of course, if the Bureau of Standards would take up this work, it would be perfectly agreeable to me; but this is the Agricultural appropriation bill, and it seems to me that it would be quite appropriate to have a small sum, such as this—merely $10,000—to enable the Secretary, if he pleased, to get in touch with the Bureau of Standards and cooperate with the Bureau of Standards through employees who might be necessary in carrying on such cooperation between the Department of Agriculture and the Bureau of Standards. I have a very high degree of confidence in the intelligence of the Secretary of Agriculture, and I believe that if this sum should not be needed for this purpose he would not use it. I merely wish to bring to the attention of the Senate the importance of this question, which will run into a saving of millions of dollars to our farmers if anything can be effected.

Mr. JONES of Washington. Mr. President——

Mr. FRANCE. I yield to the Senator from Washington.

Mr. JONES of Washington. In that connection I just want to read to the Senator a provision in the Commerce appropriation bill which I think covers this matter:

To develop methods of testing and standardizing machines, motors, tools, measuring instruments, and other apparatus and devices used in mechanical, hydraulic, and aeronautic engineering; for the comparative study of types of apparatus and methods of operation, and for the establishment of standards of performance; for the accurate determination of fundamental physical constants involved in the proper execution of this work; and for the scientific experiments and investigations needed in solving the problems which may arise in connection therewith, especially in response to the requirements of aeronautics and aviation for information of a purely scientific nature, including personal services in the District of Columbia and in the field, $15,000.

Then there are several other provisions with reference to standardization.

Mr. KING. Mr. President——

Mr. FRANCE. I yield to the Senator from Utah.

Mr. KING. I am told that the Bureau of Standards is doing some work along the line just indicated by the Senator from Washington, but I suggest this to the Senator: I do not see just how you are going to fix any rational limits to the inventive genius of the American people. The Senator knows, as most of us who were born in the country and have lived upon farms know, that the mowers and reapers we had 25 or 30 years ago, and those which were in use 40 years ago, were very different from those which are in use to-day. There has been progress, and the rivalry between various machine companies and agricultural implement houses has brought progress and change. If there had been an effort then to standardize and to bring all of the organizations engaged in the manufacture of machinery into a sort of a combine and to standardize everything, there would not have been the improvement and the developments which have been the result of rivalry.

I believe in competition. It seems you can run this thing to an extreme. I do not think you could do any effectual work, or any practical or useful work, in attempting to accomplish the things which the Senator has in mind, if I grasp all that he has in mind. Mr. Ford has standardized the Ford car, and you can get the parts almost on the desert. He has many establishments throughout the United States where you can buy the standardized parts for the Ford car. Other manufacturers of automobiles would not consent to any standardization. They think their cars, if they are not better, at least are higher priced than Mr. Ford's, and each manufacturer claims some little superiority, some advantage, and he advertises it because of those differentiations. It is not homogeneity which is sought; it is heterogeneity; it is differentiation, taking an idea here and an idea there, and developing that idea and bringing about a higher standard.

So it is in nature and so it is in all utilitarian things. We rise from the simple to the complex, from the homogeneous to the heterogeneous, from the simple piece of machinery to the more complex piece of machinery, and thus we get perfection and higher utility in all the activities of life, utilitarian or otherwise.

Mr. FRANCE. Mr. President, I realize the force of what the Senator has said, and there would be no disposition, I am sure, on my part to favor any legislation which would in any way hamper the inventive genius of our people or prevent the manufacturer of new types of machines to do work in a new

way. At the same time, I think the Senator will realize that much might be accomplished in the way of standardizing different machines, for example, designed to do the same work, manufactured by one company. If one company is, simply to preserve a name, manufacturing three types of binders or three types of mowing machines, it seems to me that is a waste which is hardly rational and one which might well be avoided.

Mr. JONES of Washington. I want to read another provision of the act:

To enable the Bureau of Standards to cooperate with Government departments, engineers, and manufacturers in the establishment of standards, methods of testing, and inspection of instruments, equipment, machines, tools, and so forth.

There is $100,000 made available for that purpose for coordination and cooperation.

Mr. FRANCE. Mr. President, I do not care to prolong the debate upon this amendment, but I would say in response to what has been brought forward by the Senator from Washington that I am quite familiar, in a general way, with the problem of standardization to which he has referred. I do not think it has occurred to the Bureau of Standards that it might, under the provisions of that statute, take up the question of the standardization of farm machines and types of farm machines. There is a very great waste in the manufacture of all sorts of machines in the different standards which are used for screws and bolts and threads, so that very often nuts for bolts are not interchangeable, and so that machine tools of a certain type can not be used in place of machine tools of a slightly different type. That is a vast field, which is quite different from this, I think.

Mr. JONES of Washington. The bureau has taken up an investigation of work along those lines and in the other lines, and I do not know of any reason why they should not take up such investigation in connection with machinery if it is brought to their attention. I think they would be glad to do it.

Mr. FRANCE. Mr. President, it would be very profitable if the Bureau of Standards would take up this work. I offer this amendment because I think something might be accomplished in this direction. Certainly we want no Federal legislation which would compel manufacturers to make one type of machine. I think that would be intolerable; but I think that to supply the Secretary with a small fund which would enable him to call into conference the big manufacturers, with a view to discussing this question, would be most helpful. If the Committee on Appropriations should later decide that this work should be carried on by the Bureau of Standards, it would perhaps be more economical and better organization. If the legislation is not needed the Senate can pass upon that subject, although I rather feel that it is a question in which the millions of farmers all over the United States are vitally interested, and it seems to me that it would be at least an indication of our intelligent interest in them if we should adopt this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Maryland [Mr. FRANCE].

CURRENT POLITICAL ISSUES.

Mr. HEFLIN. Mr. President, the Senator from Illinois [Mr. MCCORMICK] has invited the Democrats to-day to accept as the issue for the next campaign the League of Nations as the paramount issue. The Senator said, before he finished his remarks, that he would do all in his power to make that the main issue.

Mr. President, this is at least a very interesting situation. The Republican Party came into power in all the branches of the Government on the 4th of March, 1921. They have had the House and Senate since March 4, 1919. They have had control of every instrumentality of the Government all these days and weeks and months that have gone since March 4, 1921, and nothing has been accomplished in that time to which the Senator from Illinois can point with pride, so in sheer desperation he goes back and undertakes to lead the Democrats out to the battle ground where the League of Nations issue was fought out three years ago. He knows that as the Senate is made up to-day we could not elect enough Senators at the next election to change the political complexion of this august body—the body that would have to pass on the League of Nations issue suggested by him. Mr. President, the Senator from Illinois is begging the question. He is evidently trying to get away from the miserable record of his party when he asks us to go out and fight over again the League of Nations issue with him. In their own good time the American people will attend to that question. I am not surprised at the distinguished Senator from Illinois wanting to make the League of Nations or some other international question the main issue. The Senator from Illinois himself is the author of the deflation resolution which brought misery untold to millions of people in the United States since the Republican Party went into power. Let me read that resolution, because I want the 34,600 readers of the CONGRESSIONAL RECORD, who read the powerful speech delivered to-day by the Senator from Illinois, to know just why it is that he wants to make the League of Nations the issue in the congressional elections of 1922.

The Senator from Illinois offered this resolution on the 17th day of May, 1920, when the Republicans were in power in both branches of Congress:

Resolved, That the Federal Reserve Board be directed to advise the Senate what steps it purposes to take or to recommend to the member banks of the Federal reserve system to meet the existing inflation of currency and credits and the consequent high prices, and what further steps it purposes to take or recommend to mobilize credits in order to move the 1920 crop.

That is the deflation resolution that opened the door to all the train of miseries that follow the destructive deflation policy ordered and carried out by the Federal Reserve Board under Republican rule. The Senator from Oklahoma [Mr. OWEN], one of the authors of the great Federal reserve banking system, rose in the Senate on the following day and said:

The resolution of the Senator from Illinois, however, offers a hook and an invitation from the Senate to the Federal Reserve Board to declare a policy of "deflation." It carries the suggestion of deflation. The policy of deflation set by the Wall Street Stock Exchange control, which broke the stock market by high-interest rates, meets the approval of the same class of financial experts domiciled in Chicago, who might naturally advise the Senator from Illinois; but I warn the Federal Reserve Board and I warn the country that if a panic in this country results from their policy they are liable to have a North Dakota reaction, where a State bank was established to furnish money at fair and stable rates, using the credit of the State and the taxing power of the people of the State for that purpose. You can go too far in the matter of taxing the people of this country by high-interest rates and the "deflation" of credit. If the reserve board leads the procession of banks in fixing high rates on the people—that is, on their own depositors—and a great industrial depression follows, why should they wonder if the people of this country should demand as a remedy that the reserve banks be made banks of deposit and discount? I warn the Federal Reserve Board that this country is not going to submit to any depression brought about by the banks of the country or under the policy of the board or under the advice of financiers domiciled either in New York or Chicago.

The able and faithful Senator from Oklahoma saw and told what would happen.

Mr. President, following the passage of the resolution introduced by the Senator from Illinois, the prophecy made by the Senator from Oklahoma [Mr. OWEN] was fulfilled, and here is what occurred: Loans and discounts and bought paper held by all of the 12 Federal reserve banks May 28, 1920, page 748, Federal Reserve Bulletin, 1920, $2,938,000,000 in round numbers; August 31, 1921, page 1240, Federal Reserve Bulletin, 1921, $1,527,000,000 in round numbers; January 25, 1922, $932,882,000.

Contraction of credits for 12 Federal reserve banks May 28, 1920, to August 31, 1921, $1,421,000,000. May 28, 1920, to January 25, 1922, $2,005,000,000 in round numbers.

Contraction of Federal reserve notes in circulation May 28, 1920, to August 31, 1921, $625,000,000; May 28, 1920, to January 25, 1922, $923,000,000.

That is what happened following the deflation arrangement made by the resolution of the Senator from Illinois [Mr. MCCORMICK]. The Senator from Oklahoma [Mr. OWEN], a Democrat, rose in this Chamber and stated just what would follow the passage of that resolution, and it did follow. Instead of the Federal reserve banks issuing Federal reserve notes to meet the demands of business in the South and West, it withdrew the notes already issued and left the people helpless in the hands of those who desired to pillage and plunder them from one end of the country to the other, and the Senator from Illinois comes in with his face all wreathed in smiles, and says, "I intend to see that you make the League of Nations the principal issue."

If I had been the author of a resolution that had deprived hundreds and thousands of farmers of their farms, if I had been the author of a resolution that had driven 7,000,000 of men out of employment, if I had been the author of a resolution that had turned 500,000 ex-service men in the streets, I, too, would want to make the League of Nations, or some other outside matter, the burning issue of the campaign.

Mr. WATSON of Georgia. Mr. President——

Mr. HEFLIN. I am glad to yield to my friend from Georgia.

Mr. WATSON of Georgia. Mr. President, how does the Senator from Alabama think the Republicans are going to answer when the people ask them what about that bonus for the soldiers?

Mr. HEFLIN. My friend from Georgia reminds me of another thing. If I had participated as did the Senator from Illinois in taking off the calendar the adjusted compensation

bill, just ready to give justice to the soldiers, to treat fairly those who saved the life of the Nation—if I had participated as he did in carrying it back into the committee room and putting it to sleep forever, I, too, would want some other issue in the campaign that is about to burst upon us.

I do not know what Republicans on the other side are going to do if their leader [Senator McCORMICK] continues to lead them as he is undertaking to lead them to-day. I wonder if his leadership over there is universally accepted?

Mr. WATSON of Georgia. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield further to the Senator from Georgia?

Mr. HEFLIN. I yield.

Mr. WATSON of Georgia. When the campaign opens and the people learn that the Secretary of the Treasury is holding office in violation of a law made under the Presidency of George Washington, which law was obeyed by General Grant when he was President and which caused the resignation of A. T. Stewart after his nomination had been confirmed by a Republican Senate, what does the Senator think will be the answer of Republicans when they are charged with the willful, deliberate, and continuous defiance of the law?

Mr. HEFLIN. I do not know what the average answer will be on the Republican side, but if my friend from Georgia should confront the Senator from Illinois with the interrogation that he has presented to me, he would say, "The League of Nations must be the issue." That would be his answer. He would not discuss vital domestic issues that affect the very life of the American people. They have not yet been able to answer the Senator's proposition. The Senator read the law here. I think there is a great deal in his contention, but they wave it aside—why? Because this news does not go back to the voters. Thousands and hundreds of thousands of men never know anything about what we discuss here. They are dependent upon the CONGRESSIONAL RECORD and a few papers that are free from the clutches of the interests that are controlling the press situation in the main.

Mr. WATSON of Georgia. Mr. President——

Mr. HEFLIN. I yield.

Mr. WATSON of Georgia. I remind the Senator from Alabama that the Republicans not only have retained in a high financial office a man who is violating the law every day that he holds it, but they put him on an international debt funding commission to handle the biggest debt that ever existed in the history of mankind and where the opportunities to make more money are quite ample.

Mr. HEFLIN. Yes, Mr. President; and in spite of it all we see ruin around us, industries standing still, smokestacks idle from whose tops the black smoke used to curl when we Democrats were in power, the hum of industry was heard, prosperity flowed like a river, farmers riding in automobiles, everything lovely and the goose hanging high. The average man had money in his pocket and most of them had a bank account, and now you can go to church on Sunday and observe that the preacher feels the pinch of the hard times you have produced. They send the collection basket around and they get coppers and nickels and Republican promises whereas they used to get a $1 and $5 bill and the like even out in the country when we Democrats were in power. All that has disappeared, and is it any wonder that the Senator from Illinois wants to make the League of Nations the issue? [Laughter.]

We want to tell the people what you have done and what you have not done and try you on your record. We want to quote the Scripture and say that "The tree is known by its fruit," and measure you by that standard.

Mr. WATSON of Georgia. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield further to the Senator from Georgia?

Mr. HEFLIN. I yield with pleasure.

Mr. WATSON of Georgia. I remind the Senator from Alabama that the Senator from New Hampshire [Mr. MOSES] the other day boldly proclaimed the doctrine that the President of the United States was not bound by law.

Mr. MOSES. Oh, no, Mr. President.

Mr. HEFLIN. I yield for the purpose of allowing the Senator from New Hampshire to defend himself against the charge.

Mr. MOSES. I spoke solely with reference to the civil service law.

Mr. WATSON of Georgia. Is that law any less binding than any other law?

Mr. MOSES. The law had been interpreted by the court to the effect that it did not apply to the President, but applied to the heads of departments and bureau chiefs. I ask the Senator to read the RECORD.

Mr. WATSON of Georgia. I heard what the Senator said at the time. It is not necessary for me to read the RECORD. Of course, he is "crawfishing"; he has seen the untenable position which he has taken. Mr. President, as I understand the law, even our Chief Magistrate can not remove a civil service employee without giving that employee a chance to be heard.

Mr. MOSES. He certainly has done it.

Mr. WATSON of Georgia. Yes, he has; and the Senator from New Hampshire, Mr. President, says that he has a right to do it, even defying the law when he does it.

Mr. HEFLIN. Mr. President, I intended to say but a word or two, but the Senator from Illinois [Mr. McCORMICK] walked over toward this side of the Chamber, begging that somebody reply to him, and state his position upon the existing situation, that I felt a desire to say a few words in reply to his earnest appeal to make the League of Nations the main issue. As a rule, Mr. President, when a man who has occupied a place in this Chamber or in the other stands for reelection he runs upon his record. He says, "I invite you to study the votes I have cast; I ask you to read the utterances I have made on public questions; I ask you to judge me by the record that I have made"; but the Senator from Illinois after months and months of absolute power rises to-day in all the majesty of his leadership on the other side and says that he proposes to make the League of Nations the issue for the Democrats in the coming campaign. Well, I repeat, if I had been the author of the deflation resolution which he caused to be passed, and had thereby brought about all the misery that has followed the adoption of that resolution—the ruin of business, the destruction of property values, the denying to millions of people the actual necessities of life—I, too, would want to inject a new issue into the campaign this fall.

Mr. WATSON of Georgia. Mr. President, I want to read for the benefit of the Senator from New Hampshire [Mr. MOSES] and for the benefit of the country at large the following provision of the law, which is found in the Statutes at Large, section 4, under the general title of "Judicial":

In the event of reductions being made in the forces in any of the executive departments, no honorably discharged soldier or sailor whose record in said department is rated good shall be discharged or dropped or reduced in rank or salary: *And provided further*, That any person knowingly violating the provisions of this section shall be summarily removed from office, and may also, upon conviction thereof, be punished by a fine of not more than $1,000 or by imprisonment for not more than one year.

I understood the Senator from Arkansas [Mr. CARAWAY] to say that among the 28 employees who were discharged summarily from the Bureau of Engraving and Printing were several ex-soldiers.

Mr. LENROOT. Mr. President, the Senator from Georgia [Mr. WATSON] this afternoon stated that Mr. Wheeler, counsel of the Anti-Saloon League, had written a letter to the Senator from Tennessee [Mr. SHIELDS], offering, if the Anti-Saloon League might name the judge, to assist in securing an additional judge in Tennessee. I called the attention of the Senator from Georgia to Mr. Wheeler's letter, and I stated that I did not believe the Senator from Georgia would intentionally misrepresent anybody. We all make our mistakes, Mr. President, in the heat of debate, and I make my share of them, but I had supposed that every Senator upon this floor, when his attention was called to a misstatement which involved a gross injustice to any individual, would be willing to correct the statement. The Senator from Georgia read the letter, but the Senator from Georgia refuses to correct the statement. It is not for me to judge of the conduct of any Senator, but I ask unanimous consent to have the letter of Mr. Wheeler to the Senator from Tennessee printed in the RECORD at this point.

The PRESIDING OFFICER. Is there objection?

Mr. WATSON of Georgia. I object, unless the remarks of the Senator from Tennessee [Mr. SHIELDS], at the point where I took them up, also go into the RECORD.

Mr. LENROOT. Very well. I wish to hurry on, and I will read Mr. Wheeler's letter to the Senator from Tennessee, which the Senator from Georgia deliberately stated to the Senate contained an offer upon the part of Mr. Wheeler to assist in securing a judge provided the Anti-Saloon League might name the judge. That was the Senator's statement, repeated twice upon this floor. Mr. Wheeler's letter reads as follows:

DEAR SENATOR SHIELDS: I notice that you have been quoted in the paper as being under the impression that the Anti-Saloon League was opposed to an extra judgeship in Tennessee. Permit me to inform you that we now are and always have been in favor of having an extra judgeship for the State. As I remember it, the Chief Justice went on record in one of the hearings in favor of it. I have a letter from the United States attorney in the middle district of Tennessee in which he says:

"In this district the docket is fearfully congested, so that it is almost impossible for a case to be called for trial until a year and a half old, and, of course, this greatly militates against successful prosecution.

"So far Congress has failed to pass the bill creating an additional judgeship, and until it does no results in the enforcement of law in this district can be very successful."

It is very clear to me that you need an extra judge in that district, and I hope that you will urge the adoption of an amendment to provide for it. I will gladly do anything I can to aid you in securing this amendment. Our only interest in this measure is to secure, if possible, a better enforcement of the law.

That is the letter, Mr. President, which the Senator from Georgia says contains Mr. Wheeler's offer to aid in securing the judge, provided the Anti-Saloon League may name the judge. I will permit the readers of the CONGRESSIONAL RECORD themselves to form their own conclusions with respect to the matter.

Mr. BROUSSARD. Mr. President, as the Senator from Wisconsin has read the letter which was a part of the speech of the Senator from Tennessee, I should like to read from the RECORD some remarks of the Senator from Tennessee in the very same speech and found on the same page of the RECORD:

Right here I wish to go a little further into the activities of the Anti-Saloon League in interfering with this legislation. A few days ago, when this bill was under discussion, I stated that there was evidence of pernicious activity upon the part of the paid lobbyists of the Anti-Saloon League to control legislation concerning the judiciary, and especially that of my State. I referred to the fact that when this bill passed the House a provision was made for a district judge for the middle district of Tennessee, but that at the last meeting of the Committee on the Judiciary of the Senate, when I was ill and absent, this provision was stricken from the bill. In the same connection I called attention to the fact that it was generally conceded in Tennessee that Mr. John J. Gore, a prominent lawyer of Tennessee and one of the leaders of the Republican Party of that State, would be appointed judge in the event the office was created, and because he had been opposed to the prohibition amendment the Anti-Saloon League was already waging a war upon him and protesting against his appointment. I called attention to the coincidence between the striking out of the middle Tennessee district and the protest against Colonel Gore, and left it to Senators to infer whether there was any connection between them. I then made and now make no charge against anyone.

Mr. WATSON of Georgia. Mr. President, when any Senator on this floor undertakes to teach etiquette and the rules of propriety to a brother Senator, he assumes a serious responsibility. I am the guardian of my own honor, and I allow it to be impugned by no man.

I stated distinctly, Mr. President, that I was not pretending to quote the language of Wayne B. Wheeler's letter, but the substance or meaning, the true purport of it. Having been referred to what was said by the Senator from Tennessee [Mr. SHIELDS] before he read the letter and after he read it, I felt convinced that I had not been materially mistaken as to the real purposes in the mind of Wayne B. Wheeler when he sought to get into communication with the Senator from Tennessee in connection with the creation of a new judgeship in his State.

What does the RECORD itself show, Mr. President? It shows that Wayne B. Wheeler, according to the Senator from Tennessee, had been trying to influence the President of the United States in the appointment of district judges. It shows that Wayne B. Wheeler had made it his business to find out the condition of the docket in the middle district of Tennessee with a view to speeding up prosecutions, of course, under the Volstead law. It shows that Wayne B. Wheeler has always been in favor of a new judgeship and an additional judge. Who is it who needs to be told that such a judge would be the kind of a judge that the Anti-Saloon League wanted? Why need we beat about the bush and pretend not to understand what Wayne B. Wheeler was after? Would he interest himself in the appointment of a judge who would not be a partisan enforcer of the Volstead law? Your common sense tells you, "No."

Of course, the Senators do not appoint judges; of course, the Senator from Tennessee would not appoint a new judge; and it followed necessarily when Wayne B. Wheeler tendered his services to the Senator from Tennessee to assist him in getting a new judge that Wayne B. Wheeler was going to throw the entire influence of the Anti-Saloon League to have appointed a judge that suited them. Who can dispute that?

Mr. BROUSSARD. Mr. President, may I interrupt the Senator?

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Louisiana?

Mr. WATSON of Georgia. Certainly.

Mr. BROUSSARD. If the Senator will permit me, I should like to read another quotation.

Mr. WATSON of Georgia. I shall be very glad to have the Senator do so.

Mr. BROUSSARD. I resume reading from the CONGRESSIONAL RECORD where I left off a few moments ago, what the Senator from Tennessee said with reference to this very question:

Mr. Wayne B. Wheeler, described, as I shall read later, in a circular issued by the superintendent of Tennessee as one of the greatest American lawyers and diplomats, stationed here in Washington in charge of this matter, and in whose office, it is said, all legislation in regard to prohibition is initiated, gave out an interview to the Tennessee papers concerning my statement, from which I will read:

Here is the interview given out by Mr. Wheeler and quoted in the Tennessee paper:

Wayne B. Wheeler, legislative agent of the Anti-Saloon League, when questioned about the matter, admitted that protests against Gore had been sent to the Department of Justice.

"These consisted of letters from certain people in Tennessee, which were forwarded to me by our State superintendent," said Wheeler. "I merely filed them with the Department of Justice. I don't suppose they ever got to the Senate committee."

Wheeler denied that he or his organization had influenced the committee in striking Tennessee from the bill.

"On the contrary, we believe Tennessee needs and should have the additional judgeship," said he. "If Senator SHIELDS will offer an amendment to the bill to take care of the Tennessee situation, we will use our influence to put it through."

Mr. WATSON of Georgia. Mr. President, I thank the Senator. That is simply cumulative testimony that Wayne B. Wheeler was willing to have a new judgeship in Tennessee and intended to put in a partisan of the Anti-Saloon League. Construing the whole thing together, as must be done—the understanding of the Senator from Tennessee, the letter itself, and the interviews which Wayne B. Wheeler had been giving out denouncing certain judges because of their lax enforcement of the Volstead law—my mind can reach no other conclusion than that Wayne B. Wheeler wanted another judgeship in Tennessee to speed up these prosecutions, and would, of course, support with all the power of the Anti-Saloon League a nominee who would carry out the wishes of the league in regard to the Volstead Act.

AGRICULTURAL DEPARTMENT APPROPRIATIONS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 10780) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1923, and for other purposes.

Mr. JONES of Washington. Mr. President, the Senator from Maryland [Mr. FRANCE] was called out, and I am offering for him his amendment in a modified form in lieu of the one which was sent to the desk.

The PRESIDING OFFICER. The Secretary will state the amendment as modified.

The ASSISTANT SECRETARY. At the proper place in the bill it is proposed to insert the following:

Study of standardization of farm machinery: To enable the Secretary of Agriculture to cooperate with the Bureau of Standards in the study of the problem of the standardization and simplification of farm implements and machinery, and of the repair parts for the same, with a view to the possible more economical manufacture and use of the same, $10,000.

Mr. MCNARY. Mr. President, I desire to suggest to the Senator from Washington, as I did to the Senator from Maryland when he was present, that that properly should follow the word "products," on page 65, line 11. It appertains to a kindred subject.

Mr. JONES of Washington. The Senator from Maryland desired it to go in at the proper place in the bill.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Maryland [Mr. FRANCE].

The amendment was agreed to.

Mr. MCNARY. I ask unanimous consent that the Secretary be authorized to make all necessary changes in the totals of the bill.

The PRESIDING OFFICER. Without objection, it will be so ordered.

Mr. HARRISON. Mr. President, I desire to offer an amendment on page 57, line 25.

The PRESIDING OFFICER. The Chair will state to the Senator from Mississippi that the bill is not now open for general amendment.

Mr. HARRISON. I should like to have the amendment offered and pending.

Mr. LENROOT. I suggest to the Senator from Mississippi that it can be printed and lie on the table.

Mr. HARRISON. Yes.

The PRESIDING OFFICER. The amendment offered by the Senator from Mississippi will be printed and lie on the table. The Secretary will read the bill.

The Assistant Secretary proceeded to read the bill.

The first amendment of the Committee on Appropriations was, on page 4, line 20, to increase the appropriation for rent of buildings and parts of buildings in the District of Columbia for use of the various bureaus, divisions, and offices of the Department of Agriculture from "$165,666" to "$181,866."

The amendment was agreed to.

Mr. HITCHCOCK. Mr. President, I should like to ask, in regard to the Weather Bureau, how the footing, $351,400, compares with the amount appropriated for the present year?

Mr. McNARY. Last year the amount of salaries was $346,580. This year it is $351,400. The increase is practically $6,000.

Mr. HITCHCOCK. Is that all in the District here?

Mr. McNARY. That is in the District and at different parts of the country where the observations of weather conditions are made.

Mr. HITCHCOCK. How many of those district stations are there where observations are made?

Mr. McNARY. I will say to the Senator that I have not the districts classified. Most of the work is done here in Washington, however. Some observations are made in different parts of the country. A study of the bill that I have before me does not show minutely the location of these various stations.

Mr. HITCHCOCK. Will the Senator be so kind as to prepare himself on that subject to-morrow? I suppose this bill will have to go over until to-morrow. I should like to know where those stations are, and how many of them there are. I will say that I am inquiring especially because my attention has been called to the fact that the town of Alliance, Nebr., which is near the western boundary of the State, is considered by the head of the Weather Bureau a very desirable point at which to develop weather observations, but that the appropriation for the current year was not sufficient to enable them to do anything.

Mr. McNARY. I will state to the Senator from Nebraska that the first paragraph of salaries under the Weather Bureau is for salaries in the District of Columbia. The item to which the Senator is now addressing himself is the following item, carrying an appropriation of $115,575. That is for general work in connection with the bureau outside of the District of Columbia.

Mr. HITCHCOCK. That is, the expenditures outside the District of Columbia are $1,573,835?

Mr. McNARY. That is $115,575, which is a reduction from the bureau's estimate, but an increase over the bill of 1922.

Mr. HITCHCOCK. I see on the page to which the Senator refers that the total Weather Bureau appropriation is $1,925,235.

Mr. McNARY. That is the total; but if the Senator will look on page 7, line 18, he will observe an appropriation of $115,575. That is approximately $9,000 under the estimate of the Director of the Bureau of the Budget.

Mr. HITCHCOCK. That is for expenditures in the city of Washington?

Mr. McNARY. No; if the Senator will go back and read the whole of that paragraph, he will see that it covers the States in general.

Mr. JONES of Washington. I think the chairman of the committee is mistaken, probably, and that he will find on page 8 an appropriation for necessary expenses outside of the city of Washington.

Mr. McNARY. Oh, yes.

Mr. JONES of Washington. It reads:

> For necessary expenses outside of the city of Washington incident to collecting and disseminating meteorological, climatological, and marine information—

And so forth. I think that will cover what the Senator from Nebraska asks.

Mr. McNARY. Yes; pardon me.

Mr. NORRIS. Mr. President, may I interrupt the Senator?

If I understand my colleague's question, it is one in reference to the various weather stations. I will say to my colleague that they are not fixed by law. The department has power to establish them without having a place designated. It is chiefly a question of supplying instruments. Most of these reports are made by people without any expense, but the Government supplies the instruments that make the measurements and get the necessary data.

Mr. WARREN. Mr. President, the Senator is right about that. These are the general weather stations all through the States, and the method of initiating a new one is through a petition to the department showing the necessity of it. That is the general policy.

Mr. NORRIS. Yes. I have forgotten now what the expense of the instrument is; but there are different kinds of instruments, some more expensive than others, and the Government supplies them to most of the stations. There are other places where they do not get as much information, and have a cheaper grade of instruments.

Mr. WARREN. As the Senator says, many of them are simply voluntary as to service costing nothing, the Government furnishing the machinery; but in others they have the full equipment of weather experts, and the information thus gathered through the minor offices is forwarded to Washington and disseminated from the main office here.

Mr. NORRIS. Yes; it comes here to Washington, and from Washington it is disseminated all over the country.

Mr. McNARY. The estimate of the department shows that there are 47 of these stations, located in different parts of the States.

Mr. NORRIS. Yes. I will say to my colleague that I think, though, there will be found out in the anteroom here on the map all of the locations.

Mr. HITCHCOCK. I should like to ascertain this fact: Is the appropriation for the year embodied in this appropriation bill larger than for the current year, and if so by how much, for the maintenance of Weather Bureau stations?

Mr. McNARY. For the stations alone? The estimate made by the Bureau of the Budget is $1,346,610.

Mr. HITCHCOCK. What is that for?

Mr. McNARY. I will read to the Senator the current bill. The bill last year carried $1,300,110. This bill carries $1,327,240, a very slight increase—an increase of practically $27,000 for the bill of 1923, that we are now considering, over the bill covering the present fiscal year.

Mr. HITCHCOCK. And that is expended under the discretionary power of the chief of the service?

Mr. McNARY. Throughout the various parts of the States.

Mr. HITCHCOCK. I will say that the reason I make this inquiry is because the director of the service, writing me some time last fall, stated that the bureau had maintained limited facilities at Alliance at a very small expenditure, etc.; and he added:

> I realize that because of the growing importance of this city the present service does not fully meet the local demands. I recognize that Alliance would be a good point, because of geographic position, from which daily observations would be helpful in forecast work; also, a station there would be of real service to farmers—

And so forth.

Mr. McNARY. I can say to the Senator from Nebraska, as he well knows, that that is an administrative matter, properly to be taken up with the Weather Bureau.

Mr. HITCHCOCK. Yes.

Mr. McNARY. We could not cover that in this bill.

Mr. HITCHCOCK. But the bureau chief stated to me that the reason why he could not at that time extend the service was because of a lack of appropriation, and I am now endeavoring to find out by how much the appropriation was increased.

Mr. McNARY. In round figures, $27,000 over the current bill.

Mr. HITCHCOCK. I will say that Alliance is equipped with a Federal building, and the facilities are all at hand for the establishment of a weather bureau; and it is the chief city in a very wide area of country that I believe has not as yet been supplied with any adequate weather service.

RECESS.

Mr. McNARY. Mr. President, I move that the Senate stand in recess until 12 o'clock to-morrow.

The motion was agreed to, and (at 5 o'clock and 44 minutes p. m.) the Senate took a recess until to-morrow, Wednesday, April 12, 1922, at 12 o'clock meridian.

CONFIRMATIONS.

Executive nominations confirmed by the Senate April 11 (legislative day of April 10), 1922.

MEMBERS OF THE WORLD WAR FOREIGN DEBT COMMISSION.

REED SMOOT, of the Senate.

THEODORE E. BURTON, of the House of Representatives.

SECOND ASSISTANT POSTMASTER GENERAL.

Paul Henderson to be Second Assistant Postmaster General.

MEMBERS OF RAILROAD LABOR BOARD.

J. H. Elliott to be member of Railroad Labor Board, management group.

G. Wallace W. Hanger to be member of Railroad Labor Board, public group.

A. O. Wharton to be member of Railroad Labor Board, labor group.

UNITED STATES ATTORNEYS.

Ralph Pringle to be United States attorney, southern district of Iowa.

Philip H. Mecom to be United States attorney, western district of Louisiana.

UNITED STATES MARSHAL.

Siegel Workman to be United States marshal, southern district of West Virginia.

PROMOTIONS IN THE ARMY.

Edward Fenton McGlachlin, jr., to be major general.
John Alexander McKinnon to be lieutenant colonel, Veterinary Corps.
Julian Emmet Yates to be chaplain, with rank of lieutenant colonel.
Sterner St. Paul Meek to be captain, Ordnance Department.
Asa Vern Wilder to be first lieutenant, Signal Corps.
Frank Ellsworth Brokaw to be captain, Infantry.

POSTMASTERS.

ALABAMA.

Herbert C. Collins, Geneva.
Frank M. Johnson, Haleyville.

CALIFORNIA.

Donald A. Parker, Etna Mills.
Harry A. Bradford, Hayward.

GEORGIA.

Daniel F. Davenport, Americus.

KANSAS.

Charles N. Shafer, Fredonia.

MAINE.

Ivory J. Bradbury, Hollis Center.
Earle H. Roberts, Port Kent.
Ralph B. Parker, Wells.

MASSACHUSETTS.

C. Montford Brigham, Northboro.
Sara H. Jones, West Barnstable.

MICHIGAN.

Elfreda L. Mulligan, Grand Marais.

MINNESOTA.

Edwin A. Rolloff, Balaton.
Helmer C. Bacon, Dawson.
Ingebright A. Hanson, Frost.
William Guenther, Hokah.
C. Edward Sarff, Keewatin.
Robert L. Bresnan, Madison Lake.

MISSOURI.

Mayme E. Prather, Advance.
Elam J. Nienstedt, Blodgett.
Charles T. Lease, Forest City.
Robert E. Ward, Liberty.
Lorenzo T. McKinney, Marceline.
Lena B. Porter, Novelty.
Lavinia B. Jones, Pilot Grove.
W. Arthur Smith, Purdin.

NEW YORK.

William E. Cartwright, Amagansett.
Leslie R. Bell, Manlius.
Earl B. Templer, Valley Falls.

NORTH CAROLINA.

Charles R. Grant, Mebane.

NORTH DAKOTA.

Victoria Quesnel, Bathgate.
David J. Holt, La Moure.
James W. Pratten, Milton.

OHIO.

John Q. Sanders, Waynesfield.

RHODE ISLAND.

Frederick Baldwin, Mapleville.
George W. Jenckes, Slatersville.
Charles W. Holroyd, Thornton.

UTAH.

Earl H. Greenhalgh, Ferron.

VIRGINIA.

George H. Clark, Crockett.

WASHINGTON.

Athur H. Eldredge, Colfax.
Harry E. Stark, Okanogan.

WISCONSIN.

Elizabeth Croake, Albany.
Simon Skroch, Independence.

HOUSE OF REPRESENTATIVES.

TUESDAY, *April 11, 1922.*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Lord, how excellent is Thy name in all the earth. We therefore acknowledge Thee to be our everlasting Father. Because Thou dost live, we live. This is our faith and the sum of our hopes. Even with a knowledge of our failures we still draw near to Thee, for we are Thine through the ages and through the periods of eternity. With us may life, with its priceless values, never be vague nor vain. We ask Thee to help us in our study of things which make for a greater country, a happier people, and that exalteth a nation. Through Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

NAVAL APPROPRIATIONS.

Mr. KELLEY of Michigan. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 11228, making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1923, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 11228, with Mr. TOWNER in the chair.

The Clerk reported the title of the bill.

Mr. BYRNES of South Carolina. Mr. Chairman, I yield 10 minutes to the gentleman from Maryland [Mr. LINTHICUM].

Mr. LINTHICUM. Mr. Chairman, I am opposed to scrapping the Navy beyond what the treaty requires. It is the men of the Navy who do the fighting, and if you scrap the personnel by granting an insufficient number of men to man the ships then you reduce our naval defense below the 5-5-3 ratio as provided in the treaty. I am in favor of having the treaty Navy fully manned and fully equipped, as efficiency may require. I want it sufficiently equipped, manned, and trained that it may hop off at any moment.

The American people want economy, not parsimony. They want an adequate defense of their country; less than that would be dangerous and well-nigh criminal on the part of Congress. The people of the country look upon the Army and the Navy as the great force to maintain peace, not alone among the nations of the world but among the people even of our own country. They do not want us to take any chances as to safety. I am not sufficiently informed in naval affairs to discuss it from a scientific standpoint, but when the President of the United States, the Secretary and Assistant Secretary of the Navy, the General Board of the Navy, and all the experts say that the 67,000 men provided in this bill are not sufficient to properly man the ships and that not less than 86,000 will be sufficient, I am unwilling to take even the word of the distinguished committee which reports this bill against their recommendation. The basis upon which this bill is drafted and from which 67,000 men are suggested is determined by the arbitrary date of February 1, 1922, the committee taking the number of men actually manning the ships on that date as their basis for the requisite number provided in this bill. The committee knows well that for every 1,000 men actually at sea 500 men has been found the quota necessary of those on land and otherwise occupied. I believe in the English Navy as high as 600 out of every 1,000 are not at sea at one time.

The committee is therefore depending upon certain reserve officers and men, and upon others who have seen naval service. I am unwilling, and I know my constituents are unwilling to depend so absolutely upon men not now in the service. What my people want is a treaty Navy 100 per cent equipped in men and every other necessity which goes with an equipped naval force. The taxpayer is vitally interested in the amount of money we appropriate and the effect it has upon his taxation and income, but he is not willing to risk the safety of the country, and the peace not only of his country but of the world by the parsimony established in this bill.

I shall vote in accordance with the recommendation of the minority report, which says, "We recommend as an irreducible minimum that the enlisted personnel of the Navy for the next fiscal year be fixed at 80,000 men and 6,000 apprentices, and that adequate provision be made to maintain the Navy on this basis." This, I believe, will meet every requirement, and give us

a fully equipped treaty Navy of men and money, guaranteeing safety and efficiency at all times. If an emergency should occur then it will be time enough for us to depend upon our reserves and upon those who have seen service. We must always remember that the disarmament conference has not prohibited the building of smaller craft such as submarines, and so forth, nor has it prohibited the construction of aircraft which many persons believe will perform a very important if not a decisive part in future wars. I wish to adhere to every feature of our treaties, but to live up to everything allowed us as I am sure the other nations party thereto will do.

Mr. Chairman, I shall vote for the Navy fully equipped, 100 per cent, and not 20 per cent less than is necessary, as provided in this bill for the battleships. [Applause.]

Mr. LAZARO. Mr. Chairman, will the gentleman yield for a question?

Mr. LINTHICUM. I yield.

Mr. LAZARO. The Secretary of the Navy in his statement to the Committee on Appropriations on March 6, 1922, compared the *Arkansas* in 1913 and the *Arkansas* in 1922. In 1914 the number of men on the *Arkansas* was 984, and in 1922 1,259. That is because of the developments in maritime warfare and the experience gained during the World War. In time of emergency it is estimated that it would require 10 per cent more on this battleship. Where would we go for these 10 per cent more? Would it not be necessary to have a trained force to make good that 10 per cent, and would it not be true that if you had green men on there it would cause confusion and make the battleship inefficient in time of war?

Mr. LINTHICUM. The gentleman from South Carolina [Mr. BYRNES] said that the bill at present was based upon the number of men now on the battleships, and that that was 20 per cent less than the requisite number. He said they would draw these extra men necessary from the reserve force and from men who had seen sea duty, but I entirely agree with the gentleman from Louisiana that if you bring men from the reserve force and men who have seen sea duty but who have never seen any duty on this ship, they would not fit in in a time of emergency, and that there ought to be trained men working on these vessels, allotted to them.

Mr. LAZARO. In other words, in order to keep up with the battleship as it is being developed, you have to have this trained reserve force on the ship or near the ship constantly, so that these 10 per cent could be added in case of emergency.

Mr. LINTHICUM. If you want efficiency, that is true. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. KELLEY of Michigan. Mr. Chairman, I yield 30 minutes to the gentleman from Michigan [Mr. WOODRUFF].

Mr. WOODRUFF. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

(During the remarks of Mr. WOODRUFF his time was extended by additional time being granted to him by Mr. KELLEY of Michigan and Mr. BYRNES of South Carolina.)

Mr. WOODRUFF. Mr. Chairman, I am sending to the Clerk's desk a resolution, which I will ask him to read.

The Clerk read as follows:

House Resolution 323.

Resolved, That the Speaker of the House of Representatives be, and he is hereby, directed to appoint from the membership of this House a select committee of 15 members, for the Sixty-seventh Congress, and which said committee is hereby authorized to fully investigate all contracts and expenditures made by the War Department, or under its direction; the Navy Department, or under its direction; and the Alien Property Custodian, or under his direction, during and since the late war with Germany, and the settlement of any of such contracts by any officer or agent or department of the Government, and to investigate the criminal and civil prosecution, or lack of prosecution, of any or all of the claims of the Government arising out of such contracts, or the settlement thereof, by the Attorney General, the Alien Property Custodian, the Secretary of War, or the Secretary of the Navy; and, in addition to the powers herein conferred, shall have the same powers and authority as are now conferred by the rules of this House upon the standing Committee on Expenditures in the War Department; said committee is hereby authorized to send for persons and papers, to administer oaths and affirmations, to take testimony, to sit during the sessions of the House and during any recess which may occur during its sessions, and may meet at such places as said committee deems advisable. Said committee is also hereby authorized and empowered to appoint such subcommittees as it may deem advisable, and such subcommittees, when so appointed, are hereby authorized to send for persons and papers, to administer oaths and take testimony, and to meet at such times and places as said committee shall from time to time direct.

Resolved further, That said select committee shall report to the House, in one or more reports, as it may deem advisable, the result of its investigations, with such recommendations as it may care to make.

Resolved further, That the Speaker of the House is hereby authorized to issue subpœnas to witnesses, upon the request of said committee or any subcommittee thereof, during any recess of Congress during the sessions.

Resolved further, That the Sergeant at Arms of the House be directed to serve all subpœnas and other processes put into his hands by said committee or any subcommittee thereof.

Mr. WOODRUFF. Mr. Chairman, I have to-day introduced in the House the resolution which has just been read. I was impelled to introduce this resolution by information which has come to me recently, and which is of such a nature as to require the immediate attention and immediate action of the Congress. This information I propose to give to the House, in part at least, in the time which has just been yielded me by the gentleman from Michigan [Mr. KELLEY].

On March 22, when the Committee of the Whole House on the state of the Union had under consideration the Army appropriation bill, I attempted to secure the adoption of an amendment to the bill which would give to the contract audit section of the office of Chief of Finance of the War Department sufficient funds with which to efficiently and expeditiously audit the 100,000 war contracts. I showed on that day, Mr. Chairman, that the contract audit section, with a personnel of 87, had audited in the year and a half it had been engaged in this work approximately 15,000 of these contracts. I also showed that nearly all of these contracts had been the smaller ordnance contracts, and that there had been only a very few of the larger contracts audited. In spite of the fact that but a few of the larger contracts had received the attention of this department, it was shown that the Government was given the information upon which to base a recovery from the contractors sums totaling approximately $46,000,000. Included in the contracts audited were a few of those of the Air Service.

In the auditing of these contracts it was disclosed that in almost every instance overpayments running into the millions in individual cases had been made by the Government. In addition to the overpayments, it was found in nearly every instance that the contractors had been guilty of acts which clearly called for action by the Department of Justice. Notwithstanding the fact that much of this information has been in the hands of the Department of Justice for months, no determined action looking either to the recovery of the money due the Government or to the criminal prosecution of the offenders has been taken. From time to time it has been intimated by Members of Congress and others that there was to be no real prosecutions of these offenders, Mr. Chairman, but somehow I could not quite believe that. It did not seem possible to me that any man in a high Government position could or would deliberately close his eyes and his ears to the demands of a clear public duty. It did not seem possible to me that any man could so far forget his duty to the whole people of the country under his oath of office as to hesitate for one minute in instituting the proper proceedings to bring to justice those who have been guilty of gross criminal conduct, particularly when this conduct had either directly or indirectly resulted in the loss of life. And I have in mind, Mr. Chairman, our "bird men," and thousands of our men on the firing line in France, who waited and died while waiting for the American fighting and bombing planes which never came.

During the 19 months of war with Germany the Congress expended for Signal Corps and aviation purposes more than $1,000,000,000, and notwithstanding the fact that early in the war our allies sent to this country many experts in aircraft construction to assist in the manufacture of planes, which were then in use by the allied armies, and known to be efficient, not one battle plane and not a single bombing plane of American manufacture, either of American or foreign design, was placed upon the battle front. The hearings of the Frear subcommittee developed the fact that for the great sum mentioned the Aircraft Service produced the following machines used by American aviators on the French fighting front:

[Pp. 178, 179, 180, 185.]

American-built pursuit or combat planes	None
American-built bombing planes	None
American-built observation planes (D. H. 4's)	213
Machines bought from our allies	527
Total planes on French front, November 11, 1918	740

The Hughes investigating committee, as well as the Senate Thomas Committee and the House Graham Committee, all developed facts and leads which clearly indicated that hundreds of men had been guilty of criminal conspiracy in handling these aircraft and other war contracts. As a result of the investigations of the subcommittee handling the cantonment contracts, the House, by a yea-and-nay vote of 299 to 4, requested the Attorney General to institute investigations before grand juries for the purpose of securing the indictment and prosecution of

such persons as are guilty of criminal conduct. I believe the statute of limitations, together with the neglect of the Attorney General's Department, has operated to defeat this clearly expressed wish of the House.

The resolution requesting the Attorney General to act in these cases also requested him to institute civil suits for the recovery of Government funds, which have been fraudulently or illegally paid on account of the cantonment contracts. The majority report of the committee which investigated these contracts stated that if the conclusions of the majority members of the committee were correct, the Department of Justice should be able to recover by civil suits sums totaling more than $50,000,000. The statute of limitations does not operate against this class of cases, and yet, although there has been no thorough investigation of these matters by the Department of Justice, Mr. Abraham F. Myers, former office boy, later ordinary law clerk, and now the man in the Attorney General's office through whom all departmental information relative to war fraud cases must be secured, has announced to the men working on these cases that the cantonment cases have been closed.

Intimately connected with the camp and cantonment cases was the sale of surplus lumber, much of which was found upon these projects at the conclusion of the war. In this connection, and as illustrative of the conditions of which I so seriously complain, I wish to call attention to the contract made with Messrs. Phillips & Stephens covering the sale of surplus lumber. Mr. Phillips is the chairman of the Republican State central committee of Georgia. It appears from official data that the transactions under this contract were audited by the contract audit section of the Office of the Chief of Finance, and final report submitted on September 8, 1921, and then transmitted to the Attorney General for appropriate action. This report showed many gross irregularities and that the sum of $1,854,076.04 was wrongfully withheld from the United States. So far as can be ascertained, no proceedings whatsoever, either civil or criminal, have been instituted in this connection. I have a copy of a memorandum under date of March 11, 1922, written by Ernest C. Steward, in charge of the contract audit section. It is as follows:

MARCH 11, 1922.

Memorandum: For Captain Sullivan.
Re: Director of sales contract No. 1, covering the sales of surplus lumber to Messrs. Phillips & Stephens.

It appears to be essential to the public interest to again call the above contract to your attention.

The transactions under this contract were audited by the contract audit section of the office of the chief of finance, and a final report was presented on September 8, 1921, and was transmitted to the Attorney General for such action as might be deemed necessary.

The general facts in connection with the inception and functioning of this sales contract are herewith presented again in the hope that some definite action may be taken, as after the lapse of time which has occurred between the presentation of this audit and the facts incident thereto there has, so far as the writer can inform himself, been no tangible endeavor on the part of the Department of Justice toward preparing this matter for the action of a grand jury.

Shortly after the armistice in November, 1918, a meeting was held in Washington, D. C., of the representatives of the principal lumber corporations of the United States for the ostensible purpose of so regulating the disposal of surplus stocks of lumber then held by the Government as not to disrupt or injure the transactions of the commercial trade. After many conferences it was finally decided by the representatives of the lumber interests to appoint as their agent for dealing with the Government in this transaction Messrs. Phillips & Stephens, with whom the director of sales in the office of the Quartermaster General finally made this contract.

In January, 1919, a request was made of the various bureaus of the War Department to submit an accurate statement of the amount of lumber remaining on hand at all of the various projects and stations for the purpose of ascertaining the total amount to be considered in connection with this contract, and a more or less complete inventory developed the fact that there was approximately 188,000,000 feet of lumber which was not required for the immediate needs of the Government, and upon that basis, as shown in Schedule A of the contract, the agreement in question was made. There is a provision in the contract, however, that prior to the actual sale of the lumber at any project the same might be withdrawn from sale when required for the use of the Government, and acting under this provision the chief of the construction division withdrew from sale nearly 60,000,000 feet of lumber. Much of this lumber that was withdrawn by the construction division was over the violent protest of Messrs. Phillips & Stephens, and your attention is specifically invited to certain correspondence relative to this matter between Gen. R. C. Marshall, jr., chief of the construction division, the director of sales, and the contractor.

It is a well-established fact that this contract in its entirety was drawn up by Messrs. Phillips & Stephens and brought to the director of sales with instructions to sign on the dotted line. It can therefore be readily seen that any and all indefinite provisions in the contract were placed there with the expectation and belief that any further elucidation or definition thereof would be for the benefit of the contractor and not of the Government.

A list of base prices for the four kinds of lumber specifically named in the contract, to wit, spruce, pine, fir, and hemlock, was supposed to have been submitted for the various localities in the United States in which the surplus lumber lay for each month during the life of the contract, and presumably those base prices were to bear some definite relation to commercial prices for similar lumber in the said localities, but the audit of this contract has determined the fact that these base prices were arbitrary and in nearly all instances were widely different from the prices which were current for commercial transactions, all of which was set forth in detail in our audit.

In spite of the fact that the original contract called for the purchase of only the four kinds of lumber before mentioned, there was sold over 30 varieties of lumber, and by questionable agreement between the director of sales and the contractor there was also included many millions of feet of mahogany, cherry, walnut, and other very valuable hardwoods.

In connection with the inclusion of hardwoods under the terms of this contract, the facts as developed by our audit warrant the presumption of gross fraud and collusion between the contractor and Frank T. Sullivan, of Buffalo, N. Y., who was ostensibly the direct purchaser from Phillips & Stephens. In nearly every case where shipping orders were received from the contractor the purchaser named thereon was not the ultimate consignee and the price returned to the Government for the lumber did not in any instance represent the amount received from the ultimate consignee, but was supposed to have been the price received from the purchaser named on Phillips & Stephens's shipping order, who in many cases was believed to be a dummy, and was in reality an agent of Phillips & Stephens, thereby accomplishing their purpose of obtaining a higher price for the lumber than the one which they reported to the Government, less their commission.

It has been demonstrated that where prices have been given for two or more grades of lumber from a certain project that lumber of the highest grade has been sold at the price of the lowest grade, thereby again defrauding the Government.

The audit by our accountant shows:
1. Value of lumber sold, $4,697,171.13.
2. Amount received by United States, $2,843,095.09.
3. Balance due United States, $1,854,076.04.

From the foregoing it will be seen that the Government has been defrauded by Phillips & Stephens and their confederates in large amounts, aggregating $1,854,076.04, and the evidence and official statements on which to base civil and criminal actions were prepared by our accountants and forwarded to the department some eight months ago.

From time to time two representatives of the Department of Justice have called at my office and I have during that period time and again urged upon them the necessity of action and have offered to be of every possible assistance to them or the Department of Justice. If it is the intention of anyone to act in the premises, it is most urgent that immediate action be taken, before the witnesses are scattered and the evidence dissembled and the men who have faithfully and loyally labored to save the Government throw up their hands in disgust.

Although over 15,000 contracts have been investigated and audited by our office, it can be stated beyond argument that the contract in question is one which for criminal ingenuity is surpassed by none. Over 14 months of painstaking and diligent labor were consumed in making this audit and all of the facts contained therein have been explained in detail to representatives of the Department of Justice, and great pains have been taken to follow every development that might show the criminal intent of the contractor, and it is to be regretted that up to this time there has been no tangible action taken.

The writer stands ready at any and all times to assist in every way the prosecution of this case with a view of recovering money wrongfully withheld from the Government, and if possible to punish those who are guilty in this connection, and it is respectfully and earnestly urged that such action may be taken by your office as will attain this end.

ERNEST C. STEWARD,
In Charge Contract Audit Section.

Mr. MANN. To whom was that letter written?

Mr. WOODRUFF. It was written to a superior officer in the office of the Chief of Finance.

On April 12, 1920, when a resolution instructing the Attorney General to—

institute investigations before grand juries for the purpose of indicting and prosecuting such persons as are guilty of criminal conduct, and to institute civil suits for the recovery of any Government funds which have been fraudulently or illegally paid * * *—

The gentleman from Ohio [Mr. FESS] made the following observations:

We started the investigation of these expenditures soon after the Republican Congress met. This was done in answer to a general demand from the people. Why? First, the people have a right to know how the money they are paying in the form of taxation was and is being expended. * * *

Secondly, there is an inherent right in this Government to find the culpable party who takes advantage of his Government in time of war.

If there has been anyone guilty of moral turpitude, taking advantage of the war to profiteer at the expense of this Government, then we have a right not only to point it out but we must prosecute the men who have done it.

People from every section of this country are demanding prosecution. Congress can uncover the facts. It is doing so. The Justice Department must prosecute.

It is generally believed that there will be no prosecutions. That an administration will not find itself guilty. There is a basis for this statement.

In the investigations thus far there was a report from the special commission upon aircraft, appointed by the President in response to the general outcry of the Nation for the actual situation.

That report was made by Justice Hughes, whose commission was confined to finding facts. It made recommendations which were indorsed by the Attorney General of the present (Wilson) administration. The report was sent to the Secretary of War with the recommendation that certain specific men therein named be court-martialed, which recommendation was based on the facts submitted. In spite of the facts and recommendation, the Secretary of War decided it was not a sufficient case to submit for court-martial proceedings, although we had spent $1,055,000,000 for aircraft and had not a single American-built battle plane at the front, and only 196 other American-built planes, and yet we were told there was no ground for court-martial procedure.

This action of the War Department indicates what is to be expected from the administration in the prosecution of such cases. Congress can not go further than make the investigation.

The Department of Justice, which, in the aircraft case, indorsed the Hughes recommendation, must necessarily make the prosecution, when brought under the civil authority. The indictments secured by the Shipping Board's investigation show what can be done. Another reason

why we must uncover these irresponsible expenditures is to compel a repayment, wherever it can be shown that funds have been collected under false contracts or where advantage has been taken of the Government. There are numerous cases of this sort already promised.

Still another reason why we must continue to make the investigation is to lay the foundation to cut off the unnecessary and continuing war agencies that still exist. We are bitterly assailed by the country because we have not been able to separate all the thousands of war workers who are still on the pay roll and who are employing every influence to continue on it.

If you do not lay this foundation, we will not succeed in our efforts to get back to normal, and we are subject in Congress to the criticism that we are *maintaining* these war agencies.

Our business here is not in any way to discredit men nor an administration because they do not happen to be on our side politically, but our business is to know how the money was spent; to let the public know it; to prosecute where there is guilt; to recover where there is fraud; and to lay the foundation to cure the disease that the whole Nation to-day is still suffering from.

What has already been accomplished justifies us in an expectation that more will still be done. That is why I will vote for the rule. Our duty as Congressmen is to get at the facts. It is then up to the Department of Justice to prosecute the guilty parties. Indictments have already been secured in some cases and trials are awaited. If, as in the aircraft cases, the findings of a presidential commission are ignored, the only recourse left us is an appeal to the people, which will not be long deferred.

This was good doctrine and good morals, Mr. Chairman. This is good doctrine to-day; it will be good doctrine as long as civilization exists, whether it comes from a Republican during a Democratic administration or from a Republican during a Republican administration. This is doctrine which will be approved by every man and woman in the country, except, of course, those who illegally or criminally profited as a result of the war.

The resolution was adopted because it was found during the investigation of war-time irregularities that the irregularities and evils complained of still existed.

Two years have elapsed and the purposes of that resolution have been defeated. There has been no cessation of pernicious activities on the part of the small group of aircraft manufacturers whose activities were condemned as late as August, 1918, by the Senate subcommittee headed by Senator Thomas, as being—

Vicious and designed to make large profits by taking advantage of the necessities of the Government.

And as—

Subjecting manufacturers to onerous requirements by its beneficiaries, such as assessments for the use of plans and specifications, the purchase of material and accessories from favored houses, the assignment and surrender of valuable patents and patentable devices to the (manufacturers) aircraft association upon terms prescribed by itself, the discouragement of invention, and the inevitable control of the aircraft industry by that association or by some other interest through its agency * * *.

That conditions have not changed in regard to the prosecution of these war criminals and in regard to the recovery of millions of dollars to the Treasury from the war contractors I propose to show. The following is a letter I have recently received from an agent of the Department of Justice who was assigned the task of clearing up the aircraft cases. It is self-explanatory:

WASHINGTON, D. C., *April 8, 1922.*

Hon. R. O. WOODRUFF,
House of Representatives, Washington, D. C.

DEAR SIR: Being aware of your military service during the World War and reposing confidence in your Americanism, I am handing to you a memorandum dated March 18, 1922, pertaining to the aircraft investigation which I have officially conducted as an officer of the Department of Justice, and I request that this memorandum be brought to the attention of Congress and that it be made a public document.

I am aware that this request on my part may appear unusual, but I am unwilling to be a party to a perfunctory Government investigation without exhausting every effort to see that the machinery of justice functions. If this is to be a Government "of the people, for the people, and by the people," when the regular and orderly processes of the law have fallen down Congress and the people are entitled to know the facts. During the past few years the disclosures of Government investigations have meant little or nothing, and the time has come when there must be a reform. The real remedy for many of the evils of to-day is the administration of the law with even-handed justice, and, above all, a respect for the law by those in authority. As matters now stand the weak feel the hand of the law while powerful interests are protected and go unscathed. The tendency has been for those who administer the law to make influential and powerful offenders immune from punishment, and this condition must be remedied.

On October 4, 1921, I began an official investigation of the Air Service, continuing the investigation which was begun by the Hon. Charles E. Hughes. By the close of the year many important cases were being developed and the audits by Government accountants began to involve men of high position in the present and past administration, men in high financial circles, and certain concerns represented by law firms wielding powerful influence. Since January 4, 1922, the aircraft investigation has been to a large extent completely blocked. The investigation has been interfered with by high officials of the Government, sworn to uphold the law, and the due administration of justice has been hindered, delayed, and obstructed. All of these matters are covered in reports filed by me in the Department of Justice dated, respectively, February 6, 1922, February 24, 1922, and in the memorandum of March 18, 1922, which I am now handing to you, after having failed to bring about proper remedies through the authorities directly responsible.

Bringing these matters to the attention of Congress has not been without due warning and prolonged opportunities for reform. In an official report filed in the Department of Justice on December 6, 1921, attention was called to interferences with the investigation, as follows:

"I recommend that the higher officials of the Government be informed that these aircraft cases are heavily loaded with potential scandals which may be made public at any time, and that the importunities of these men, if listened to, may result in serious embarrassment to the administration. These men have been largely responsible in bringing discredit on the previous administration, and any leniency shown them now, as the cases against them are completed, will not restore the confidence of the people in the Government, which confidence has been well-nigh lost. A large number of these cases are coming up, and a firm stand now will avoid difficulties for the administration which otherwise will be sure to follow."

In my memorandum of February 24, 1922, I requested that my reports be placed in the hands of the Attorney General and that they be transmitted to the President. The Government's interests are suffering in these matters, and interferences with the investigation will no longer be tolerated. However, I can not be justly charged with failing to exhaust every effort to obtain corrections before submitting the matter to Congress and to the people.

The investigation and reports of Government audits show overpayments by the Government on aircraft contracts in enormous amounts. In no case has suit been brought. According to the reports filed by Government accountants to date, the following is a list of overpayments made to several of the aircraft contractors:

Wright-Martin Aircraft Corporation	$5,267,476.75
Lincoln Motor Co. (amount ascertained at time of last report, $5,794,135.15), report of completed audit	9,188,561.98
American Electro Products Co	2,057,261.72
Dayton Wright Co	2,554,383.27

The contract audit section of the War Department has filed its report in the case of the Standard Aircraft Corporation and the Standard Aero Co., controlled by Mitsui & Co., Japanese bankers, showing overpayments as follows:

Total payments by the Government	$16,461,680.15
Amounts unsupported by property records or other papers	9,948,028.42
In case supporting papers are produced there would remain the following amounts to be recovered from the contractors for reasons stated in the individual audits	6,586,774.61

In the sale of surplus lumber to Phillips & Stephens, the Contract Audit Section of the War Department reported this concern to be indebted to the Government in the sum of $1,854,076.04. The case has been in the hands of the Department of Justice many months and no suit has been instituted to recover this money. In spite of the fact that the contract called for the purchase of only four kinds of lumber (spruce, pine, fir, and hemlock) there was delivered to these people, according to the report of the audit, over 30 varieties of lumber, including many millions of feet of mahogany, cherry, walnut, and other valuable hardwoods.

The attention of Congress is directed to the following action of Hon. John W. Weeks, Secretary of War:

(1) On October 26, 1921, the case of the Wright-Martin Aircraft Corporation, with a report of audit by Government accountants setting out overpayments in a large amount was transmitted by the War Department, through regular channels, to the Attorney General, with the request that he institute such action as he deemed necessary to protect the interest of the Government. The case was placed in the hands of the United States attorney in New York for the necessary action in the premises. Later, through the activities of Mr. Charles Hayden, of Hayden, Stone & Co., a director of the Wright-Martin Aircraft Corporation, the Secretary of War attempted to delay action in the case, as will be seen from a memorandum from the Hon. J. M. Wainwright, Assistant Secretary of War, dated November 21, 1921 (Exhibit A), hereto attached, who informed the Secretary of War that the case was beyond the jurisdiction of the War Department. Later, at the request of the Secretary of War, the case was withdrawn from the hands of the United States attorney, further hearings were given and no suit has been brought, although every hearing in the War Department and in the Department of Justice was decided in favor of the justness of the Government's claims.

(2) In the case of the American Bosch Magneto Co., information was received that certain records with which the investigation was concerned were about to be removed. The case was immediately placed in the hands of a grand jury for a complete investigation. Again, the Secretary of War interceded with the Department of Justice in behalf of persons under investigation in this matter.

(3) While the matter is not connected with the aircraft investigation, I feel it my duty to report that the circumstances under which Carden & Herd obtained a large payment in connection with the purchase of certain Austrian ships, through the activities of the Secretary of War, ought to be thoroughly investigated.

In all of the aircraft cases developed, only two of these cases were placed in the hands of the United States attorneys for action, to wit: The cases of the Wright-Martin Aircraft Corporation and the Lincoln Motor Co. Both of these cases were withdrawn from the hands of the United States attorneys, not on the initiative of any person connected with the Department of Justice, but because of influence exerted by parties outside of the Department of Justice.

The conditions under which the Department of Justice is handicapped are of long standing. On April 6, 1922, as a protest against these conditions, I voluntarily tendered my resignation. After tendering my resignation I was asked if I would accept other employment in this department, which I refused. The only alternatives are to tolerate these conditions or expose them. The American Government shall function, and the matter is of sufficient importance to call it to the attention of Congress.

Respectfully,

H. L. SCAIFE.

EXHIBIT A.

NOVEMBER 21, 1921.

Memorandum for the Secretary of War.

With reference to attached letter from Mr. Charles Hayden in connection with the final settlement of the Wright-Martin Aircraft Corporation's contracts 2250 and its supplements 2250–1, 2250–2, 2250–3, 2250–4, 2250–5, 2250–6, and 2250–7 for the manufacture of 5,798 Hispano-Suiza motors and spare parts, involving the expenditure of $36,101,752.08, will state that these contracts were given a complete

audit by accountants of the Air Service under the terms of contract 2250 and supplements. Claim was then placed before the Air Service section, War Department Claims Board, for action. The contractor was given every opportunity to appear before that section on June 24, 25, 26, and 27, 1921, gave oral testimony in support of their claim, and a further hearing was granted on August 18, 1921, whereon the contractor submitted further oral testimony and placed in evidence a great many exhibits. The audit and investigation of these contracts covered a period of about two years.

Under date of October 14, 1921, the contractor requested an appeal. The request was brought to my personal attention. In view of the extensive investigations, covering a period of two years, I felt that nothing more could be gained by administrative action. The contractor and the Government were wide apart in their conclusions to the contractor's liability. Under such circumstances it seemed to me that only a court which possessed full powers to render a final decision and enforce it can satisfactorily cope with such a situation. For this reason I directed the vice chairman, War Department Claims Board, to deny the appeal. This action was taken. It may be remarked that this matter is quite similar to that of the Dayton Wright Airplane Co., in which the conclusion was reached by the Air Service section, War Department Claims Board, that instead of the Government being indebted to the claimant, the claimant was indebted to the Government in the sum of $2,550,000. In that case, by my direction, the record was transmitted to the Department of Justice, requesting that action be taken to protect the Government's interests. I am advised that suit is about to be instituted in the Government's behalf.

On October 26, 1921, the file in the case of the Wright-Martin Aircraft Corporation was forwarded to the Department of Justice, requesting that litigation be instituted to protect the interests of the United States. The Attorney General advises me that the papers have been referred to the United States attorney, New York City, for action. Officials of the Air Service will probably proceed to New York City in a few days to advise the United States attorney in this matter.

It will be noted that the case is now in the hands of the Department of Justice, which is engaged in the necessary investigation to determine the course of litigation. In view of this state of affairs the case has passed beyond the control and jurisdiction of the War Department.

I feel very strongly that the viewpoint of the contractor having been presented to the Air Service section by its principal officials and by its counsel at a number of meetings and in many papers, that the contractor's viewpoint is thoroughly understood by the Government.

J. M. WAINWRIGHT,
The Assistant Secretary of War.

I now come to the memorandum.

Mr. MANN. Whose memorandum is it?

Mr. WOODRUFF. It is the memorandum of a man appointed officially by the Government to investigate these aircraft cases:

MARCH 18, 1922.

Memorandum for Col. Guy D. Goff, Acting Attorney General.
In re: The aircraft investigation.

1. For an understanding of the inquiries which finally culminated in the present investigation of the Air Service by the Department of Justice, it should be stated that soon after the Government undertook the production of aircraft for the announced purpose of "winning the war in the air" complaints were made that the Government's interests were suffering from disloyalty, dishonesty, and graft, and the prediction was made by persons in a position to know that the undertaking would result in enormous expenditures and a failure in the program to produce a fleet of "25,000 airplanes which would be decisive of the war months before an effective army could be put in Europe."

2. Among the first to publicly call attention to the necessity of immedite remedies to forestall impending disaster in the undertaking was Gutzon Borglum. Through the activities of Mr. Borglum the Senate took official cognizance of the matter, and finally there were several hearings in which some 25,000 pages of testimony were taken. The findings in the principal investigations of the Air Service are set out in the reports of the Senate committee (Rept. No. 555, Sixty-fifth Congress, second session), the subcommittee of the House, known as the Frear committee (Rept. No. 637, Sixty-sixth Congress, second session), and the report of Hon. Charles E. Hughes to the President, dated October 25, 1918.

3. Collectively these reports show the failure of aircraft production, wholesale graft and malversion, reprehensible official misconduct, and the squandering of enormous sums of money without the production of a fighting plane, all of which was carried out on such a scale as to jeopardize the success of our armies and the cause of our Nation and its allies. The Senate investigation and the investigation of Judge Hughes took place during the war and the House investigation began soon after the war. All of these reports stressed the fact that the true state of affairs had not been fully developed and the reports of the House and that of Judge Hughes urged further investigation.

4. The findings in these investigations and the recommendations by Judge Hughes that Col. Edward A. Deeds be court-martialed and that others be prosecuted resulted in official protection and exoneration and in no activities on the part of the Government to follow up the investigations or bring to justice those who had been found amenable to prosecution. An historical sketch and a résumé of those investigations is unnecessary, as the more important facts, disclosures, and findings were briefed by me in an article prepared for historical purposes in which the records are cited and which has since been filed in the Department of Justice as an official document (Current History Magazine, April, 1921; CONGRESSIONAL RECORD, March 12, 1921, volume 61, page 1352).

5. Unfortunately the disclosures in regard to the Air Service became a political matter and numerous Government officials, Army officers, and several Members of Congress are on record as having defended the conditions which were disclosed. Widespread propaganda in defense of the Air Service has been definitely traced to persons having relations with interests which have been criticized in the official investigations. The subject finally came into issue in the last presidential campaign, when, on September 23, 1920, Mr. Harding committed himself in writing with the following pledge:

"Certainly the investigations should go on, but it should go on when our party is in power and in position to command the presentation of a testimony which will establish our contention. Until that time I bespeak your patience."

6. Under these unusual circumstances, on October 4, 1921, I was employed by the Department of Justice and charged with the duty of conducting an investigation of the Air Service, being first assured that my work would be unhampered and my directions personally given by both Mr. William J. Burns and yourself, was to find the guilty, no matter who the guilty might prove to be.

7. In my memorandum of October 12, 1921, I submitted plans for the investigation which received your approval, and in compliance therewith this investigation has been conducted, as far as it was possible for me to conduct it, strictly in accord with the recommendations of Hon. Charles E. Hughes, who, in the concluding paragraph of his report to the President, indicated how the work should be coordinated, to wit:

"6. Permit me also to suggest that a special division or subdivision of the present Bureau of Investigation in the Department of Justice should be assigned to the consideration of suggested delinquencies in connection with aircraft production so that the work already done may be appropriately followed up."

8. Upon undertaking the work it was ascertained that there were no funds available in the Department of Justice to employ accountants and an adequate corps of assistants. It was therefore arranged with the Chief of Finance Control of the Air Service to enlarge its organization out of appropriations available until a force of some 50 accountants were at work on the necessary audits in close touch with and in cooperation with the Department of Justice. In addition to this, assistance has also been rendered by the contract audit section of the War Department. In fact, the entire force furnished me by the Department of Justice has consisted of a secretary and one assistant. The estimated total cost of this investigation to the Department of Justice from October 4, 1921, to March 1, 1922, is $1,961.92.

9. While I am charged with no duties outside of the investigation of the Air Service, attention should be called to the fact that the entire War Fraud Bureau is deserving of severe criticism for the financial arrangements under which it is forced to operate. Here we find inexperienced men, with no ratings or very poor ratings, as attorneys drawing salaries up to $5,000 per year, while other men working in the bureau and who are really doing the work are on the pay roll at $7 per day. The employment of incompetent men at high salaries, and starvation wages to those who must be depended upon if results are to be accomplished, does not make for efficiency. There is no semblance of adjustment between the salaries of the few patriotic men who are struggling to serve the Government on salaries of $7 per day and the salaries paid to inefficients and the emoluments of attorneys who handle the cases after they have been prepared. It is recommended that these inequities in salaries be adjusted and that only competent men be permitted to handle the war fraud cases. It should also be stated that in very responsible positions in the war graft bureau are a number of young men who obtained exemption from the draft, and it is needless to say that young men who were unable to respond to the call to arms in a national crisis can hardly be considered eligible to assignment in the investigation of war crimes. It is recommended that no person who was within the draft age and was not connected with the military service be allowed to take part in the investigation of war frauds.

10. In the aircraft investigation a large number of cases are being carefully examined, both as to civil liability and criminal acts. Although the handicaps prevent the work being dignified by the name of a Government investigation, some tangible results can now be reported. According to the reports filed by the auditors to date, the following is a list of overpayments made by the Government to several of the contractors, which cases are prepared and are now ready for the necessary action to protect the Government's interest:

Wright-Martin Aircraft Corporation	$5,267,476.75
Lincoln Motor Co. (other sums yet to be added before final balance is stated)	5,794,135.15
American Electro Products Co	2,057,261.72
Dayton Wright Co	2,554,383.27
Total	15,673,256.89

11. I have been informed by an officer of the Treasury Department that there is approximately $1,000,000,000 charged against disbursing officers of the War Department for which it was impossible to obtain accountings that would be accepted by the Comptroller of the Treasury, and I am attempting to ascertain what amounts have been misappropriated from the funds disbursed by the Air Service. There have been payments made running into millions of dollars to a single contractor with no supporting voucher whatever, and under these conditions the door has been wide open for every variety of graft and fraud. On these contracts men have boldly and openly robbed the Government, and when they had emptied the till they have endeavored by political influence and bold propaganda of the most insidious character to prevent an investigation which would lay bare their misdeeds and dishonesty.

12. While the audits of only five of the large aircraft contracts have been completed, the estimated overpayments, based on examinations of accounts which are not yet complete, indicate that the Government has been the victim of wholesale and systematic frauds perpetrated by a small group of contractors who, through political influence, obtained the control of aircraft production to the exclusion of experienced concerns who were brushed aside when this raid on the Public Treasury began. It might be stated that recently, when publicity was given to the activities of the Department of Justice in these matters, one of the concerns which was on the list compiled for investigation, after having the money for three years, voluntarily tendered to the Government its check in a large amount to cover the overpayments it had received and before an actual investigation of its accounts was begun by this department.

13. The audits being made involve cost-plus contracts where the contractors assumed no financial risks, and in most all instances, aside from the legitimate profits, the undertakings were financed by the Government and sufficient salaries paid to the officers of these companies to warrant efficient and honest management. The relationship these contractors bore to the Government was one of trust, and they were bound by good morals and the law to protect the Government against imposition and fraud. The contracts provided that things charged to the Government were to be at the best prices obtainable. Aside from the corruption and graft and the legitimate profits and salaries paid, these men operating behind the firing line owed a peculiar duty to the country and to the men who were laying down their lives when the same paymaster was allowing them $30 per month. It may be said that so far as my investigation has disclosed, most of the contractors have no stain against their records, and that the men who thus betrayed their country belonged to a relatively small group. Had the war been planned and carried on for their special benefit their personal gain could hardly have been greater.

14. In the audits involving the enormous amounts which are being disclosed, there will be items concerning which there may be honest differences of opinion and as to the correctness of the charge in such cases only the courts can determine. These cost-plus contracts in time of war were something new, and there are no legal precedents for guidance. However, in the main the contractors were paid these enormous amounts because of the inefficiency, unfaithfulness, or actual dishonesty of Government officials who permitted the unconscionable payments.

15. In several cases investigations begun in the Air Service developed leads running into other branches of the Government, and in each instance these matters have been developed sufficiently far to get an outline of the case and place the facts in the hands of the proper officials. To indicate the scope of the investigation, the character of the disclosures and the results that are already accomplished, several of the more important cases will be summarized with a very brief statement:

I. WRIGHT-MARTIN AIRCRAFT CORPORATION.

The report of the audit of the contracts of the Wright-Martin Aircraft Corporation shows overpayments by the Government in the amount of $5,267,476.75. It was found that the minutes of this company, at the time it was negotiating for a Government contract, stated that an "8 per cent profit was a proper profit to the company on Government contracts." The report of the Government audit states that the profits actually charged and collected amounted to 270 per cent. Illustrative of numerous items disallowed by the auditors were the following:

Accountants' fees (prices ranging from $10 to $60 per day, and $5 per day expenses for work which was of no concern to the Government)	$101,047.23
Fees for attending executive committee meetings (an examination of the minute books disclosed that officers had made charges for attending meetings when the company's records showed their absence)	4,294.96
Capital stock tax	14,864.97
Salaries, employees compiling income-tax data	922.33
Cigars	995.29
Dinners	848.78
Expenses of company's Washington office for August, 1918:	
Meals	262.96
Laundry	46.12
Tips	27.45
Box of La Corona cigars for Mr. G. H. Houston	3.25

The audit disclosed the fact that this company maintained a secret-service organization under the guise of a plant protection force, which it was in no way authorized to do, although the company collected therefor $91,925.60. Notwithstanding the fact that the Government had its own plant protection organization which took care of the company's plant, at one time the names of 195 men were carried on the pay roll of the corporation in this connection. Five secret-service men were taken from the Treasury Department and the following schedule will show what the Government paid them while working in the Treasury Department and what the Government paid for the same men after they transferred their services to the Wright-Martin Aircraft Corporation:

Name.	Yearly salary in Government employ.	Yearly salary in contractor's employ.	Retainer.	Penalty for cancellation.
J. W. Wheatley	$4,220	$12,000	$10,000	$25,000
N. G. Van Doren	3,600	6,000	.....	5,000
P. J. Sullivan	3,600	5,000	.....	5,000
E. J. Lewis	3,600	5,000	.....	1,500
E. S. Kyte	2,520	5,000	.....	1,500

The penalty for cancellation was eventually reduced. Wheatley compromised his claim for canceling his contract with the Treasury Department for $17,500, which with his salary of $12,000 and his retainer of $10,000 netted him $39,500 for one year's work. It is understood that after the Government's contract with the Wright-Martin Aircraft Corporation was terminated, Wheatley continued in the employ of that company, but at a salary of $5,000 per annum. The function of this secret service organization seems to have consisted to a large extent of counterespionage against the Government and keeping the company informed as to the Government's business.

After the Government's contract was terminated, the contractor proceeded to buy back from the Government certain property, as evidenced by public vouchers Nos. 5947 and 5957. Public voucher No. 5947 covered the sale of semifinished tools and work in process, involving material which cost the Government $792,865.03, and for which the Wright-Martin Aircraft Corporation paid the Government $24,379.37. Public voucher No. 5957 covered the sale of special tools and patterns which cost the Government over $1,000,000. This property was bought from the Government by the Wright-Martin Aircraft Corporation for $10,642.64. In these transactions George H. Houston and J. H. Anderson acted for the company, and, on behalf of the Government, these vouchers were approved by Charles T. Menoher, James A. Mars, C. G. Hall, O. Westover, Horace M. Benstead, and Bert Winters. In the last transaction it is true that the special tools and patterns related to articles on which the contractor owned patent rights, and that this property was worthless to anyone else except for the value of the material, but it is stated by the auditors that had the company bought them in any other way than from the Government they would have cost the contractor a sum in excess of $1,000,000, and since the contractor acquired title they have continued to use them in its usual course of business and in connection with the later contracts which it has had with the Government.

During the conference between the contractor and Government officials in efforts to procure a settlement of the money due the Government the attorneys for the Wright-Martin Aircraft Corporation have disclaimed responsibility for the change of the contract from a fixed-price contract to a cost-plus basis, and have attempted to show that this was done at the instance of the Government. The facts are that the contractor took advantage of the Government's necessities and forced it into a cost-plus contract. In complete refutation of such contentions it was disclosed that these attorneys collected large fees which were paid by the Government, and among the items they collected money from the Government for, through the Wright-Martin Aircraft Corporation, was for services in getting the contract changed from a fixed-price contract to a cost-plus basis. The law firm of Chadbourne, Babbitt & Wallace collected $23 per hour, the records show, when on the company's business, and the following items are taken from accounts which were paid in the settlement of their charges by the Government. (Report of audit, pp. 46 and 47.)

July 25. Mr. Wallace in Washington on above matter. Mr. Chadbourne went to see Potter, of Aircraft Production, to get him to give up insistence that 150–180 HP contract must be flat price, and he succeeded. This negotiation was of vital importance to the company, and company officers had not been able to bring it about; 21 hours.

July 31. Mr. Wallace left for Washington 11 a. m. on United States contracts. Conference there with Colonel Downey, Lieutenant Schnacke, Messrs. Houston and Hoyt on 1867 D Pierce-Arrow sublicense and new cost-plus 2250–5; also with Mr. Hoyt on Levering & Carrigues testing building contract, and in evening on 1867 D and $7,000,000 war credits loan. The 2250–5 was changed from a flat price to cost-plus as a result of Mr. Chadbourne's negotiations with Potter; 21 hours.

How Mr. Wallace could leave New York for Washington at 11 a. m. and put in 21 hours of work that day, and how these attorneys can contend that the Government was responsible for changing these contracts from a fixed price to a cost-plus basis, are matters which they should be called upon to explain before the grievance committee of their bar association. It should be noted that Mr. Thomas L. Chadbourne, one of these attorneys, was and is a director of the Wright-Martin Aircraft Corporation. Disbarment proceedings against Mr. Chadbourne are now pending in New York in connection with matters where the Government and the Wright-Martin Aircraft Corporation were not his clients. These men, while the beneficiaries of Government fees, have stood by and permitted the Government to be defrauded, if not actually participating in the frauds, and it would be proper for the Bar Association of New York to consider the action of these men in this behalf, and it is recommended that the facts be given to the grievance committee now investigating Mr. Chadbourne's professional conduct. It is also proper to point out the great influence which men can obtain by being large contributors to political funds, Mr. Chadbourne being reputed to have been one of the largest contributors to the political party in power when these outrages were perpetrated on the Government. During the last campaign he was facetiously referred to, because of his activities in these particulars, as one of "Gold Dust Twins."

2. DAYTON WRIGHT CO.

The audit discloses that the Dayton Wright Co. has been overpaid $2,554,383.27. This company was one of those of which Col. Edward A. Deeds, formerly the head of the Bureau of Aircraft Production, was an incorporator. The acts and doings of Mr. Deeds were quite fully reviewed in the report of Judge Hughes, who reported him guilty of reprehensible conduct and recommended that he be court-martialed. Before taking charge of the Bureau of Aircraft Production Mr. Deeds had been convicted before a jury on an indictment including counts of bribery and corruption, after which the case was returned to the lower court for retrial and the matter dropped. The evils of corrupt politics and large political contributions and later some financial disaster of the Government present themselves so frequently in this investigation that they can not be ignored. There is testimony of record by various witnesses that prior to the time Mr. Deeds was placed in charge of aircraft production he and his associates had made political contributions in Ohio to the extent of $37,000, and that on the day after he received his commission a personal note of Governor Cox, of Ohio, for $5,000 was discounted, and that it was later paid by the Dayton Metal Products Co. (Hearings pursuant to S. Res. 357, 66th Cong., 2d sess, pp. 2709–2829.) I have not had an opportunity to critically investigate the audit of the Dayton Wright Co. for evidence of fraud, which feature, under all of the circumstances, deserves to be carefully considered. The audit and all papers in this case have been placed in the hands of a special attorney and are having his consideration.

3. AMERICAN ELECTRO PRODUCTS CO.

The American Electro Products Co. is a Canadian concern, and the contract provided for the erection of a plant at Shawinigan Falls, Canada, for the production of glacial acetic acid, the loan of $1,750,000 by the United States Government, the plant to remain the property of the contractor at all times. On December 22, 1920, the Hon. Newton D. Baker, Secretary of War, requested an opinion of the Attorney General as to the validity of the contract and stated, among other things:

"In the opinion of the Judge Advocate General the foregoing provisions as to obligations upon the part of the Government are so wasteful and extravagant and, in view of the location of the plant in a foreign country, so inimical to the interests of the Government as to be beyond the power of any agent of the Government to incorporate them in a binding contract. Herewith is transmitted a copy of such opinion, together with all pertinent papers."

On April 20, 1921, Hon. J. M. Wainwright, Assistant Secretary of War, communicated with the Attorney General, requesting that such litigation be instituted as deemed advisable to protect the Government's interests. Among other things, the communication stated:

"I consider the terms of the contract as unconscionable and that suit should be instituted to recover from the company the sum of $1,750,000 loaned by the Government, plus unpaid interest from February 28, 1918."

It will be seen that this case has been in the Department of Justice for about a year, but so far no action has been taken in the matter.

4. AMERICAN BOSCH MAGNETO CO.

This investigation began with an aircraft contract, but shortly disclosures were made involving the administration of the office of the Alien Property Custodian, who seized the property of the Bosch Magneto Co. on May 1, 1918. Subsequent to the armistice, on December 31, 1918, the stock of the Bosch Magneto Co. was sold by the Alien Property Custodian to Martin E. Kern for $4,150,000. On January 17, 1919, the assets and liabilities of the Bosch Magneto Co. were sold by Martin E. Kern to the American Bosch Magneto Co., a corporation organized on that date under the laws of the State of New York. The report of the auditor who has investigated this matter stated—

"That the business was a profitable one is revealed by the fact that from the small capital investment of $25,000 in 1906 its books showed on April 30, 1918, after deduction for dividends, taxes, and other similar charges, a combined capital and surplus of $8,492,457.61. Furthermore, for a period of seven years preceding April 30, 1918, its net income averaged approximately $110,000 per month.

* * * * * * *

"Exhibit A, Schedule 3, or balance sheet of the Bosch Magneto Co. as of December 31, 1918, prior to taking over the company by the American Bosch Magneto Corporation, is the last balance sheet of the company while under the régime of the Alien Property Custodian. It will be noted that the capital and surplus which on April 30, 1918, was $8,492,457.61, now appears as $5,856,091.93, a net decrease of $2,636,365.68. As this was during the period of the sale of the company to Martin E. Kern for $4,150,000, one would naturally infer that the assets were deliberately written down so as to cause the net worth of the company to appear approximately near the sales price. The details of this decrease are shown in Exhibit A, Schedule 5."

An examination of the report of William J. Barry, C. S. A., and schedules attached to his report will indicate manipulations and the juggling of the books of this concern. The investigation disclosed that Martin E. Kern was a former convict and had served terms of imprisonment on several charges, and that it now appears that he himself was a citizen of Germany. When the disclosures became public Kern immediately left the country. The proposition was underwritten by Hornblower & Weeks, and Exhibit B, which is the statement of loss, is hereto attached.

During the progress of the investigation it became known that important records in the case were about to be removed, and Hon. John W. Crim, Assistant Attorney General, promptly took the necessary steps to protect the Government's interests and to place the matter before a Federal grand jury. Efficient cooperation, with the prompt, able, and conscientious efforts of Mr. Crim in all matters which concern the Government's interests, is hoped for.

JAPANESE INTERESTS.

Standard Aircraft Corporation.
Standard Aero Co.
Mitsui & Co.

The Standard Aircraft Corporation and the Standard Aero Co. are enterprises of Mitsui & Co., Japanese bankers and the fiscal agents of the Japanese Government. During the period of the war the Standard companies were prominent members of the group of contractors which controlled American aviation. There has been much corroboration of the following testimony taken in the investigation of aircraft production by the Senate Committee on Military Affairs (pp. 339–346, 468).

"Senator FRELINGHUYSEN. What relation does the Mitsui Co. bear to the Japanese Government?

"Mr. WORKMAN. They are paymasters for the Japanese Government throughout the world, its financial agents, and they were also assisting the German secret-service work before the war, acting as paymasters for them."

Judge Hughes was correct in his statement to the President that these Japanese concerns received orders for almost every variety of airplane work, "a proceeding which had no justification from a production standpoint." The concerns were operated by Harry B. Mingle and Max J. Finklestein. While it has been established that these companies were controlled by Mitsui & Co., who owned the majority of the stock, Mingle testified before the Senate committee that Mitsui & Co. loaned him $3,500,000 to carry on the undertakings and that "all they have is a memorandum that in case I should die or anything should happen they could handle it in any way they wished." It was testified that Mingle made weekly report to the Japanese owners, and we have documentary evidence to show that early in the war the Standard Aircraft Corporation shipped five motors from San Francisco to Japan. The impropriety of such a situation needs no comment. This investigation has established the fact that agents of the Japanese Government are constantly collecting information of the most intimate character as to the industries, resources, harbors, and other information of a vital character concerning this country, and that these agents work through Mitsui & Co. Full particulars as to our information in this respect will not be reported in this memorandum.

A report by the contract audit section of the War Department shows the following as a result of its audit of the contracts of the Standard Aircraft Corporation and the Standard Aero Co.:

Total payments by the Government	$16,461,680.15
Amounts unsupported by property records or other papers	9,948,028.42
In case supporting papers are produced there would remain the following amounts to be recovered from contractors for reasons stated in individual audits	6,586,774.61

The statement showing settlement as of September 30, 1919, and known as Exhibit A, shows the following:

AMORTIZATION AND DEPRECIATION.

Total amortization on buildings, machinery, and equipment per Exhibit F, $2,266,479.35.

The comparative balance sheet after Government adjustments as of September 30, 1919, shows the following:

Assets:	
Quick: Payments to Mitsui & Co	$4,770,000.00
Other payments and reserves set up for Mitsui & Co.:	
Prepaid expenses—rents	370,499.92

The investigation has developed the fact that the Standard companies have never owned these buildings, and as the contractor has collected for both amortization and rent on the buildings, the fraud on the Government is apparent at a glance, and a searching investigation of all of the activities of these companies must be completed.

Subsequent to these statements Mingle is alleged to have paid to Mitsui & Co. other sums in excess of $2,000,000. Although largely indebted to the Government, the Standard Aero Co. is now in the hands of a trustee in bankruptcy and the Standard Aircraft Corporation is in the process of liquidation.

Mitsui & Co. are indirectly exercising powerful influence in this country which extends to Congress and departments of the Government, and they have on their pay rolls attorneys and politicians who are attempting to run roughshod over this country to whom they owe their first allegiance.

When an investigation of the Standard contracts began, the law firm of Cadwaledar, Wickersham & Taft notified the Chief of Finance of the Air Service that they had been retained by Mitsui & Co. (Ltd.) to represent their interests, and requested that certain accountants who had been in the employ of these interests be permitted "to work with the Government's representatives during the audit of the books of the Standard Aircraft Corporation." Their request was refused unless Mitsui & Co. would admit its liability in the premises.

In a few days after this letter was written, Abraham F. Myers, formerly an office boy in the Department of Justice, who had already received unusual advancement after becoming a law clerk in the department, was given general supervision of all of the war-fraud cases at a salary of $6,000 per year. Shortly thereafter this young man, who, it seems, was one of those who failed to do military service during the war, notified the Air Service that no further information was to be given to any person connected with the Department of Justice except through him. A few days later I established by conclusive evidence that the said Myers was placed in this key position through the influence of George W. Wickersham. Since that time the investigation of the Air Service has been blocked.

GLENN L. MARTIN CO.

In connection with another case, the Glenn L. Martin Co., it became necessary for me to procure an Air Service audit made at McCook Field, which was being suppressed. In this case I learned that the Glenn L. Martin Co. had made a profit of about $400,000 on a recent contract, involving approximately $1,180,000, and that the Glenn L. Martin Co. had been paid $59,000 for the same airship which another contractor was building for $18,900 each. It was also learned that the Glenn L. Martin Co. had kept its books in code, and that it was alleged to have defrauded the Government in the matter of its income taxes. Notwithstanding the arrangements which I have perfected and had operating with the War Department for cooperation when the Department of Justice announced that it had no funds, Mr. Myers sent for an officer of the Air Service and directed him that no further information should be given to persons connected with the Department of Justice except through him. On January 4, 1922, I received a memorandum from Mr. Myers informing me that the contract contained a clause that the cost records would be available for the information of the "contracting officer," and I was further informed by him that the "Martin Co. and Chief of Air Service both construe this provision to mean that as to all others, including other branches and officers of the Government, the records are to be treated as confidential." There has come into my possession an official copy of a letter written by Maj. Thurman H. Bane, the commanding officer at McCook Field, dated November 26, 1921, to Gen. M. Patrick, saying: "This just to let you know that the Department of Justice is actually operating."

OBSTRUCTIONS.

Aside from the aggressive and open obstructions by Mr. Myers, I have reported to you fully in my memorandum of February 24, 1922, the name of a high Government official who is deeply involved, and has been sufficiently powerful to seriously impede further investigation. Just at the time when we were closing in on these crooks and were in a position to close up the main features of the investigation, my only assistant, who was rendering a most valuable service in connection with the Bosch Magneto Co., Spruce Production contracts, Japanese activities, and other matters, was suspended and for which, notwithstanding persistent inquiry, no reasons have ever been given. In another case indirectly connected with the aircraft investigation, an agent of the Department of Justice a few days ago filed with his report a check which he alleged had been offered to him as a bribe. The next day this agent was discharged.

CONCLUSION.

On February 15, 1922, I handed to you a comprehensive report of the cases in which my investigation has resulted in tangible developments and with it a large amount of documentary evidence to support my findings. Numerous cases of great importance, not mentioned in the memorandum I am now writing, are discussed in that report at length. Among these cases was documentary evidence which showed that a part of the $100,000,000 fund, which was voted by Congress to relieve starvation in Europe, was employed to finance a counter revolution in Russia, and I exhibited to you the bill of lading showing army trucks and supplies which were delivered to the Northwest Russian Army. I also exhibited a cablegram signed by an official of the American Relief Administration, referring to the captain of the Shipping Board vessel who delivered these goods, and was decorated by the commander of the Northwest Russian Army for arriving in time for the offensive against Petrograd, stating "Retained in command General Wahl thinks unsafe for him to return London to give evidence." Two days later this same official sent through Government channels a second cablegram containing numerous charges against this captain which resulted in his dismissal, all of which charges were later officially pronounced by a Government investigation to be false. The report lays bare intrigues connected with the Air Service and running out into other branches of the Government, backed up by indisputable documentary evidence which would shock the Nation. Half of the time spent during this investigation has been in efforts to overcome obstructions and fighting to get a chance to fight. Unless the corruption which infests this Government is checked, it is a serious question as to how long it can survive. The Government is being overthrown, not by bolshevists, but by crooked politicians and trusted officials who know what is going on and have not the courage to fight or expose the conditions. So far as the Department of Justice is concerned, it no longer functions except in the capacity of first aid to crooks.

It would be wrong to officially file this communication without stating that you and Mr. Burns are not responsible. Your hands are tied the same as mine. I have never observed more faithful, efficient, and zealous officials than Mr. Crim and Mr. Burns, but insidious interests are so firmly intrenched that honest efforts are circumscribed by seemingly impassable barriers. On February 24, 1922, I fully reported the situation to you, mentioning the names and evidence to connect high Government officials with these obstructions and I requested that you call that memorandum and my report of February 6, 1922, to the attention of the President.

It is no longer a question of fidelity to party. Both political parties are corrupt, and both are controlled by the same interests. The situation is one of serious concern. When the law ceases to function for any cause, just so far the Government is overthrown. After endeavoring for months to get the obstructions to my investigation removed, and without success, I have determined to submit this memorandum as my last effort within the department. Unless the recommendations in my former reports are acted upon and the situation is immediately cleared up I shall without further notice transmit a copy of this memorandum to Congress, lay it before the proper grand juries, the American Legion, and other patriotic organizations and furnish copies to the press. At the same time I intend to demand an investigation of the Department of Justice and shall volunteer my services to Congress for that purpose. The American Government shall function, and I pledge myself to observe my oath of office, and in doing so to go to the limit.

Respectfully,

H. L. SCAIFE.

BOSCH MAGNETO CO.,
January 17, 1919.

Statement of loss resulting from sale of American Bosch Magneto Corporation securities.

Corporate securities acquired from American Bosch Magneto Corporation as per books of American Bosch Magneto Corporation:		
Stock (59,997 shares)		$5,755,657.50
Notes		1,800,000.00
Total valuation per books of American Bosch *Magneto* Corporation		7,555,657.50
Disposition of stock:		
44,997 shares to Hornblower & Weeks, at $60	$2,699,820.00	
3,100 shares to G. A. MacDonald, at $5	15,500.00	
4,900 shares to M. E. Kern (stock dividend), at $92.60	453,740.00	
7,000 shares to Hornblower & Weeks, as commission	Donation.	
59,997 shares.		
Total income from stock	3,169,060.00	
Notes sold to Hornblower & Weeks for	$1,664,700.00	
Income from stocks and notes, accrued interest, on notes received from Hornblower & Weeks	13,833.33	
Gross income received	4,847,593.33	
Deduct charges incurred in liquidation:		
Hornblower & Weeks, expense	$10,657.34	
Hornblower & Weeks, expense	5,412.44	
J. H. Covington, expense	25,000.00	
Interest paid Kern	6,916.67	
American Bosch Magneto Corporation	61,186.66	
American Bosch Magneto Corporation	31,052.41	
Herrick Smith, Donald Farley	20,641.14	
Revenue stamps	320.00	
	161,186.66	
Net income received		$4,686,406.67
Net loss		2,869,250.83

Mr. Chairman, so that the House may know the sort of a man and patriot he is, I wish to state that when war was declared Mr. Scaife, although past 46 years of age, volunteered for service with the Army. He was given a commission as captain in the Air Service, later was transferred to the Infantry at his request, and in that capacity served his country throughout the war. The following biographical sketch sheds some light upon this man's standing and ability:

[From Clinton (S. C.) Chronicle, November 22, 1917.]

MR. H. L. SCAIFE.

Mr. H. L. Scaife was born at Spartanburg, S. C., in 1872, and his people were among the Colonial settlers in Virginia and South Carolina. He is a descendant of "Gentleman" William Thomson, who was among the early settlers in Spartanburg County. He is a grandson of Maj. John Sharpe Rowland, a distinguished citizen of Georgia in ante bellum days. On his mother's side he is descended from the Lewis family, which furnished 22 soldiers to fight in the Battle of King's Mountain. The Lewis family is unique in its history in that seven of its members and connections have been Presidents of the United States. His grandfather, Col. Ferdinand Scaife, led the first troops which left Union County for the Civil War.

Mr. Scaife graduated from the South Carolina Military Academy in 1892, and was engaged in educational work for eight years, being superintendent of the city schools of Laurens, and later commandant of cadets in a military school in Kentucky. He was admitted to the bar in 1898. Mr. Scaife engages in the general practice of law only to a limited extent, being in charge of the legal work in this State for several concerns. He is the originator of a system of investigations for the prevention of litigation in connection with insurance frauds. He is attorney for several concerns having mining interests in Mexico, and has spent much time in that country. He organized and is now first vice president of a hospital for miners in the district in which he is interested.

He takes an active interest in scientific and economic subjects, and papers written by him have appeared from time to time in scientific journals and have been read before associations of which he is a member. He has organized several business enterprises which have been managed with success.

Mr. Scaife is a member of the American Bar Association, the South Carolina Bar Association, the American Society of International Law, the American Association for the Advancement of Science, and other societies.

In 1916 he was appointed by President Wilson as associate member of the Naval Consulting Board and a director of the Industrial Survey for South Carolina. At the present time he is acting on the Government fuel committee for Laurens County.

As soon as a state of war was declared to exist he tendered his services to the Government, and his name is now carried on the rolls of the War Department as having qualified for a commission with the rank of major.

He has given active support to all of the efforts which have been put forth for the good of the community.

SPRUCE FOR AIRCRAFT.

Mr. Chairman, on February 16, 1920, subcommittee No. 1 of the Select Committee on Expenditures in the War Department of this House submitted its report. (Rept. No. 637, 66th Cong., 2d sess.) That report, among other things, dealt with the expenditures in connection with spruce production in the Pacific Northwest. Accompanying the report were thousands of pages of testimony and a vast number of exhibits offered during a careful and exhaustive examination which supported the findings of the majority of the committee. This report and the evidence accompanying it disclosed a situation and a series of transactions which clearly called for prompt and drastic prosecution, both civil and criminal, of the many persons and interests involved. It disclosed an unparalleled condition of waste and inefficiency in connection with spruce production. It disclosed the connection of sinister influences and powerful individuals with operations in the Pacific Northwest, in which millions of dollars were expended upon enterprises which directly and primarily benefited private interests and which, from the viewpoint of the Government, wasted public funds and delayed for selfish, mercenary purposes the airplane program. The instances and transactions which fall easily within these criticisms are too numerous to be at this time specifically mentioned. I refer you to the report for an enumeration of the scandalous details.

So far as I am informed, not a single proceeding, either civil or criminal, has been instituted by the Department of Justice in connection with these frauds. I am further informed that the settlement of these various transactions has been left in the hands of the Spruce Corporation and the Air Service, which were directly concerned with their initiation and execution during the time when the frauds were perpetrated. Speaking with a gentleman the other day concerning these matters, I asked him what were the feelings of the people of the Pacific Northwest in regard to the failure of the present administration to follow up the investigations of the committee of this House and the repeated promises made by responsible party leaders during the last presidential campaign. His reply, in substance, was that the people were sadly disillusioned and that they were rapidly reaching the conviction that persons and interests powerful enough to loot the Government during the last administration were powerful enough to retain their loot under the present administration and that war grafters and their immunity from prosecution had bipartisan characteristics.

In this connection I refer to an editorial appearing in the New York Times of May 2, 1918, under the heading "A Federal grand jury for the airplane inquiry," and from which I quote the following paragraph:

> These conditions plainly point to an organized conspiracy—bold, powerful, numerous—made up of men able to formulate a great and definite plan and embracing within their number men sufficiently high placed and influential to have the ear and the confidence of the Secretary of War.

Are we to be now forced to the reluctant conclusion that the men referred to in this editorial are still sufficiently high placed and influential to have the ear and the confidence of and to influence the course of action of men now in authority whose duty it is to investgate and prosecute them?

BOSCH MAGNETO CO.

Another illustrative case, indeed typical of many, many others, is that of the Bosch Magneto Co. The successor to this company had a contract with the Aircraft Bureau, and in connection with that contract it appears that disclosures were made of an astounding character in relation to the seizure and subsequent sale of the capital stock of the Bosch Magneto Co. by the Alien Property Custodian. On December 31, 1919, nearly two months after the armistice, the capital stock of the Bosch Magneto Co. was sold by the Alien Property Custodian to one Martin E. Kern for $4,150,000. Mr. Kern was a close personal friend and client of Mr. Palmer, Alien Property Custodian at the time of the sale. It appears that Mr. Kern was not an American citizen, but was apparently of German birth and citizenship. It would also seem that he had served three years in prison in the State of New York for felonies committed by him, and I hold here in my hand copies of his photograph appearing in the Rogues Gallery in New York City. Apart from the fact, which seems to be admitted, that Mr. Kern was not an American citizen, his conviction of a felony would deprive him of his civil rights, and it does not appear that through pardon or other Executive clemency such rights have ever been restored. The trading with the enemy act, under the provisions of which the property was seized and subsequently sold, prohibits the sale of property to other than American citizens. A violation of the provisions of the act may be punished by a fine of $10,000 or imprisonment not exceeding two years, or both. The sale to Mr. Kern was in direct and palpable violation of the act. It was a violation in which both the official who made the sale and the persons concerned in receiving the

transfers were equally guilty. No prosecutions have yet occurred, and although newspaper publicity some time ago seems to have stirred the Department of Justice to some show of activity, nothing yet has come of it.

It has been charged in this case, and the known facts seem fully to warrant the charge, that the property was worth at least twice the figure at which it was sold. The facts would seem clearly to support the charge that a gross fraud was committed against the United States in connection with this sale. Shortly after the property was sold to Mr. Kern a corporation called the American Bosch Magneto Co. was organized, to which the properties were transferred. One of the chief actors in these transactions was the firm of Hornblower & Weeks, a banking and brokerage house of New York and Boston. It appears from information obtained from reliable sources and from figures taken from the books of the American Bosch Magneto Co. that the profits realized by the firm of Hornblower & Weeks from its connection with this transaction was probably $1,000,000 or more, and that the profits which Mr. Kern realized ran to many hundreds of thousands of dollars. Neither the Department of Justice nor any other department has as yet instituted any civil proceedings to set aside this sale.

Mr. Kern returned from Europe some time ago. He still is at liberty enjoying the profit and fruits of the manipulations. While he was in Europe it appears that he wrote some letters which were intercepted and finally passed into the hands of the public authorities. To show the audacity of the man and the influence which he thinks he and his associates can exert upon public officials, I will quote from these letters. Writing from the Hotel Maurice, Paris, under date of January 27, 1922, to one of his attorneys in a Pennsylvania town, he says, among other things: "Call Griffiths in. You can trust him. Of course, he wants to look out for himself. He always does. Surely there must be some way to make the Attorney General see reason." Again, writing from the same place to the same person, he says: "Murray seems to have lost his head entirely, as have I. * * * Why don't Murray and all interests take John W. Weeks to Daugherty and put a quietus on this thing?" The Murray he refers to was one of the men who was associated with him in a deal, and who was afterwards president of the American Bosch Magneto Co. The other gentlemen he refers to are, respectively, the Secretary of War and the Attorney General, and the thing upon which he wished a quietus put evidently was the agitation in the public press for criminal prosecution by the Department of Justice in connection with the matter and civil proceedings to set the sale aside.

AMERICAN ELECTRO PRODUCTS CO.

The American Electro Products Co. is another typical case. This concern was organized under the laws of Canada, and erected a plant in Canada for the production of war supplies, among other things, glacial acetic acid. It obtained contracts from the Government. It also obtained a loan of $1,750,000. I call special attention to the fact that as early as December 22, 1920, Mr. Baker, then Secretary of War, requested an opinion from the Attorney General as to the validity of the contract, and in the communication making such request he said:

> In the opinion of the Judge Advocate General the foregoing provisions as to obligations upon the part of the Government are so wasteful and extravagant and, in view of the location of the plant in a foreign country, so inimical to the interests of the Government as to be beyond the power of any agent of the Government to incorporate them in a binding contract. Herewith is transmitted a copy of such opinion together with all pertinent papers.

Official action was not taken under the last administration to effect the cancellation of this most extraordinary contract, or even to recover the amount which the United States had loaned. Shortly after the incoming of the present administration—that is to say, on April 20, 1921—Mr. Wainwright, Assistant Secretary of War, communicated the facts to the Attorney General and requested that appropriate action be taken, among other things stating:

> I consider the terms of the contract as unconscionable and that suit should be instituted to recover from the company the sum of $1,750,000, loaned by the Government, plus unpaid interest from February 28, 1918.

Nearly a year has passed since this matter was officially called to the attention of the present Attorney General with request for proceedings adequate to preserve and enforce the rights of this Government. I understand that no action has been brought. I do not know what the reason is. I do not know what influences, if any, have intervened between the Attorney General and the undoubted rights of the Government. I do know that in this case, as in scores and hundreds of others, nothing has been done, and the hope of recovery is disappearing with lapse of time.

JAPANESE INTERESTS.

I will call specific attention to another typical instance where it appears from official records that the Government was defrauded out of millions in connection with war contracts, where men high in political circles have intervened in behalf of the contractors against whom the charges have been made, and where as yet absolutely no civil or criminal proceedings have been instituted to redress the wrongs perpetrated on the Government. Some phases of the matter to which I now refer are so unusual and extraordinary as to command the serious attention of everyone interested in the welfare of our Government.

The Standard Aircraft Corporation and the Standard Aero Co. were both given large and various contracts for the Air Service during the war. It appears that both of these companies were active and influential members of the group of contractors which controlled the aviation situation during the war. Both of these companies were financed in their entirety by Mitsui & Co., Japanese bankers, and the fiscal agents in this country and elsewhere of the Japanese Government. These facts have been known and have been a matter of official record for several years. It was testified before the Senate Committee on Military Affairs in the investigation of aircraft production concerning Mitsui & Co. that—

> They are paymasters for the Japanese Government throughout the world, its financial agents, and they were also assisting the German secret service before the war, acting as paymasters for them.

The report of Judge Hughes, made as the result of his investigations of aircraft production in 1918, called attention to the fact that these concerns were financed by Japanese capital; that they had received orders for almost every variety of airplane work; and he stated that this was "a proceeding which had no justification from a production standpoint."

A report by the Contract Audit Section of the War Department which has been in the hands of the Department of Justice for a considerable time shows that payments were made by the War Department to these concerns in the aggregate amount of more than $16,000,000, and that of this amount $6,586,774.61 was made up of undoubted illegal overpayments, which should be recovered. The investigations made, and which have been reported to the Attorney General, show the fraudulent character of these overpayments and the methods employed to obtain them. For instance, the Government paid as a part of the cost of carrying forward the contracts the sum of $370,499.92 as rental for buildings occupied by the company. Obviously and admittedly the buildings were not owned by the companies. Later they claimed and were paid a large sum by way of depreciation or amortization on these same buildings which they did not own.

Some months ago when the investigation of these contracts by the contract audit section had reached a very interesting stage the well-known law firm of Cadwallader, Wickersham & Taft, a member of which firm is a former Republican Attorney General, appeared on the scene as attorney for Mitsui & Co. A few days later Mr. Abraham F. Meyers, formerly an office boy, later a law clerk in the Department of Justice, was given general supervision over war fraud cases, including the Standard Aircraft and Standard Aero cases, at a salary of $6,000 per year. Not long thereafter this man notified the Air Service that further information concerning aircraft cases so far as the Department of Justice was concerned was to be given only through him. I am informed on reliable authority that Mr. Wickersham recommended the appointment of Mr. Meyers to the place he now holds. Up to this time no criminal proceedings have been brought against any person connected with these transactions, and no civil proceedings have been brought to recover the fraudulent overpayments. In the meantime, so I am informed, both of these companies have disbursed and disposed of the moneys obtained from the Government, several million dollars having been paid directly to Mitsui & Co. I am also informed that one of these companies is now going into bankruptcy and the other through the process of liquidation. Thus, through lapse of time, inexcusable delay, and official nonaction the situation is being created where the hope for possibility of recovery will be gone.

In view of Mr. Wickersham's activities in connection with this case an editorial in the Washington Times of April 6, 1922, will be interesting. It is, in part, as follows:

WOLVES IN LAMB'S GARB.

> The British propaganda goes on unabated in this country. Recently in Maine there appeared two notorious British propagandists, speaking to American audiences. One of them is the notorious Rathom, of the Providence Journal, whose connection with the British secret service was exposed not long since. The other is George W. Wickersham, Attorney General of the United States under Taft because he was the partner of Taft's brother.

Wickersham has been a British propagandist in this country for some time. He has spent a great deal of his energy in behalf of the League of Nations, which the British wanted, and in behalf of the present four-power treaty, which the British desperately want.

He got up a big petition for the four-power treaty, which he sent to Washington. He spoke for it everywhere. But nowhere did he reveal to the people his British connections. Therefore, it is the duty of this paper to call attention to them.

He is the American attorney for the biggest steel company in Great Britain and the largest munitions maker. His sister is married to the head of one of these firms.

* * * * * * *

When will the standards of honor of American public men require them either to decline to express publicly an opinion concerning a public question in which they have a private personal interest; or, when expressing an opinion, to reveal their personal interest so that the public may make appropriate discount?

A man with Mr. Wickersham's connections would not be allowed to sit on a jury in any case in which the British were interested. Why should he consider it honorable, for the purpose of promoting a secret personal interest, to exploit the fact that he has been Attorney General of the United States?

It is these secret connections, these private, personal interests, which are the curse of American public life.

We do not know when a man to whom we have accorded highest honors is rendering us a good return by giving us the benefit of his experience and ability without personal interest or an evil return by giving us an opinion biased by a strong financial interest concealed from our view.

The time is coming when we shall outlaw public men who do such things and even make it criminal. It is not only morally atrocious, but it is a very great public danger.

CHEMICAL FOUNDATION CO.

Subsequent to February 26, 1919, the Alien Property Custodian transferred to the Chemical Foundation Co., a Delaware corporation, about forty-five hundred patents, patent applications, and so forth, principally relating to chemicals, dyes, medicines, and so forth. The consideration agreed to be paid by the company was $250,000, an amount no doubt much less than the aggregate Patent Office fees. The patents, and so forth, so transferred were easily worth upward of fifty times the consideration received. There is no doubt that single or isolated patents included in the number transferred were each worth many times the total amount of the consideration paid.

The first order authorizing the transfer of these properties bears date of February 26, 1919, and was executed by Franklin L. Polk, under some sort of authority conferred by the President. Mr. Polk signed the document in his individual and not in an official capacity, although he at the time was Acting Secretary of State. A supplemental order covering additional properties was signed by Mr. Polk April 5, 1919. Neither of these orders described the particular patents, patent applications, and so forth, that were to be transferred. They each contained the most extraordinary provision that the Alien Property Custodian was authorized to transfer to the Chemical Foundation Co. any and all patents, patent applications, trade-marks, and so forth, to be selected by the Chemical Foundation Co. and which might be germane to the general purposes of the corporation. It is understood that from the early part of March, 1919, and for a couple of years thereafter, the Chemical Foundation Co. has from time to time selected and designated patents and trade-marks which have been transferred. In other words, a private arrangement was made in the early part of 1919 by which, for the nominal consideration of $250,000, the Chemical Foundation Co. would receive a transfer of any and all patents which it might select from among those seized by the Alien Property Custodian.

The Chemical Foundation Co. was organized after the armistice. Official data shows that it was organized by arrangement and cooperation with the Alien Property Custodian, and for the announced purpose of taking over these patents, applications, and so forth. The most active person in connection with the organization of the company was Mr. Francis P. Garvan, who became its first president, and who has continued to be such since that time. A voting trust was established in respect to the capital stock, and the first voting trustees consisted of five persons—Otto Barnard, Cleveland H. Dodge, George L. Ingraham, Ralph H. Stone, and Benjamin Griswold, jr.

At the time the company was formed and the plan for the transfer of these properties to it was formulated, Mr. Palmer was Alien Property Custodian and Mr. Garvan was the chief investigator of the Alien Property Custodian and in charge of the New York office. The men who made up the voting trustees were, in 1919 and prior thereto, the advisory sales board in the organization of the Alien Property Custodian, having the duty and the assumed obligation of passing upon and advising the Alien Property Custodian with respect to proposed sales, the adequacy of consideration, terms, expediency of making sales, and all other factors bearing upon the propriety of any proposed sale.

Mr. Joseph H. Choate, jr., was the attorney who very largely looked after the incorporation of the Chemical Foundation Co. and subsequently the transfer to it of the various patents, patent applications, and so forth. At the time the Chemical Foundation Co. was organized he became its attorney and thereafter continued in that capacity. At the time the Chemical Foundation Co. was formed, and for some time prior thereto, and for a considerable time thereafter, he was connected with the office of the Alien Property Custodian, and to quote from the testimony of Mr. Choate before a committee of this House:

Mr. GREEN. Just what were your duties with the custodian of the alien property?

Mr. CHOATE. In the Bureau of Investigation; I had charge of the investigation of the chemical business.

A few days prior to March 1, 1919, Mr. Palmer, then Alien Property Custodian, was nominated for the office of Attorney General. He was not confirmed until some days later. On March 4, 1919, Mr. Garvan became Acting Alien Property Custodian and assumed full charge of the office. Shortly thereafter he received a permanent appointment to the position. It will be remembered that February 26, 1919, is the date upon which the first order was made authorizing the transfer of any property to the Chemical Foundation Co., and that April 5 following was the date upon which the second order was made. Up to March 4, Mr. Garvan was the chief investigator for the Alien Property Custodian. On and after March 4 he was in fact the Alien Property Custodian. He was the president of the Chemical Foundation Co. from the date of its organization a couple of months before. Many of the patents, trade-marks, and so forth, were in fact transferred to the Chemical Foundation Co. after March 4, with the result that Mr. Garvan, as Alien Property Custodian, was bargaining with Mr. Garvan as president of the Chemical Foundation Co.

The Alien Property Custodian was, of course, by reason of the terms of the trading with the enemy act, trustee of the seized property. Mr. Garvan, Mr. Choate, and the members of the Advisory Sales Board were a part of the organization of the Alien Property Custodian. They had assumed obligations in respect to the properties which the custodian seized and administered. In a broad and equitable sense they occupied a fiduciary, a trust relation to such properties, and the obligations arising under such a relationship required a scrupulous observance of the principles of honor and square dealing.

Clearly it is a situation where persons occupying a position of public trust in relation to valuable properties employed the device of a corporation organized by themselves to sell to themselves for a grossly inadequate consideration these properties, which, at the time, they were under moral and legal obligation to administer as a public trust.

It seems too clear to admit of doubt that these acts constitute both a civil and a criminal fraud against the United States. In a legal sense the property held in trust by the Alien Property Custodian was and is the property of the United States, if it was in fact seized from enemy aliens falling within the provisions of the trading with the enemy act. The seizure of the property was authorized. By the provisions of the original act and the amendments thereto, the Alien Property Custodian, under regulations prescribed by the Executive, could exercise all the rights of ownership, including the power of sale.

The alien enemy has no rights in the property which he could judicially enforce. The final disposition of the property under the law was and is dependent upon congressional action. Obviously this complete dominion over the property is inconsistent with any legal title remaining in the alien enemy. The seized property was to be held in trust by the Alien Property Custodian of the United States subject to congressional action, hence it was a public trust. In a legal sense the fraud was perpetrated in connection with property held in trust by the Alien Property Custodian. It was without doubt a fraud upon the United States.

Section 37 of the Federal Penal Code provides that—

If two or more persons conspire together to commit any offense against the United States, or to defraud the United States in any manner or for any purpose, and one or more of such parties do any act to effect the object of the conspiracy, each of the parties to such conspiracy shall be fined not more than $10,000 or imprisoned not more than two years, or both.

The case of the Chemical Foundation Co. falls easily upon the provisions of this section, as construed by the Federal courts. That the various persons whom I have mentioned concerted and conspired together to transfer to the Chemical Foundation Co., a corporation of their own creation, a great number of patents, trade-marks, and so forth, for a very small fraction of their value must be admitted. That this constituted a fraud upon the United States is also perfectly clear, and the character of the offense is made the more inexcusable by the fact that the conspirators were occupying public positions and charged with a public trust in relation to such properties.

It will be observed that the statute which I have quoted makes criminal any conspiracy to defraud the United States in any manner or for any purpose. The word "fraud" is given the broadest and most comprehensive meaning. Federal courts have quite uniformly held that any willful, fraudulent, or corrupt conduct on the part of a public official that operates in any way to impair the administration of the affairs of the Government or of any department is within the meaning of the statute. The statute is not confined to pecuniary rights, although it includes them. If through any conspiracy any right of the United States is injured or impaired, the statute applies. (Haas *v.* Henkel, 216 U. S. 462; Stager *v.* U. S., 223 Fed., 510; 7 Fed. Stat. Ann. 345, second edition; id. 546; id. 554.) The Attorney General in 1919—then Mr. Palmer—ruled that it was unlawful for the Alien Property Custodian to sell property held by him in trust, except for a fair and reasonable consideration. This opinion was rendered in connection with negotiations by one of the departments of the Government to purchase a patent from the Alien Property Custodian. Apparently it was not lawful in 1919 for the custodian to sell one patent to another branch of the Government except for a fair and reasonable consideration, while it was deemed proper to sell 4,500 patents to himself and his associates for a very small fraction of their value. (31 Op. Atty. Gen. 463, 1919.)

The offense embraced within section 37 of the Penal Code, to which I have referred, is an infamous offense, and properly so, because it embraces frauds against the United States which are essentially subversive and contemptible, particularly when participated in by public officials. The penalty may exceed imprisonment for a year, therefore it authorized, in connection with other statutory provisions, confinement in a penitentiary. These characteristics make it an infamous crime. Whether or not a crime is an infamous one depends upon the penalty which may be inflicted and not what is in fact inflicted in a particular case. (Macklin *v.* U. S., 117 U. S. 348; U. S. *v.* Wells, 163 Fed. 313.)

It does not require the refinement of legal argument or the learning of a lawyer to perceive the essentially immoral, dishonest, and criminal character of the transactions by which the Chemical Foundation Co. became possessed of these patents, trade-marks, and other properties. A mere statement of the undisputed facts, without argument or embellishment, enables even the lay mind to see instantly the illegal character of the transaction.

The Government could and should cancel the transfer to the Chemical Foundation Co. The fact that persons occupying a trust relation to the property were also officers and agents of the corporation to which the property was transferred also creates a presumption of fraud and illegality. The inadequacy of consideration should make the presumption conclusive. That proceedings to cancel the transfers could be successfully maintained will not be honestly challenged by anyone who understands the facts.

It could hardly be expected that Mr. Palmer, who was Alien Property Custodian when the conspiracy was conceived, and who subsequently became Attorney General, would bring proceedings either civil or criminal based upon fraudulent transactions to which he was a party. It was confidently expected by all those who believe in the honest and decent administration of public affairs that with the coming into power of the present administration the present incumbent of the office of Attorney General would promptly bring proceedings to set aside this stupendous fraud and initiate steps looking to the criminal prosecution of the guilty participants. Twelve months and more have passed since the present incumbent took office, and, so far as can be learned, absolutely nothing has been done by his department in connection with this matter. It can not be said that this is due to ignorance of the facts or that the matter has not been repeatedly called to his attention. All of the essential facts were fully developed in hearings before committees of both Houses long before he took office. This specific transaction, among others, was the subject of discussion in the press and on the platform during the presidential campaign in 1920, and in addition was called directly to his attention, as follows:

WASHINGTON, D. C., *July 18, 1921.*

Hon. HARRY M. DAUGHERTY,
Attorney General, Department of Justice,
Washington, D. C.

MY DEAR GENERAL: Herewith please find House Resolution No. 148, also extract from testimony taken from hearings on H. R. 2706, Ways and Means Committee, June 18 to July 18, 1919, and on H. R. 8078, Senate Finance Committee, December 8, 1919, to January 12, 1920.

The resolution sets forth specifically that Francis P. Garvan, Joseph Choate, jr. (and Ramsey Hoquet), were employed by the United States Government as officials in the Bureau of Investigation, office of the Alien Property Custodian, in charge of alien patents. That several months after signing of the armistice and about February or March, 1919, they negotiated a sale by the Government and prepared necessary documents for a conveyance to themselves and their associates at private sale and at a nominal purchase price of 4,500 alien chemical patents. The pretended sale was made to the Chemical Foundation Co., a private company, of which they were organizers and principal officers, and was made without notice to the public, without any competition, and for a consideration of $250,000, although reputable men declare 2 of the 4,500 patents were worth $10,000,000, and the others, though of less value, would add to that total.

Reference is made to original public documents for additional evidence regarding the chemical company, of which company Mr. Garvan was president while serving as Alien Property Custodian. After the sale and as such public officer by public acts he confirmed the sale previously made to him and his associates when they were in charge of the Bureau of Investigation and while he and they were substantially in control of such property. Extracts of testimony herewith discloses the public position of the parties and activities when negotiating the sale on the part of the Government to themselves. Absence of substantial consideration will be furnished by reputable witnesses. A refusal of Alien Property Custodian Garvan to file any report of his administration as such officer while at the same time he was and now is president of the private Chemical Foundation Co. will give an understanding of methods pursued.

Attempted justification of the sale is offered by saying that the alien patents are held by this private company for the benefit of stockholders in dye companies who are privileged to use such patents on payment of royalties or licenses at prices fixed by the chemical company. * * * I have charged in the resolution that the pretended sale was fraudulent and simply amounted to a seizure of such alien patents by such public officers and holding of the property to their own private use. That conclusion is inevitable from the testimony.

A violation of a well-known principle of international law occurred when these alien patents belonging to private parties were seized long after the armistice was signed, not as a war measure nor for protection or aid of the Government but seized for use of a private company by public officers who secured the transfer and possession to themselves for private purposes as stated. The legal responsibility of the Government to the real owners of the patents presumably extends to a return of the patents, or, in any event, their equivalent value. Apart from the violation of principles of international law here involved occurs responsibility by the Government for alien property taken over by these public officials to themselves in a private capacity at a private sale practically without consideration.

The Chemical Co., I am informed, in order to foreclose the Government's right of recovery, recently sought through its officers to have inserted in the peace resolution a provision validating all sales by the Alien Property Custodian, which effort failed through the watchfulness of committee members. It is represented that the Chemical Foundation, through its stockholders, represents a majority of the chemical interests of the country, and by its absolute control of patents and royalties the public is without protection from its exactions. Its power rests with the patents fraudulently acquired, and if the sale is set aside the other question largely will be settled by action. Probability of securing an early expression from the House on the resolution seems doubtful because of proposed recess, and it was offered only to secure added support for your action in the matter.

Your public announcement that your department would vigorously prosecute fraudulent sales made during or since the war has been hailed by the country as a vindication of its judgment last November. As a member of the House investigating committee, I aided in securing evidence which I believe warrants prosecutions and recoveries by the Government in different cases disclosed, but in all the thousands of pages of testimony taken by the House committee I know of no case that presents such a flagrant violation of official duties by men who served on both sides of a contract. From their own undisputed testimony these men violated not alone ethics of public trust and confidence but acted in defiance of well-established principles of law, and also of international law, that directly affects the good name of our Government with all other nations of the world.

The great power and influence of the chemical monopoly will be thrown against any effort to compel restitution to the Government of many millions of dollars in property, for which the stockholders paid only 2 per cent value, and this same power which sought to force validation by Congress of this sale, and spent over $100,000 for lobbying in order to secure dye legislation, will attempt to reach administrative as well as legislative action.

The public complains over punishment of "little fellows," and those skeptical of motives often question prosecutions that may serve political ends, but the case presented by the resolution is bipartisan in character; it challenges the confidence of the people in the integrity of public officials; and it affects prominent ex-officials who set an example of public irresponsibility before their subordinates and before the country.

Any information I may have is at your command, and I trust you will do all in your power to vindicate the law and to right the wrong that in its attempts to validate and "cover up" has reached even to the doors of legislative halls. Such efforts to foreclose the Government's right to inquire and to prosecute are as vicious and "indefensible" in character as was the original fraudulent sale.

Very sincerely yours,

JAMES A. FREAR.

A resolution directing the Attorney General to proceed in the above case also appears in the RECORD of July 11, 1921, but no action was asked on such resolution, presumably, because the record laid before the Attorney General was sufficient to apprise him of the facts. The resolution so introduced and appearing in the RECORD is as follows:

Whereas the official record of hearings before the Ways and Means Committee discloses that during the year 1919 a sale of 4,000 alien chemical and dye patents was made by the Alien Property Custodian to the Chemical Foundation Co.; that said sale was conceived and arranged by Francis P. Garvan, Joseph Choate, and Ramsey Hoquet, officials of the Bureau of Investigation of such custodian's office; that these officials were also, respectively, the president, attorney, and patent adviser of the Chemical Foundation Co. and at the said time were in charge of alien patents in the Government office; that at such time they prepared, or caused to be prepared, an order wherein they were permitted to buy said patents at such price as might be determined by the Alien Property Custodian, whose advisers they were, and they

thereupon fixed a price of $250,000 as a consideration to be paid by them for property which was easily worth over $10,000,000; that said parties concerned arranged by order that such sale should be made privately, without notice or competition; and that they thereupon sold to themselves as officers of such corporation the property at a price fixed by them as such Government officers; and

Whereas said sale was fraudulently made by such public officials at a price fixed by them of only 2 per cent of the actual value of such property: Therefore,

Resolved, That the Attorney General be, and he is hereby, requested to begin legal proceedings to set aside such sale made by the Alien Property Custodian to the Chemical Foundation Co. because of fraud, and that he be further requested to receive from said Chemical Foundation Co. all licenses, fees, and royalties, or other receipts over and above the amount of consideration actually paid by such company as the purchase price of said patents.

The following official record accompanied the letter to the Attorney General, according to the RECORD of July 11, 1921:

[From p. 88, dyestuffs hearings, Senate.]

Mr. CHOATE. I appear here as counsel for the Chemical Foundation, into which I shall go in a moment, and also I have been asked to represent the American Dyes Institute, which is an association of all the dye makers in the country, because they have practically the same point of view presented by the Chemical Foundation to-day, and are, therefore, properly represented by the same counsel. I came into this case, gentlemen, through my service in the office of the Alien Property Custodian. * * *

I am a life-long Republican * * * (p. 106), and so although it was none of our business as members of the Alien Property Custodian's staff, but purely for what we conceived to be reasons of public spirit, all of us who had the knowledge thus derived there very early began to scratch our heads to see if we could not find some way of helping this industry here.

A sale to the Graselli Co. of 1,100 patents and other property for $5,400,000 made them realize they would stand little danger in taking over 4,500 patents for $250,000.

Hearings before the Ways and Means Committee, dyestuffs, on H. R. 2706, July 14 to 20, 1919, Mr. Joseph Choate testifying (pp. 110–111):

Mr. CHOATE. The one thing the Alien Property Custodian had power to do without further help from Congress was to sell them (the German dye patents). * * * Now, it was obvious that the wisest thing for us to do was to sell to good American purchasers, and what could we do? * * * It was then that the fertile brain of Mr. Garvan, the present Alien Custodian, then in charge of the Bureau of Investigation, conceived the high idea of getting an industrial organization to act as a trustee corporation to buy the patents. I was present at every detail of every one of the consultations that resulted in that organization. * * * It took the form it did for this reason: In the first place we had to get an organization that could never fall into the control of any one body, any one company, any one man, or any group of men. For that purpose we made the stock nontransferable without the consent of the company. * * * For that purpose we provided that the whole stock must be placed in the hands of a voting trustee. * * *

Mr. OLDFIELD. Can anybody use these patents (p. 114)?

Mr. CHOATE. Not everybody, but every good American citizen can make application for a license and get it on equal terms, and they have to pay a royalty in each case.

Mr. OLDFIELD. You effect the license system, because all of these patents are controlled?

Mr. CHOATE. Oh, no; they are only controlled by the Chemical Foundation to a very minor extent.

Mr. Hoquet, who furnished the "soft stuff," as he calls it, must be called as a witness. Again quoting (p. 116):

Mr. CHOATE. As to Mr. Garvan being connected with this matter, that happened in this way: We were casting about to get a man to take hold of it, and so Mr. Hoguet, a very ardent Republican, and myself were discussing it as thoroughly as we could as to who could handle it. It was evident that whoever took that position (manager of the Chemical Foundation) would have to have a certain familiarity with the Germans in this country. There was no other man except Mr. Garvan who had a tenth of his qualifications in that respect.

Mr. MOORE. How did he acquire that influence?

Mr. CHOATE. As head of the Bureau of Investigation of the Alien Custodian's office from the start. * * * I should say that Mr. Garvan is a dollar-a-year man, and has no need to ask for any other compensation, and is, therefore, serving with the Chemical Foundation without compensation.

Mr. GREEN. Just what were your duties with the custodian of the alien property?

Mr. CHOATE. In the bureau of investigation; I had charge of the investigation of the chemical business.

* * * * * * *

Mr. CHOATE. The Bayer Co. was sold for over $5,000,000. Of course, they had large properties.

Mr. GREEN. You knew that the patents had large value?

Mr. CHOATE. I knew that the patents had a value which no man could calculate, because no man could say which were valuable except in rare cases. I suppose of the 5,000 taken over a great many were absolutely worthless.

* * * * * * *

Mr. GREEN. Mr. Garvan occupied what position?

Mr. CHOATE. He was head of the bureau of investigation.

Mr. GREEN. And you at that time were working under him?

Mr. CHOATE. I was.

Mr. GREEN. These companies, by virtue of their operation, whether in connection with these patents or not, and although while holding these patents, have made immense profits in this country?

Mr. CHOATE. Large profits, I should say.

Mr. GREEN. And profits that both you and Mr. Garvan were aware of?

Mr. CHOATE. Yes.

Mr. GREEN (p. 118). And learned it in the course of your operations for the Government?

Mr. CHOATE. Certainly. You understand the business was not large. The total amount of imports before the war was under $12,000,000. * * *

Mr. GREEN (p. 118). Now, after these discoveries had been made by virtue of the connection with the Government (value of the German patents) this corporation called the Chemical Foundation was instituted and it was concluded to place as its president Mr. Garvan, a very capable gentleman, and to retain an exceedingly capable lawyer as the corporation counsel, in the person of yourself. * * * Now, this company, having bought these patents, you say would have a considerable power over the imports as the result of its control of the patents?

Mr. CHOATE. It would have the power to control to a certain extent the operations under the patents. It can, if it can induce people to take out revocable licenses, revoke the licenses if the licensee behaves badly. Whether people will take licenses out in that form remains to be seen.

* * * * * * *

Mr. GREEN (p. 120). If, then, he who is a manufacturer in a small way comes before the Chemical Foundation and it appears to the foundation that he has so far not manufactured dyes to their satisfaction, and because he could not manufacture them under these patents without having a license, or for any other reason that appeared to them to be sufficient, he could be excluded?

Mr. CHOATE. He would be excluded if the Chemical Foundation did not believe he was in a position to make dyes that would be a credit to the American industries.

Mr. GREEN. This is a matter entirely in their discretion and judgment?

Mr. CHOATE. Precisely, as it is in the discretion of any other owner of patents.

* * * * * * *

PUBLIC AND PRIVATE SALES.

Mr. KITCHIN (p. 121). Now, in the sale of these patents by the Alien Property Custodian, I believe you said that one chemical company purchased how many?

Mr. CHOATE. Twelve hundred before the organization of the foundation.

Mr. KITCHIN. At public sale?

Mr. CHOATE. Yes, sir; at public sale.

Mr. KITCHIN. Were there any other bidders for them except this chemical company?

Mr. CHOATE. A great many of them, I think.

Mr. KITCHIN. How much did this company bid?

Mr. CHOATE. When the property was sold en bloc the whole property of the Bayer Co. was sold for $5,300,000. I forget the exact figures.

Mr. KITCHIN. That property included also the stock?

Mr. CHOATE. Yes, sir; that carried the company and its patents.

Mr. KITCHIN. Now, has that company turned over to your company these 1,200 patents?

Mr. CHOATE. No, sir; we hope they will. (Neither has the Dupont Co. or others controlling patents.) They are among the underwriters and good American people, and I think they will try to do the best they can to strengthen the foundation.

Mr. KITCHIN (p. 122). Now, your company (Chemical Foundation), after the purchase by this chemiccal company of these 1,200 patents, was organized, and then the other patents were put on sale at public auction?

Mr. CHOATE. They were not sold by public sale by the custodian, because it would have been impossible to do that for a variety of reasons. All the possible available bidders who could have bid in good faith for these patents as real manufacturers were already in the enterprise, because they were members of the American Dyes Institute. The only other kind of bidder there could have been would be a hold-up artist who would buy the patents either for the benefit of his own pocket or who would buy them to hold them up from use. It required an Executive order from the President to effect that transfer.

Mr. KITCHIN. I simply desire to get the facts on the record. Now, were these patents offered separately or were they en bloc?

Mr. CHOATE. They were sold in one transaction to the Chemical Foundation.

Mr. KITCHIN. What was the actual amount of cash that was paid for them?

Mr. CHOATE. Two hundred and fifty thousand dollars.

Mr. KITCHIN. Now, did your patents cover any other part of the chemical products except dyestuffs?

Mr. CHOATE. Yes, sir; all chemical products we could lay our hands on, but it is only in the dyestuffs that the patents are of great importance—dye and pharmaceutical goods—because it is only there that the patent is especially important. They cover salvarsan and other products and all the rest that we could get our hands on. * * *

Mr. Francis P. Garvan testified as follows:

Mr. MOORE (p. 332). I want again to call your attention to a matter that may be referred to later on, which I did not personally care to stir up too much, and that is the compatibility of the Alien Property Custodian serving also as the president of the Chemical Foundation (Inc.), which intends to enter actively into the business and the control of business, and which seeks legislation for that purpose. Is it not, in your judgment, incompatible for one man to hold those two offices, one being administrative and the other being an office where the administrator can assist the president of the corporation?

Mr. GARVAN. Can you point out any point where they conflict?

Mr. MOORE. Is it not possible that questions affecting the integrity of the Chemical Foundation might come before the Alien Property Custodian for administration?

Mr. GARVAN. Can your imagination suggest such a position?

Mr. MOORE. Yes.

Mr. GARVAN. I would like to hear it. If there is anything inconsistent in my two positions, I certainly will resign one or both. * * *

Mr. MOORE. Is it not possible that the Attorney General of the United States might call upon his very efficient Assistant Attorney General whom he is now about to appoint, in the person of the present Alien Property Custodian (Mr. Garvan), to investigate the business of the Chemical Foundation (Inc.), of which the Assistant Attorney General (Mr. Garvan), now Alien Property Custodian (Mr. Garvan), is president?

Mr. GARVAN. No; it is not.

Mr. MOORE. You think that is impossible?

Mr. GARVAN. Absolutely impossible.

Advisory committee of Alien Property Custodian are now Foundation trustees. The same committee passed on sale from Government for the private company that bought. (Dyestuffs hearings, Committee on Finance, United States Senate, H. R.

8078, December 13, 1919. Mr. Garvan had not resigned after six months.)

Mr. Francis P. Garvan, Alien Property Custodian, a witness before the Senate committee (p. 520):

So I conceived the idea of forming the Chemical Foundation and putting all of these patents into a quasi public corporation, which would develop them and give them to chemical companies throughout the country. The way salvarsan had worked out encouraged us. * * * So then we had this board of trustees, composed of Mr. Otto Bennard, president of the New York Trust Co., Mr. Cleveland H. Dodge, * * * Judge George L. Ingraham, * * * Ralph H. Stone, president of the Detroit Trust Co., * * * Benjamin Griswold, jr. * * * These gentlemen had consented to act as the advisory committee for the Alien Property Custodian on questions of the sale of German property. * * *

Senator CALDER. How many patents did they take over?

Mr. GARVAN. Four thousand.

Senator CALDER. The Alien Property Custodian sold them these patents?

Mr. GARVAN. It was by private sale by the President.

Senator CALDER. For how much money?

Mr. GARVAN. Two hundred and fifty thousand dollars.

Mr. GARVAN (p. 522). I am very anxious to make this statement as fully as possible, because I do not want to have any rumors or anything to interfere with this case. I am pleased and delighted to answer questions to the fullest.

Senator CALDER. I am very anxious to have information, because the situation would indicate there is a great possibility of tremendous profits for some people.

VALUE OF FOUNDATION PATENTS.

Relating to the value of the 4,000 German patents bought by the Chemical Foundation, the following testimony on page 255 is in point.

Mr. MOORE. Would you care to deny the statement, since Mr. LONGWORTH has raised the question, that one of these 4,000 patents (salvarsan) is worth $50,000 a year royalty?

Mr. GARVAN. I would be grateful to have you tell me the name of it.

Mr. MOORE. A one million dollar patent, and you bought 4,000 of them for $250,000.

Testimony can be had that two patents included in the sale were worth several million dollars.

Relating to the exclusive power possessed by this Chemical Foundation monopoly over the 4,000 patents under its control the following testimony is relevant:

Mr. GREEN (p. 360). Reading from the charter of the Chemical Foundation "The board of directors may refuse to issue any license or may revoke any license granted by the corporation and may prescribe the terms and conditions of such license." * * *

Mr. GARVAN. Do you claim that we could use arbitrary power to refuse licenses?

Mr. GREEN. I have not the slightest doubt of it. In the first place, it says the board may issue; second, it shall prescribe the terms; and, third, it may revoke it at any time it wants to * * *.

Again referring to the dual relationship of Mr. Garvan in a public and private capacity:

Mr. GREEN. A considerable portion of the persons connected with the Chemical Foundation are connected also either directly or indirectly with the Alien Property Custodian's office.

Mr. GARVAN. Yes, sir.

Mr. GREEN. And you consider it entirely ethical that having obtained information through their connection with the Alien Property Custodian that they shall then sell to an institution controlled by themselves?

Mr. GARVAN. It was by virtue of our connection with the Alien Property Custodian office that we saw it as our public duty not to let this thing revert to where it was.

Mr. Garvan complains that he was not in fact Alien Property Custodian when the sale was made to his company. Technically this is true in name, but as officer apparently in charge of this property he arranged all the details for the sale, aided by Mr. Choate, to a company of which he was president and by his subsequent promotion to position of Alien Property Custodian he confirmed by acquiescence that same sale.

The following letter also appears in the same RECORD and has a bearing on the case:

A SELF-EXPLANATORY LETTER.

WASHINGTON, D. C., *June 4, 1921.*

Hon. WILLIAM H. KING,
United States Senate, Washington, D. C.

MY DEAR SENATOR: In accordance with your request I am pleased to have the opportunity of furnishing you with the following facts precedent to the investigation as called for in your recent resolution introduced in the United States Senate:

Mr. Francis P. Garvan, former Alien Property Custodian, is president of the Chemical Foundation (Inc.); Col. Douglas I. McKay, late colonel, General Staff, vice president of J. G. White & Co., is vice president; Mr. George J. Corbett, assistant secretary of Central Trust Co., is secretary and treasurer. Mr. Corbett was a director in a number of the alien-enemy concerns taken over by Mr. Garvan as Alien Property Custodian during the recent war. Mr. Joseph H. Choate, jr., who was an examiner of chemical and dyestuff concerns in the Alien Property Custodian's office during the recent war, is counsel for the Chemical Foundation (Inc.). Mr. Ramsey Houget, who acted as attorney for various alien-enemy concerns taken over by the custodian's office during the war, is patent counsel for the foundation.

The following gentlemen who comprised the sales committee which passed upon all the sales of the alien-enemy concerns made by the Alien Property Custodian's office during the war are the trustees of the Chemical Foundation (Inc.):

George L. Ingraham, New York; Otto T. Bannard, president New York Trust Co.; Cleveland H. Dodge, New York; B. Howell Griswold, jr., of Brown Bros., bankers, Philadelphia; Ralph Stone, president Detroit Trust Co.

Mr. Joseph H. Choate, jr., is counsel for the American Dyes Institute. Judge Covington, who was attorney for a number of alien-enemy concerns seized by the Alien Property Custodian's office during the recent war, is also counsel for the American Dyes Institute. Mr. Choate engineered the naming of the advisory committee of the War Trade Board from the Dyes Institute. This same committee is the advisory committee of the Textile Alliance. Employees of the Du Ponts were shifted to the Textile Alliance and represented them in Europe and then went back with the Du Ponts. Dr. Thomas H. Norton, who was formerly with the Department of Commerce, also became connected with the Du Ponts. Mr. B. R. Price, who had charge of most of the color end of the Textile Alliance, is now with the A. C. D. C. So you can see how the combination has been interchanged, and everywhere that you turn there is a Du Pont representative. Some of the members of the executive committee of the American Dyes Institute are as follows:

Mr. Morris R. Poucher, chairman, E. I. Du Pont de Nemours Co.; Mr. E. R. Baldwin, the Allied Chemical and Dyes Corporation; Dr. Samuel Isermann, Van Dyke & Co.; Dr. J. Merritt Matthews, Grasselli Chemical Co.; Mr. Jeffcott, Calco Chemical & Color Co.; Mr. Klotz, Newport Chemical Co.

Thanking you for this opportunity, I remain,
Very truly yours,

———— ————.

The following letter written to Hon. Boies Penrose, chairman of the Senate Committee on Finance, by the Hon. JAMES A. FREAR is taken from the CONGRESSIONAL RECORD of August 12, 1921, and possibly explains the influence which has operated to prevent appropriate action by the Department of Justice against the Chemical Foundation Co.:

WASHINGTON, D. C., *August 6, 1921.*

Senator BOIES PENROSE,
Chairman Committee on Finance,
United States Senate, Washington, D. C.

MY DEAR SENATOR: To-day's press states that dye interests now seeking to secure a three-year dye embargo from your committee have persuaded Secretary of War Weeks and Secretary of Navy Denby to write your committee urging continuance of the war dye embargo for an indefinite period, in order that this country may be provided with chemicals in case of war. If correctly reported, this preposterous claim is only another evidence of the enormous power of the dye monopoly headed by the Chemical Foundation Co., which has already sought to exercise its influence on three Cabinet members, including Attorney General Daugherty, who thus far has failed to acknowledge or act on my letter to him of July 18, copy of which is hereto attached. No invisible government has ever shown more brazen effrontery than this dye monopoly, which was driven to cover in the House on July 21 by a vote of 209 to 193, including in the majority vote 96 Republicans and 113 Democrats. I am sure a much larger majority would have been recorded had the vote been needed, and I do not believe any dye embargo proposal can pass the House, whatever action may be taken elsewhere.

We may well be concerned over the power of these dye interests that reach to three Cabinet officers in their effort to perpetuate their present exclusive power in this country. Not one line of evidence in all the hearings, I am informed, suggests that this Government depended upon or received aid from any dye establishment in the country during the recent war, and the argument that we should preserve this half billion domestic dye monopoly, with its excessive prices and enormous power, because of approaching war and through need of private protection, is both preposterous and ridiculous. Secretaries Weeks and Denby are reported by the press to have written your committee simultaneously that the dye embargo should be continued for that reason. If so, they certainly had little information on which to base such statements, and caution is thrown to the winds when dye interests bring these two letters to your committee on the same day to influence committee action. I have no fear of their influence, either on your committee or on the body you represent, but I do express concern over any power that can secure such letters from such high sources, and more important that apparently has endeavored to smother efforts made to have the Government bring legal proceedings in order to set aside the Chemical Foundation Co. sale. Failure for practically three weeks to receive any reply from the Attorney General is an unusual oversight by the department that represents the Congress as well as the administration, and it is impossible to believe failure to acknowledge receipt of an official courteous letter was due to an oversight.

In my letter to Attorney General Daugherty, as you will note from the attached copy, I have stated that Francis P. Garvan and Joseph Choate, jr., while employed by the Government in the Alien Property Custodian's office in positions of control, conceived the idea of seizing alien patents then on file in the Patent Office and taking them over to themselves and their associates in a private capacity under the name of the Chemical Foundation Co., a Delaware corporation. They did this several months after the armistice was signed and seized some 4,500 patents, worth $10,000,000 or more, taken over at "private sale" for $250,000, or about 2 per cent of the actual value of such patents.

A copy of the testimony taken at congressional hearings attached hereto contains undisputed admissions of this fact by the parties who negotiated the sale to themselves. Thereafter I am informed and evidence will be produced, if need be, that they sought to validate this fraudulent sale by having a general provision in the Versailles treaty and after rejection of the treaty by the Senate, these same interests, acting through a prominent official of the present administration, who was advertised as vice president of the Chemical Foundation Co., again sought to secure validation of such contracts by insertion in the peace resolution recently passed by Congress. This effort was defeated by members of the Foreign Affairs Committee, as set forth in letter to Mr. Daugherty, hereto attached.

I do not speak of the international aspect of seizing such patents long after the war was closed, because that is a matter which carries its own argument, but the astounding proposition of covering up this alleged sale made by these public officials to themselves while apparently representing the Government is now further emphasized by threats from the Chemical Foundation Co. to sue the Government for a large amount of money, reputed to reach a half million dollars or more, in an effort to secure license payments made to the Government before the alleged sale.

The character of this dye embargo effort that put through the House last session a bill drawn by Mr. Choate, according to information in my possession, and paid $100,000 in lobby fees suggests what power lies behind these interests which obtains indorsements from high administrative officers, and apparently prevents action upon the facts stated.

The dye embargo can not be put through Congress, in my judgment, but these interests should be called to account and the fraudulent contract set aside in order to protect the Government's interests, and I ask your cooperation in trying to secure prosecution on such charges as are contained in my letter to Mr. Daugherty.

I am sending copies of this letter to the President and to others who would seem to speak with authority on matters herein set forth.

Very sincerely,

JAMES A. FREAR.

Congress and the country are entitled to know the facts and have prosecutions brought by the Government wherever overcharges or fraud have been perpetrated. During the war it became impossible to protect the public interest by proper accounting methods, and among thousands of contracts for war purposes, aggregating many billions of dollars, over seven hundred contracts were for aviation alone of $100,000 and upwards in every case. Four aircraft contracts have been disclosed containing many millions of dollars in fraudulent overcharges based on the facts here presented. It is not unfair to assume that if these prosecutions were brought and recoveries made, that many times the amount of overcharges contained in the four contracts set forth would be found in the 700 contracts of $100,000 and over which are given by the congressional aviation investigation in detail as follows:

List A of formal contracts aggregating $100,000 or over made by or under Air Service for Air Service from April 6, 1917, to June 1, 1919, in United States.

[Starred items in the column headed "amount expended" include final payment.]

Contract No.	Contractor.	Contractor's address.	Date of contract.	Amount of contract.	Amount expended to June 1, 1919.	Nature of contract.	Officer or person executing contract.	Remarks.
3444	Goodyear Tire & Rubber Co.	Akron, Ohio	Apr. 3, 1918	(1)	$3,729,028.00	Balloons	A. C. Downey, major, S. R. C.	This includes the thirtieth item listed on page A-2.
3444-1	Supplemental to 3444		May 10, 1918	$26,095.00		Installation, special facilities.	do	
3444-A	do		Mar. 6, 1919	236,375.75	*236,375.00	Settlement	F. D. Schnacke, captain, A. S., A. P.	
2414	United States Tent & Awning Co.	Chicago, Ill.	Dec. 20, 1917	[2] 283,220.00	*287,844.00	Hangars	A. C. Downey, major, S. C.	Increased $4,624.
2413	Scott Omaha Tent & Awning Co.	Omaha, Nebr.	Dec. 19, 1917	[2] 212,988.00	*217,380.00	do	do	Increased $4,392.06.
2415	Baker & Lockwood Manufacturing Co.	Kansas City Mo.	Dec. 15, 1917	132,360.00	*132,360.00	do	do	
2410	F. J. Burch Manufacturing Co.	Pueblo, Colo.	Dec. 20, 1917	283,720.00	*291,012.00	do	do	Increased $7,292.96.
2285	Baker Castor Oil Co.	New York City.	Dec. 17, 1917	292,800.00	131,053.00	Castor oil	do	Decreased $160,534.96.
2129	Ford Motor Co.	Detroit, Mich.	Nov. 22, 1917	(1)	21,782,248.00	Engines	do	
2129-1	Supplemental to 2129		Nov. 24, 1917			Amendment language, etc.	do	
2129-2	do		May 17, 1918			Profit reduced from $913.05 to $625, amendment of estimated cost.	do	
2129-A	do		Apr. 30, 1919	1,965,319.19	*1,965,319.00	Settlement	F. D. Schnacke, captain, A. S., A. P.	Increased $737,560.84.
1730	Willys Overland Co.	Toledo, Ohio.	Sept. 19, 1917	9,750,000.00	10,260,910.00	Motors	A. C. Downey, captain, S. C.	
1730-1	Supplemental to 1730		Dec. 14, 1917	2,500,000.00		Advanced payment	A. C. Downey, major, S. C.	
1730-2	do					Not executed	do	
1730-3	do		May 1, 1918			Redelivery	do	
1730-4	do		July 24, 1918			do	F. D. Schnacke, first lieutenant, A. S., S. R. C.	
1881	F. Wesil Manufacturing Co.	Brooklyn, N.Y.	Oct. 9, 1917	540,000.00	*540,362.00	Scarfring mounts	A. C. Downey, captain, S. C.	Increased $362.50.
1638	General Motor Truck Co	Pontiac, Mich.	Aug. 31, 1917	2,040,720.00	*2,104,541.00	Trucks	do	Increased $63,821.60.
1564	Lamb, Finlay Co.	New York City.	Aug. 17, 1917	(1)	*781,208.00	Fabric	do	
1564-1	Supplemental to 1564		Sept. 10, 1917			Include provision or handling 42-foot fabric.	do	
1564-2	do		Oct. 29, 1917			Same as above, 36-inch.	A. C. Downey, major, S. C. U. S. R.	
1564-3	do		Apr. 12, 1918			Increasing price of finishing fabric.	F. D. Schnacke, first lieutenant, A. S., S. R. C.	
1564-4	do		May 8, 1918			Same as above for 42-foot.	do	
1564-5	do		May 13, 1918			Providing for prices and new grades of linen.	do	
1564-6	do		May 18, 1918			do	do	
1564-7	do		May 25, 1918			do	do	
1564-8	do		June 4, 1918			do	do	
Do3632	Saxon Manufacturing Co.	Toledo, Ohio.	Apr. 17, 1918	276,470.00	158,502.00	Metal parts	do	
3262-A	Supplemental to Do-3632.		Apr. 26, 1919	12,504.57		Settlement	S. M. Wiley, captain A. S., A. P.	Paid since June 1, 1919.
2621	Mark Cowen & Co.	New York City.	Feb. 13, 1918	102,414.00	*102,433.00	Flying suits	O. R. Ewing, first lieutenant, S. R. C.	Increased $19.50.
2620	Fuller & Sullivan Co.	Boston, Mass.	Jan. 21, 1918	119,185.00	*121,352.00	Moleskin coats and trousers.	do	Increased $2,167.
9297	J. T. Wilson (Inc.)	Richmond, Va.	Aug. 1, 1917	[2] 810,000.00	1,000,185.00	Construction supply depot near Richmond.	C. G. Edgar, captain, S. C.	Increased $190,206.15.
8451	J. G. White Engineering Corporation.	New York City.	June 28, 1917	(1)	4,983,610.00	Construction Aero Experiment Station, Langley Field.	do	
7864	Walbridge Aldinger Co.	Detroit, Mich.	May 27, 1917	(1)	*2,052,477.00	Construction, Selfridge Field.	do	
7865	Dayton Lumber & Manufacturing Co.	Dayton, Ohio.	do	(1)	*2,989,546.00	Construction, training camp, Dayton.	do	
50000	Mason & Hangar Co.	Richmond, Va.	Sept. 14, 1917	(1)	2,244,648.00	Construction, near Lake Charles.	C. G. Edgar, lieutenant colonel, S. C.	
50218	J. G. White Engineering Co.	New York City.	Dec. 3, 1917	(1)	1,245,227.00	Construction, Carlstrom Field.	do	
50360	Seldon Brick Construction Co.	St. Louis, Mo.	Apr. 8, 1918	(1)	194,865.00	Construction, balloon school, Fort Sill.	C. G. Edgar, colonel, S. C.	Increased $75,000.
50252	Hardaway Construction Co.	Americus, Ga.	Feb. 7, 1918	(1)	*1,187,921.00	Construction, Souther Field.	do	
2630	E. L. Long	Alvin, Tex.	Feb. 9, 1918	[2] 175,000.00	26,464.00	Planting and growing castor beans.	O. R. Ewing, first lieutenant, S. R. C.	Decreased $148,535.14.
2629	Herman B. Walker	Miami, Fla.	Jan. 19, 1918	[2] 437,500.00	*6,449.00	do	do	Decreased $431,050.34.
2629-1	Supplemental to 2629		July 30, 1918				do	Reacceptance unshelled beans.
2629-2	do		Aug. 13, 1918				F. D. Schnacke, captain, A. S., A. P.	Extending date delivery.

[1] Cost plus.

[2] Estimated.

List A of formal contracts aggregating $100,000 or over made by or under Air Service for Air Service from April 6, 1917, to June 1, 1919, in United States—Continued.

Contract No.	Contractor.	Contractor's address.	Date of contract.	Amount of contract.	Amount expended to June 1, 1919.	Nature of contract.	Officer or person executing contract.	Remarks.
2628	V. W. Helm	Miami, Fla	Jan. 19, 1918	[1] $437,500.00	$7,922.00	Planting and growing castor beans.	O. R. Ewing, first lieutenant, A. S., S. R. C.	Decreased $175,000.
2628-1	Supplemental to 2628		July 30, 1918			Reaccepting beans unshelled.	O. R. Ewing, captain, A. S., A. P.	
2628-2	do		Aug. 13, 1918			Extending date delivery.	F. D. Schnacke, captain, A. S., A. P.	
2613	G. G. Ware	Leesburg, Fla	Feb. 6, 1918	[1] 218,750.00	24,730.00	Castor beans	O. R. Ewing, first lieutenant, S. R. C.	Decreased $87,500.
2613-1	Supplemental to 2613		Aug. 12, 1918			Reaccepting beans unshelled.	F. D. Schnacke, captain, A. S., A. P.	
2559	D. C. Gillett	Miami, Fla	Jan. 8, 1918	[1] 875,000.00	76,712.00	Castor beans	A. C. Downey, major, S. C.	Decreased $350,000.
2559-1	Supplemental to 2559		Aug. 13, 1918			Extending date delivery.	F. D. Schnacke, captain, A. S., A. P.	
2559-2	do		Aug. 22, 1918			Reaccepting beans unshelled.	O. R. Ewing, captain, A. S., A. P.	
2411	Baker & Lockwood Manufacturing Co.	Kansas City, Mo.	Dec. 19, 1917	141,790.00	*144,958.00	Hangars	A. C. Downey, major, S. C.	Increased $3,168.
2412	Carnie-Goudie Manufacturing Co.	do	do	708,800.00	*702,108.00	do	do	Decreased $6,691.19.
4651	Batesville Lumber & Veneer Co.	Lawrenceburg, Ind.	Sept. 13, 1918	15,500.00	*14,547.00	Walnut lumber	F. D. Schnacke, captain, A. S., A. P.	Decreased $902.46.
4651-1	Supplemental to 4651		Nov. 4, 1918			Regarding storage and insurance.	do	
10165	Frank Hill Smith	Dayton, Ohio	Aug. 22, 1917	[2]	915,800.00	Construction, A. G. S. D., Fairfield.	C. G. Edgar, captain, S. C.	
4713	Positype Co	Cleveland, Ohio	Sept. 19, 1818	105,000.00	*105,126.00	Paper, bromotype	O. R. Ewing, captain, A. S., A. P.	Increased $126.
2445	L. P. Liles	Washington, D.C	Dec. 22, 1917	[1] 175,000.00	*5,276.00	Planting castor beans	A. C. Downey, major, S. C.	Decreased $169,723.75
1996	L. W. F. Engineering Co.	College Point, L. I.	Oct. 19, 1917	226,800.00	*226,800.00	Airplanes	A. C. Downey, captain, S. C.	
50366	F. A. Jones Construction Co.	Dallas, Tex	Mar. 5, 1918	[2]	111,703.00	Oil-retaining plant, Waco, Tex.	C. G. Edgar, colonel, S. C.	
1933	H. W. Johns-Manville Co.	New York City	Oct. 17, 1917	280,000.00	195,624.00	Tachometers	A. C. Downey, captain, S. C.	Terminating contract since June 1, 1919; increased $16.62.
50354	G. J. Grant Construction Co.	St. Paul, Minn	Feb. 10, 1918	[2]	63,472.00	Improvements at Willys-Overland plant.	C. G. Edgar, colonel, S. C.	
3312	Dr. Horace Carlin Hall	Laredo, Tex	Apr. 8, 1918	347,600.00		Castor beans	O. R. Ewing, first lieutenant, A. S., S. R. C.	Canceled.
3020	Fort Pitt Bridge Works	Pittsburgh, Pa	May 23, 1918	310,500.00	304,678.00	Structural steel	F. D. Schnacke, first lieutenant, A. S., A. P.	
50233	Seldon Brick Construction Co.	St. Louis, Mo	Jan. 12, 1918	196,000.00		Construction at Fort Sill, Okla.	C. G. Edgar, colonel, S. C.	Do.
4051	M. E. Gillett & Son	Tampa, Fla	May 15, 1918	686,000.00	426,022.00	Manufacturing products castor beans.	A. C. Downey, major, S. C.	Additional payments since June 1, 1919.
4051-1	Supplemental to 4051		Oct. 30, 1918			Covering special facilities.	O. R. Ewing, captain, A. S., A. P.	
4051-2	do		Jan. 27, 1919			Additional special facilities.	F. D. Schnacke, captain, A. S., A. P.	
4051-3	do		Apr. 24, 1919			To include price of cans	do	
3002	Gordon & Ferguson	St. Paul, Minn	Feb. 25, 1918	191,520.00	*191,657.00	Aviation suits	O. R. Ewing, first lieutenant, S. R. C.	Increased $137.20; refunded $34.36.
3365	J. H. Sieber and E. H. Flemming.	Houston, Tex	Mar. 13, 1918	[3] 87,500.00	9,517.00	Planting and growing castor beans.	do	Payments completed since June 1, 1919.
3726	F. O. Brauch	Little Rock, Ark	Apr. 10, 1918	[3] 175,000.00	16,444.00	do	do	Do.
1889	Velie Motors Corporation.	Moline, Ill	Oct. 9, 1917	635,000.00	*635,000.00	Trucks	A. C. Downey, captain, S. C.	
2373	Hall Scott Motor Car Co.	San Francisco, Calif.	Jan, 24, 1918	181,401.60	194,030.00	Spare parts	A. C. Downey, major, S. C.	Increased $16,118.14.
2367	Pittsburgh Model Engine Co.	Pittsburgh, Pa.	Dec. 10, 1917	790,980.00	717,771.00	do	do	Decreased $64,504.15.
2693	Spencer Kellogg & Sons (Inc.).	Buffalo, N. Y	Feb. 14, 1918	[3] 189,100.00	165,120.00	Castor oil	O. R. Ewing, first lieutenant, S. R. C.	
4346	Pierce-Arrow Motor Car Co.	do	Sept. 9, 1918	[2]	*1,389,908.00	Hispano-Suiza engines	F. D. Schnacke, first lieutenant, A. S., S. R. C.	Additional payments since June 1, 1919.
2463	Curtis Aero & Motor Corporation.	do	Jan. 11, 1918	[2]	4,000,047.00	Airplanes	A. C. Downey, major, S. C.	Do.
2463-1	Supplemental to 2463		Mar. 30, 1918			Re substitution of contract 3443 to supersede contract 2463 as relates to spare parts.	do	
2463-2	do		May 1, 1918			Space for testing, etc	do	
5357	Curtis Aero & Motor Corporation.	Buffalo, N. Y	Nov. 1, 1918	33,500,000.00	992,922.00	Airplanes	F. D. Schnacke, captain, A. S., A. P.	Decreased $28,288,000.
3771	Knabenshue Manufacturing Co.	New York City, N. Y.	May 31, 1918	[2]	*191,205.00	Balloons	A. C. Downey, major, S. C.	
3771-1	Supplemental to 3771		Sept. 11, 1918			Amendment of cost, etc.	O. R. Ewing, captain, A. S., A. P.	
2057	John A. Roebling's Sons Co.	Trenton, N. J	Nov. 2, 1917	280,000.00	*281,665.00	Wire	A. C. Downey, major	Increased $1,665.47.
3690	Velie Motor Corporation.	Moline, Ill	Apr. 23, 1918	1,221,168.00	*1,221,168.00	Truck chassis	O. R. Ewing, first lieutenant, S. R. C.	
3492	Lyon Metallic Manufacturing Co.	Aurora, Ill	Apr. 5, 1918	107,705.00	*107,705.00	Steel cabinets	do	
4008	Western Electric Co	New York City, N. Y.	June 8, 1918	389,400.00	*276,686.00	Wire	F. D. Schnacke, first lieutenent, S. R. C.	Decreased $112,713.22.
4667	Berger Manufacturing Co.	Canton, Ohio	Sept. 16, 1918	170,343.00	*260,407.00	Material for hangars	O. R. Ewing, captain, A. S., A. P.	Increased $90,064.82.
4766	Hayes Ionia Co	Grand Rapids, Mich.	Sept. 24, 1918	1,308,498.00	*470,228.00	Parts of DH-4 planes	F. D. Schnacke, captain, A. S., A. P.	
4766-1	Supplemental to 4766		Nov. 1, 1918			Change in manner of payment.	do	
4766-A	do		May 6, 1919	136,886.06	*136,886.00	Settlement	S. M. Wiley, captain, A. S., A. P.	
50221	Stone & Webster	Boston, Mass	Jan. 16, 1918	[2]	1,457,150.00	Construction hospital, Kelly Field.	C. G. Edgar, colonel	Additional payments since June 1, 1919.

[1] Estimated. [2] Cost plus. [3] Original contract is in files, Purchase, Storage and Traffic Division.

List A of formal contracts aggregating $100,000 or over made by or under Air Service for Air Service from April 6, 1917, to June 1, 1919, in United States—Continued.

Contract No.	Contractor.	Contractor's address.	Date of contract.	Amount of contract.	Amount expended to June 1, 1919.	Nature of contract.	Officer or person executing contract.	Remarks.
50221-1	Supplemental to 50221		Feb. 15, 1918			Additional work, change in specification.	C. G. Edgar, colonel, S. C.	
50198	J. G. White Engineering Corporation.	New York City, N. Y.	Dec. 3, 1917	(1)	$1,452,702.00	Construction, Dorr Field.	do	
50246	Wm. E. Hampton Co.	Los Angeles, Calif.	Jan. 23, 1918	$100,000.00		Construction, Rockwell Field.	do	Canceled.
2737	A. C. Clark Co.	Chicago, Ill.	Feb. 2, 1918	[2] 680,000.00	696,961.00	Oxygen apparatus	O. R. Ewing, first lieutenant, A. S., S. R. C.	Increased $24,000.
2737-1	Supplemental to 2737		June 3, 1918			Restorage	F. D. Schnacke, first lieutenant, A. S., S. R. C.	
2737-2	do		Aug. 20, 1918			Change in price, increasing first 2,500 and setting price of $120 each for second 2,500.	F. D. Schnacke, captain, A. S., A. P.	
50220	E. A. Wickhan	St. Louis, Mo.	Dec. 19, 1917	(1)	153,673.00	Construction at Balloon School, Fort Omaha, Nebr.	O. R. Ewing, first lieutenant, A. S., S. R. C.	
50220-1	Supplemental to 50220		Jan. 9, 1918			Change in specifications.	C. G. Edgar, colonel, S. C.	
2530	Denby Motor Truck Co.	Detroit, Mich.	Jan. 17, 1918	1,029,820.00	*1,165,581.00	Trucks	O. R. Ewing, first lieutenant, A. S., S. R. C.	Increased $135,761.77.
2530-1	Supplemental to 2530		Feb. 2, 1918			Readvance payment	A. C. Downey, major, S. C.	
2530-2	do		Mar. 12, 1918			do	do	
2530-3	do		Apr. 4, 1919			Change in specifications.	S. M. Wiley, captain, A. S., A. P.	
2804	Columbia Motors Co.	Detroit, Mich.	Feb. 8, 1918	210,125.00	*213,625.00	Trailers	O. R. Ewing, first lieutenant, A. S., S. R. C.	Increased $3,500.
2803	Rogers Bros. Co.	Albion, Pa.	Feb. 7, 1918	210,125.00	*213,625.00	do	do	Do.
2803-1	Supplemental to 2803		May 23, 1918			Readvance payment	do	
2566	Paige Detroit Motor Car Co.	Detroit, Mich.	Jan. 16, 1918	1,133,270.00	1,134,948.00	Trucks	do	Increased $132,270.42.
2566-1	Supplemental to 2566		Apr. 23, 1919			Reimbursement for change in specifications.	S. M. Wiley, captain, A. S., A. P.	
2777	Miami Trailer Co.	Troy, Ohio	Feb. 7, 1918	210,125.00	*214,052.00	Trailers	O. R. Ewing, first lieutenant, A. S., S. R. C.	Increased $3,927.25.
2802	Ohio Trailer Co.	Cleveland, Ohio.	Feb. 7, 1918	419,420.00	426,420.00	do	do	Increased $7,000.
2568	United Motors Co.	Grand Rapids, Mich.	Jan. 15, 1918	572,680.00	*589,790.00	Trucks	do	Increased $17,414.60, final payment since June 1, 1919.
3641	Excelsior Motor Manufacturing & Supply Co.	Chicago, Ill.	June 13, 1918	196,200.00		Metal parts	F. D. Schnacke, first lieutenant, A. S., S. R. C.	Canceled; see contract 3641-A.
3641-A	Supplemental to 3641		do	278,434.17	257,055.00	do	do	Decreased $9,285.40.
3641-B	do		Apr. 12, 1919	7,543.81	*7,543.00	Settlement	F. D. Schnacke, captain, A. S., A. P.	
4335	International Radio Telegraph Co.	Brooklyn, N. Y.	July 20, 1918	171,800.00	86,038.00	Radio equipment	F. D. Schnacke, first lieutenant, A. S., S. R. C.	Increased $1,840.
4579	Marlin Rockwell Corporation.	New York, N. Y.	Aug. 29, 1918	157,500.00	31,875.00	Radiators and attachments.	F. D. Schnacke, captain A. S., A. P.	Decreased $71,000.
4765	Lewis Spring & Axle Co.	Chelsea, Mich.	Sept. 24, 1918	855,186.25	38,387.00	Plane spares	do	Increased $5,578.85.
4765-1	Supplemental to 4765		Feb. 18, 1919	80,365.71	*80,365.00	Partial payment	do	
4765-A	do		May 6, 1919	43,992.50	*43,992.00	Settlement	do	
3562	U. S. Rubber Co.	New York City.	Apr. 3, 1918	(1)	178,800.00	Balloons	A. C. Downey, major, S. C.	
3562-A	Supplemental to 3562		May 27, 1919			Order terminated, releasing Government from all further claims after outstanding approved bills have been paid.	S. M. Wiley, captain A. S., A. P.	Payments since June 1, 1919.
2547	West Virginia Pulp & Paper Co.	New York City.	Jan. 18, 1918	[2] 2,808,000.00		Acetone and alcohol	A. C. Downey, major, S. C.	Canceled.
2547-A	Supplemental to 2547		do	4,325,703.86	*4,325,703.00	Erection of acetone and methyl plant.	do	
2547-B	Supplemental to 2547-A		Nov. 26, 1918			Cancellation contract	F. D. Schnacke, first lieutenant, A. S., S. R. C.	
9303	Jas. L. Stewart	Pittsburgh, Pa.	Aug. 1, 1917	(1)	614,223.00	Construction A. G. S. D., Harrisburg, Pa.	C. T. Waring, captain, S. C., U. S. R.	
1445	The Sechler & Co.	Cincinnati, Ohio	June 20, 1917	138,000.00	*138,000.00	Trailmobile airplane carriers.	Chas. S. Wallace, lieutenant colonel, Signal Corps.	
1444	Curtiss Exhibition Co.	Buffalo, N. Y.	Nov. 10, 1917	100,523.00	*100,523.00	Instruction, airplane students.	do	
1292	Harrisburg Pipe & Pipe Bending Co.	Harrisburg, Pa.	Apr. 30, 1917	114,750.00	*114,750.00	Hydrogen cylinders	C. S. Wallace, major, Signal Corps.	
1325	Stromberg-Carlson, Telephone Manufacturing Co.	Rochester, N. Y.	June 16, 1917	160,200.00	*159,873.00	Service buzzers	do	Decreased by adjustment voucher, $326.91.
1325	Supplemental contract to contract No. 1325.		Aug. 14, 1917				A. C. Downey, captain, Signal Corps.	20 per cent increase for expediting delivery.
1352	American Steel & Wire Co.	New York City.	May 22, 1917	210,000.00	*210,583.00	Field wire	C. S. Wallace, major, Signal Corps.	Increased by adjustment voucher, $583.11.
1353	Western Electric Co. (Inc.).	do	do	140,000.00	*139,052.00	do	do	Decreased by adjustment voucher, $947.04.
1526	J. G. Brill Co.	Philadelphia, Pa.	Aug. 6, 1917	232,800.00	*232,800.00	Wire carts and parts	A. C. Downey, captain, Signal Corps, United States Reserves.	
1395	B. F. Sturtevant Co.	Boston, Mass.	May 29, 1917	100,960.00	*100,960.00	Engines	C. S. Wallace, major, Signal Corps.	

[1] Cost plus.

[2] Estimated.

List A of formal contracts aggregating $100,000 or over made by or under Air Service for Air Service from April 6, 1917, to June 1, 1919, in United States—Continued.

Contract No.	Contractor.	Contractor's address.	Date of contract.	Amount of contract.	Amount expended to June 1, 1919.	Nature of contract.	Officer or person executing contract.	Remarks.
1546	California Aviation Co..	Los Angeles, Calif.	Aug. 15, 1917	$243,034.75	*$241,008.00	Airplane spares.....	A. C. Downey, captain, Signal Corps.	Decreased $2,025.96 by adjustment voucher.
1546-1	Supplemental contract to contract No. 1546.	.....	Apr. 11, 1918	.....	.....	.....	A. C. Downey, major, Signal Corps.	Advance payments.
1495	Dayton-Wright Airplane Co.	Dayton, Ohio...	Aug. 1, 1917	2,600,000.00	.....	Airplanes.....	A. G. Gutensohn, captain, Signal Corps.	Canceled, material not required.
1494	Wright-Martin Aircraft Corporation.	New Brunswick, N. J.	Aug. 9, 1917	325,000.00	*325,000.00	.....do.....	A. C. Downey, captain, S. C., U. S. T.	
1497	Fisher Body Corporation.	Detroit, Mich...	Aug. 1, 1917	2,600,000.00	.....	.....do.....	A. G. Gutensohn, captain, Signal Corps.	Do.
1498	Standard Aero Corporation, New York.	Plainfield, N. J.	.....do.....	1,612,500.00	*287,347.00	.....do.....	.....do.....	Balance, $1,325,152.50 canceled; material not required.
1509	.....do.....	.....do.....	July 26, 1917	203,541.50	*203,528.00	Planes and equipment.	.....do.....	Decreased by adjustment voucher, $13.35.
1510	The Burgess Co.....	Marblehead, Mass.	Oct. 30, 1917	159,509.50	*159,509.00	Airplanes and motors.	A. C. Downey, major, Signal Corps.	
1512	Hall Scott Motor Car Co.	New York City.	July 30, 1917	1,774,500.00	*1,776,752.00	Engines.....	A. G. Gutensohn, captain, Signal Corps.	Increased by adjustment voucher, $2,252.26.
1512-1	Supplemental contract to contract No. 1512.	.....do.....	Dec. 10, 1918	.....	.....	.....	O. R. Ewing, captain.	To provide for 10 per cent increase in wages.
1457	The White Co.....	Washington, D.C	June 22, 1917	*211,400.00	*211,400.00	Trucks for radio tractors.	C. S. Wallace, lieutenant colonel, Signal Corps.	
1494	Wright-Martin Co.....	New York City..	Aug. 9, 1917	325,000.00	.....	Airplanes.....	A. C. Downey, captain, S. C., U. S. T.	Canceled, material not required.
1490	Western Electric Co....	.....do.....	July 23, 1917	175,000.00	*175,366.00	Field wire.....	A. G. Gutensohn, captain, Signal Corps.	Increased by adjustment voucher, $360.85.
1491	American Steel & Wire Co.	Washington, D.C	July 19, 1917	126,783.60	*127,377.00	Buzzer and field wire .	.....do.....	Increased by adjustment voucher, $593.59.
1486	L. W. F. Engineering Co	College Point, Long Island, N. Y.	July 17, 1917	453,600.00	*453,600.00	Reconnaissance airplanes.	.....do.....	
1506	Curtiss Aeroplane Co...	Buffalo, N. Y...	July 20, 1917	1,908,000.00	*20,000.00	Airplanes and engines.	.....do.....	Decreased $1,888.00 by adjustment voucher.
1478	General Vehicle Co.....	Long Island City, N. Y.	July 16, 1917	273,000.00	*40,950.00	Engines.....	.....do.....	Decreased by adjustment voucher, $232,050.
1516	Nordyke & Marmon Co.	Indianapolis, Ind.	July 31, 1917	2,366,000.00	*2,366,000.00	.....do	.....do.....	
1516-1	Supplemental contract to contract No. 1516.	.....	Dec. 18, 1917	.....	.....	.....	A. C. Downey, major.	Advance payment of $500,000.
1516-2	.....do.....	.....	Jan. 15, 1918	.....	.....	.....	.....do.....	Storing and installing magnetos on engines manufactured.
1710	Curtiss Aero & Motor Corporation.	Buffalo, N. Y...	Sept. 19, 1917	6,650,000.00	5,497,163.00	Airplanes.....	A. C. Downey, captain, Signal Corps.	Decreased $52,860.60.
1710-1	Supplemental contract to contract No. 1710.	.....	Oct. 24, 1917	.....	.....	.....	.....do.....	Providing advance payments.
1777	Thomas-Morse Aircraft Corporation.	Ithaca, N. Y....	Sept. 25, 1917	260,000.00	.....	Airplanes.....	A. C. Downey, Signal Corps.	Canceled, material not required.
1545	Western Electric Co....	New York, N. Y.	Aug. 15, 1917	128,640.00	*122,195.00	Wire.....	A. C. Downey, Signal Corps, United States Reserves.	Decreased $6,444.22.
1550	Fowler Airplane Co.....	San Francisco, Calif.	Aug. 14, 1917	325,000.00	.....	Airplanes.....	.....do.....	Canceled, material not required.
1558	Western Electric Co....	New York, N.Y.	Aug. 18, 1917	128,000.00	* 128,000.00	Switchboards.....	.....do.....	
1560	Thomas-Morse Aircraft Corporation.	Ithaca, N.Y.....	Aug. 20, 1917	168,790.08	* 168,790.00	Motors.....	.....do.....	
9519	Stone & Webster	Boston, Mass....	July 16, 1917	(1)	* 2,786,057.00	Construction camp, San Antonio, Tex.	C. G. Edgar, captain, Signal Corps.	
1572	Bausch & Lomb.....	Rochester, N.Y .	Aug. 18, 1917	665,000.00	.....	Field glasses.....	L. M. Evans, captain, Signal Corps, United States Reserves.	Do.
1581	Western Electric Co....	New York, N.Y.	Aug. 28, 1917	133,658.75	*133,658.00	Cable.....	A. C. Downey, captain, Signal Corps, United States Reserves.	
1585	Stromberg-Carlson Telephone Manufacturing Co.	Rochester, N.Y.	Aug. 27, 1917	213,750.00	* 213,750.00	Buzzers.....	A. C. Downey, captain, Signal Corps, United States Reserves.	
1587	Strauss & Buegeleisch..	New York, N.Y.	Aug. 28, 1917	165,000.00	*36,812.00	Goggles.....	.....do.....	Decreased $128,107.50; balance of material not received.
1587-1	Supplemental contract to contract No. 1587.	.....	Oct. 15, 1918	.....	.....	.....	F. G. Schnacke, captain, A. S., A. P.	Settlement contract.
1601	Western Electric Co....	New York, N. Y.	Aug. 27, 1918	129,282.74	* 129,282.00	Telephone sets.....	A. C. Downey, captain, Signal Corps, United States Reserves.	
1618	Hiseg Wolf Machine Co.	Cincinnati, Ohio	Nov. 30, 1917	207,250.00	* 199,250.00	Drills and grinders....	A. C. Downey, major, Signal Corps.	Decreased, $8,000.
1620	Carnie-Goudie Manufacturing Co.	Kansas City, Mo	Aug. 29, 1917	112,151.00	* 112,151.00	Hangars.....	A. C. Downey, captain, Signal Corps, United States Reserves.	
10186	Boomer Crain & Howe and Jause Bros.	Lake Charles, La	Sept. 1, 1917	1,700,000.00	.....	Construction at Lake Charles, La.	C. G. Edgar, captain, Signal Corps.	Superseded by No. 50000.
1752	H. D. Lee Mercantile Co.	Trenton, N. J....	Sept. 25, 1917	135,000.00	* 135,000.00	Overalls.....	A. C. Downey, captain, Signal Corps, United States Reserves.	
1666	Thomas-Morse Aircraft Corporation.	Ithaca, N. Y.....	Sept. 11, 1917	285,000.00	.....	Airplanes.....	A. C. Downey, captain, Signal Corps.	Canceled, material not received.
1699	L. W. F. Engineering Co.	College Point, Long Island.	Sept. 14, 1917	226,800.00	* 226,800.00	.....do.....	.....do.....	

¹ Cost plus.

List A of formal contracts aggregating $100,000 or over made by or under Air Service for Air Service from April 6, 1917, to June 1, 1919, in United States—Continued.

Contract No.	Contractor.	Contractor's address.	Date of contract.	Amount of contract.	Amount expended to June 1, 1919.	Nature of contract.	Officer or person executing contract.	Remarks.
1800	Liberty Iron Works...	Sacramento, Calif	Sept. 27, 1917	$1,425,000.00	.....	Airplanes.....	A. C. Downey, captain, Signal Corps.	Canceled, superseded by 1800-A.
1800-A	.....do.....	.....do.....	Mar. 6, 1918	475,000.00	*$475,000.00	.....do.....	A. C. Downey, major, Signal Corps.	
1812	Curtiss Aero & Motor Corporation.	Buffalo, N. Y....	Sept. 19, 1917	(1)	*250,000.00	.....do.....	A. C. Downey, captain, Signal Corps.	
1880	West Coast Lumbermans' Association.	Seattle, Wash...	Oct. 9, 1917	165,000.00	.....	Fir.....	.....do.....	Canceled, material not received.
1913	Harrisburg Pipe & Pipe Bending Co.	Harrisburg, Pa..	Oct. 15, 1917	459,000.00	*459,000.00	Hydrogen cylinders...	.....do.....	
1916	Wm. Whitman Co.....	New York City..	Oct. 11, 1917	115,000.00	*114,982.00	Airplane cotton fabric.	.....do.....	Decreased $17.22.
3444	Goodyear Tire & Rubber Co.	Akron, Ohio....	Oct. 12, 1917	372,500.00	*372,500.00	Balloons.....	.....do.....	
1938	Curtiss Airplane Corporation.	Buffalo, N. Y...	Feb. 1, 1918	114,000.00	*45,804.00	Airplane parts.....	O. R. Ewing, first lieutenant A. S., S. R. C.	Decreased $68,195.80.
1941	United States Aircraft Corporation.	Redwood City, Calif.	Oct. 13, 1917	475,000.00	.....	Airplanes.....	A. C. Downey, captain, Signal Corps.	Canceled, material not required.
1959	Grays Harbor Lumber Co.	Hoquiam, Wash.	Oct. 31, 1917	[2] 126,000.00	.....	Spruce.....	A. C. Downey, major, Signal Corps.	Canceled, taken over by Spruce Products Corporation.
1960	Columbia Bow & Lumber Co.	South Bend, Wash.	.....do.....	[2] 126,000.00	.....	.....do.....	.....do.....	Do.
1961	Bandon Mills Co.....	Bandon, Oreg...	.....do.....	[2] 126,000.00	.....	.....do.....	.....do.....	Do.
1962	Bloedel Donovan Lumber Co.	Seattle, Wash...	.....do.....	[2] 126,000.00	.....	.....do.....	.....do.....	Do.
1963	Grays Harbor Com. Co..	Cosmopolis, Wash.	.....do.....	[2] 126,000.00	.....	.....do.....	.....do.....	Do.
1964	Brew Manufacturing Co.	Puyallup, Wash.	.....do.....	[2] 126,000.00	.....	.....do.....	.....do.....	Do.
1965	Bay City Lumber Co...	Aberdeen, Wash	.....do.....	[2] 126,000.00	.....	.....do.....	.....do.....	Do.
1967	Silver Spruce Co	Bay City, Oreg..	Oct. 25, 1917	252,000.00	.....	.....do.....	.....do.....	Do.
1968	Nehalem Sawmill & Box Co.	Nehalem, Oreg..	Oct. 31, 1917	[2] 126,000.00	.....	.....do.....	.....do.....	Do.
1969	Anderson & Middleton.	Aberdeen, Wash.	.....do.....	[2] 126,000.00	.....	.....do.....	.....do.....	Do.
1970	Northwestern Lumber Co.	Hoquiam, Wash.	Nov. 1, 1917	[2] 126,000.00	.....	.....do.....	.....do.....	Do.
1971	Copalis Lumber Co.....	Carlisle, Wash	Oct. 31, 1917	[2] 126,000.00	.....	.....do.....	.....do.....	Do.
1972	Wheeler Lumber Co....	Wheeler, Oreg	Oct. 24, 1917	[2] 126,000.00	.....	.....do.....	.....do.....	Do.
1974	Eureka Cedar Lumber & Shingle Co.	Hoquiam, Wash	Nov. 1, 1917	[2] 126,000.00	.....	.....do.....	.....do.....	Do.
1975	A. G. Beale Lumber Co	Tillamook, Oreg.	.....do.....	[2] 126,000.00	.....	.....do.....	.....do.....	Do.
1976	Moore Mill & Lumber Co.	Bandon, Oreg ..	Oct. 31, 1917	[2] 126,000.00	.....	.....do.....	.....do.....	Do.
1977	A. F. Coates Lumber Co.	Tillamook, Oreg.	.....do.....	[2] 126,000.00	.....	.....do.....	.....do.....	Do.
1978	E. K. Bishop Lumber Co.	Montesano, Wash.	.....do.....	[2] 126,000.00	.....	.....do.....	.....do.....	Do.
1979	Aberdeen Lumber & Shingle Co.	Aberdeen, Wash.	Oct. 23, 1917	210,000.00	.....	.....do.....	A. C. Downey, captain, Signal Corps.	Do.
1981	Prouty Lumber & Box	Seaside, Oreg	.....do.....	168,000.00	.....	.....do.....	.....do.....	Do.
1982	Sitka Spruce Co.....	Coquilla, Oreg..	.....do.....	252,000.00	.....	.....do.....	.....do.....	Do.
2016	Engel Aircraft Co.....	Niles, Ohio.....	Oct. 28, 1917	585,077.50	*585,964.00	Spares.....	A. C. Downey, major, Signal Corps.	Increased $887.
2016-1	Supplemental to cont. 2016.	.....	Feb. 26, 1918	.....	.....	Advanced payments..	.....do.....	
2724	Eastman Kodax Co.....	Rochester, N. Y.	Mar. 16, 1918	[2] 333,000.00	*332,621.00	Unit sight.....	F. D. Schnacke, first lieutenant, A. S., S. R. C.	
2729	L. W. F. Engineering Corporation.	College Point, L. I.	Jan. 28, 1918	[2] 309,000.00	*309,000.00	Airplanes.....	O. H. Ewing, first lieutenant, A. S., S. R. C.	
2858	Electric Metallurgical Sales Corporation.	New York City .	Feb. 14, 1918	120,750.00	*127,806.00	Ferrosilicon.....	F. D. Schnacke, first lieutenant, A. S., S. R. C.	Increased $7,056.
9295	Clough-Bourne Corporation.	.....do.....	July 18, 1917	(1)	2,230,407.00	Construction material.	A. C. Downey, major Signal Corps.	
2915	Aero Instruction Corps..	.....do.....	Feb. 15, 1918	325,000.00	.....	Aneroid barometers...	F. D. Schnacke, first lieutenent A. S., S. R. C.	Canceled, material not required.
2951	Inter Register Co.....	Chicago, Ill.....	Feb. 16, 1918	112,000.00	*111,760.00	Wind-vane sights.....	.....do.....	Decreased $240.
1939	Curtiss Aeroplane Co...	Buffalo, N. Y...	Oct. 17, 1917	824,545.00	*21,000.00	Spares.....	A. C. Downey, captain, Signal Corps.	Decreased $803,545.
2428	A. C. Clark Co.....	Chicago, Ill.....	Dec. 29, 1919	305,000.00	.....	Oxygen apparatus....	A. C. Downey, major, Signal Corps.	Canceled, material not required.
2448	Sturtevant Airplane Co.	Jamaica Plain, Mass.	Feb. 13, 1918	263,917.50	*263,917.00	Spares.....	F. D. Schnacke, first lieutenant, A. S., S. R. C.	
2440	.....do.....	.....do.....	Jan. 24, 1918	150,975.00	*165,975.00	.....do.....	A. C. Downey, major, Signal Corps.	Increased $15,000.
2473	Engel Aircraft Co.....	Niles, Ohio.....	Jan. 17, 1918	173,565.00	*173,478.00	.....do.....	.....do.....	Decreased $87.
2485	Rubay Co.....	Cleveland, Ohio.	Dec. 29, 1917	173,728.00	*173,641.00	.....do.....	.....do.....	Decreased $86.99.
2471	.....do.....	.....do.....	Jan. 23, 1918	164,128.00	*164,472.00	.....do.....	.....do.....	Increased $344.50.
2472	Engel Aircraft Co.....	Niles, Ohio.....	Feb. 14, 1918	163,965.00	*164,270.00	.....do.....	F. D. Schnacke, first lieutenant, A. S., S. R. C.	Increased $305.50.
1843	Flottorp Manufacturing Co.	Grand Rapids, Mich.	Oct. 6, 1917	336,000.00	*229,068	Propellers.....	A. C. Downey, captain, Signal Corps.	Decreased $106,932; balance of material not required.
3477	J. G. White Engineering Corporation.	New York City..	Mar. 25, 1918	(1)	183,093.00	Construction supplies..	A. C. Downey, major, Signal Corps.	Payments made since June 1, 1919.
1901	Lewis Thompson Co. (Inc.).	Philadelphia, Pa.	Dec. 11, 1917	[2] 200,000.00	83,438.00	Lumber.....	A. C. Downey, captain, Signal Corps, United States Reserves.	Estimate increased $60,000.
1901-1	Supplemental contract to Contract No. 1901.	.....	.....do.....	.....	.....	.....	A. C. Downey, major, Signal Corps.	Providing advanced payments.
1901-2	.....do.....	.....	Oct. 11, 1918	.....	.....	.....	F. D. Schnacke, captain, A. S., A. P.	Providing payment for storing lumber.
50312	Frank Hill Smith.....	Dayton, Ohio...	Mar. 4, 1918	(1)	248,295.00	Construction.....	C. G. Edgar, colonel..	
3414	Louis F. Shoemaker....	Washington, D.C.	Apr. 4, 1918	[2] 386,597.00	*405,567.00	Structural steel.....	O. R. Ewing, first lieutenant, A.S., S.C.	Estimate increased $18,970.37.
3421	McClintic Marshall Co..	.....do.....	Apr. 2, 1918	[2] 447,120.00	*469,652.00	.....do.....	.....do.....	Estimate increased $22,532.05.
3423	Blaw-Knox Co.....	Pittsburgh, Pa..	.....do.....	[2] 437,400.00	*458,857.00	.....do.....	.....do.....	Estimate increased $21,457.50.
3462	Carnie-Goudie Manufacturing Co.	Kansas City, Mo.	.....do.....	143,325.00	*155,420.00	Curtains for hangars...	.....do.....	Increased $12,095.

[1] Cost plus.

[2] Estimated.

List A of formal contracts aggregating $100,000 or over made by or under Air Service for Air Service from April 6, 1917, to June 1, 1919, in United States—Continued.

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3460	Trussed Concrete Steel Co.	Youngstown, Ohio.	Apr. 5, 1918	[1] $994,770.00	*$1,035,460.00	Corrugated steel sheets	O. R. Ewing, first lieutenant, A. S., S. C.	Estimate increased $40,690.91.
3896	E. H. Sheldon & Co.	Muskegon, Mich.	May 20, 1918	123,140.00	*122,616.00	Benches and steps	F. D. Schnacke, first lieutenant, S. R. C.	Decreased $524.
3621	W. H. Mullins & Co.	Salem, Ohio.	Apr. 16, 1918	120,240.33	*120,240.00	Dies	O. R. Ewing, first lieutenant, S. R. C.	
3433	Berger Manufacturing Co.	Canton, Ohio.	Apr. 2, 1918	909,748.80	*988,071.00	Corrugated steel sheets	do	Increased $78,323.18.
2585	Davis-Bournouville Co.	Washington, D. C.	Jan. 17, 1918	107,665.00	*107,665.00	Welding sets	do	
2339	Winton Engine Works	do	Dec. 12, 1917	163,600.00	*163,600.00	Gasoline electric generating sets.	A. C. Downey, major, Signal Corps.	
4171	Ohio Corrugating Co.	Warren, Ohio	June 28, 1918	348,000.00	*178,300.00	Steel drums	F. D. Schnacke, first lieutenant, A. S., S. R. C.	Decreased $169,699.55.
3424	Belmont Iron Works	Philadelphia, Pa.	May 6, 1918	391,532.00	*410,966.00	Structural steel	O. R. Ewing, first lieutenant, A. S., S. C.	Increased $19,434.91.
2344	Talge Mahogany Co.	Indianapolis, Ind.	Dec. 13, 1917	111,748.00	85,158.00	Veneered panels	A. C. Downey, major, Signal Corps.	See supplement below.
2267	Geo. H. McFadden & Bros.	Philadelphia, Pa	Nov. 23, 1917	6,600,000.00	4,535,634.00	Cotton	do	Decreased $1,999,365.
3459	Fort Pitt Bridge Works.	Pittsburgh, Pa.	Apr. 2, 1918	2,506,140.00	2,489,780.00	Structural steel	O. R. Ewing, first lieutenant, A. S., S. R. C.	
4314	Disco Electric Mfg. Co.	Detroit, Mich.	July 26, 1918	292,050.00	*292,050.00	Generators	do	
5076	American Bleached Goods Co.	Taftville, Conn.	Oct. 26, 1918	162,500.00		Fabric	F. D. Schnacke, captain, A. S., A. P.	Canceled, material not required.
5067	Pratt & Lambert (Inc.).	Buffalo, N. Y.	Oct. 23, 1918	206,400.00	*209,367.00	Cellulose acetate	do	Increased $2,967.
4439	Livingston Radiator & Mfg. Co.	New York City.	Aug. 16, 1918	108,200.00	*108,513.00	Radiators	do	Increased $313.65.
3004	Standard Aircraft Corporation.	Elizabeth, N. J.	Mar. 15, 1918	[2]		Spare parts	A. C. Downey, major.	
2344-1	Supplemental to Contract 2344 above.		Oct. 28, 1918			Storing material	F. D. Schnacke, captain, A. S., A. P.	
2673	Curtiss Aero & Motor Corporation.	Buffalo, N. Y.	Jan. 16, 1918	100,000.00		Purchase of plant	A. C. Downey, major.	Payments made since June 1, 1919, $92,252.
2673-1	Supplemental to Contract 2673.		Feb. 12, 1919			Amending contract regulations.	F. D. Schnacke, captain, A. S., A. P.	
2673-A	do		June 18, 1919			Providing methods of payment.	S. M. Wiley, captain, A. S., A. P.	
2573	W. H. Mullins Co.	Salem, Ohio.	Jan. 19, 1918	415,742.01	2,236.00	Metal parts	A. C. Downey, major.	Decreased $412,492.88.
2286	Western Electric Co.	New York City.	July 12, 1918	281,448.89	*281,448.00	Supplies, telephone	F. D. Schnacke, first lieutenant, A. S., S. R. C.	
3488	Livingstone Radiator Mfg. Co.	do	Apr. 4, 1918	309,150.00	*309,532.00	Radiators	do	Increased $382.95.
3255	Western Electric Co.	do	Apr. 13, 1918	168,750.00	*195,000.00	Hand telephones	O. R. Ewing, first lieutenant, A. S., S. R. C.	Increased $26,250.
3026	do	do	Mar. 5, 1918	102,326.00	*102,326.00	Buzzer telephones and equipment.	do	
2847	do	do	Feb. 13, 1918	387,000.00	*387,000.00	Outpost wire	do	
2590	do	do	June 4, 1918	170,460.87	*130,729.00	Telephone equipment	F. D. Schnacke, first lieutenant, A. S., S. R. C.	Decreased $39,731.26.
3253	do	do	Apr. 13, 1918	112,500.00	*130,000.00	Hand telephones	O. R. Ewing, first lieutenant, A. S., S. R. C.	Increased $17,500.
3199	Western Electric Co.	New York City.	Mar. 15, 1918	120,110.90	*114,378.00	Telephone switchboards and telephones.	O. R. Ewing, first lieutenant, A. S., S. R. C.	Decreased $5,732.10.
3029	Kellog Switchboard & Sup. Co.	Chicago, Ill.	Mar. 5, 1918	131,200.00	*131,960.00	Buzzer telephones	do	Increased $760.
4545	Walden Worcester (Inc.).	Worcester, Mass.	Aug. 23, 1918	177,347.20	97,754.00	Clevis parts	F. D. Schnacke, captain, A. S., A. P.	Decreased $48,261.55.
3822	General Electric Co.	Washington, D. C.	May 8, 1919	142,150.00	3,954.00	Gun yokes and trigger controls.	do	Closing contracts being negotiated.
3870	American Propeller Co.	Baltimore, Md.	May 16, 1918	300,000.00	13,251.00	Propellers	do	Increased $7,751.
4570	Liberty Iron Works	Sacramento, Calif.	Sept. 29, 1918	400,000.00	*400,350.00	Airplanes	do	Increased $350.
4488	Standard Aeroplane Corporation of New Jersey.	Elizabeth, N. J.	Aug. 20, 1918	104,250.00	*104,250.00	Planes	do	
4619	Willys-Overland Co.	Toledo, Ohio.	Sept. 9, 1918	2,625,000.00	*2,625,000.00	1,500 Curtiss O-5 engines.	O. R. Ewing, captain, A. S., A. P.	
4407	The Russ Co.	Cleveland, Ohio.	Aug. 2, 1918	156,750.00	*156,750.00	Carrying chests, 9,500	F. D. Schnacke, captain, A. S., A. P.	
3583	Wilson Foundry & Machine Co.	Pontiac, Mich.	Apr. 11, 1918	210,000.00	*210,000.00	Cylinders	do	
3517	Winton Co.	Cleveland, Ohio.	Apr. 8, 1918	120,750.00	*120,750.00	Motor generator sets and charging panels.	O. R. Ewing, first lieutenant, A. S., S. C.	
3518	do	do	do	120,750.00	*120,750.00	do	do	
3750	Western Electric Co.	New York City.	Apr. 29, 1918	1,625,000.00	787,500.00	Radio telegraph receiving sets.	do	Decreased $837,500.
3782	Geo. R. Carter Co.	Connersville, Ind.	May 2, 1918	108,723.99	*108,724.00	Bolts and cases	do	Increased $0.08.
3994	Eastman Kodak Co.	Rochester, N. Y.	June 15, 1918	240,000.00	*234,654.00	Cameras	F. D. Schnacke, first lieutenant, A. S., S. R. C.	Decreased $5,346.
2237	Wm. Whitney Co.	New York City.	Nov. 20, 1917	240,000.00	235,343.00	Airplane fabric	A. C. Downey, major, Signal Corps.	Decreased $4,656.30.
2239	Ponemah Mills	do	Nov. 19, 1917	120,000.00	*118,945.00	do	do	Decreased $1,054.09.
2406	Taylor Instrument Co.	Rochester, N. Y.	Dec. 19, 1917	187,500.00	*162,500.00	Aneroids	do	Decreased $25,000.
2040	Lewis Thompson & Co.	Philadelphia, Pa.	Nov. 23, 1917	94,000.00	*91,332.00	Mahogany	do	Decreased $2,667.76.
1289	Curtiss Aeroplane Co.	Buffalo, N. Y.	Apr. 30, 1917	197,055.00	*187,559.00	Engine and spare parts	Chas. S. Wallace, major, Signal Corps.	Decreased $9,495.77.
2372	Wolverine Brass Works.	Grand Rapids, Mich.	Dec. 12, 1917	450,000.00	*450,000.00	Mounts	A. C. Downey, major, Signal Corps.	
2401	St. Louis Aircraft Corporation.	St. Louis, Mo.	Dec. 15, 1917	2,137,500.00	*2,137,500.00	Airplanes	do	
4085	Western Electric Co.	New York City.	June 17, 1918	120,000.00	*119,880.00	Radio telegraph receiving sets.	F. D. Schnacke, first lieutenant, A. S., S. R. C.	Decreased $120.
4134	do	do	May 22, 1918	330,000.00	*330,000.00	Field telephones	do	
4683	Kunhardt & Co.	Battery Place, N. Y.	Sept. 16, 1918	[1] 262,500.00		Castor beans 50M to 75M.	O. R. Ewing, A. S., A. P.	Canceled, material not received.
5313	General Electric Co.	Washington, D. C.	Nov. 12, 1918	206,330.00		Lewis gun yokes, etc.	F. D. Schnacke, captain, A. S., A. P.	Do.

[1] Estimated.

[2] Cost plus.

List A of formal contracts aggregating $100,000 or over made by or under Air Service for Air Service from April 6, 1917, to June 1, 1919, in United States—Continued.

Contract No.	Contractor.	Contractor's address.	Date of contract.	Amount of contract.	Amount expended to June 1, 1919.	Nature of contract.	Officer or person executing contract.	Remarks.
3780	Delta Electric Co	Marion, Ind.	May 2, 1918	$175,055.00	*$201,453.00	Projectors	O. R. Ewing, first lieutenant, A. S., S. R. C.	Increased $26,398.54.
3585	Hall-Scott Motor Car Co.	San Francisco, Calif.	Apr. 12, 1918	102,970.00	*51,517.00	Assemblies, etc	F. D. Schnacke, first lieutenant, A. S., S. R. C.	Decreased $51,452.10.
3784	Curtiss Aero & Motor Corporation.	Buffalo, N. Y.	July 7, 1918	62,110.00	46,300.00	Spare parts	do	
3087	Stromberg-Carlson Telephone Manufacturing Co.	Rochester, N. Y.	Mar. 5, 1918	41,212.50	*41,212.00	Switchboards, units, and frames.	O. R. Ewing, first lieutenant, R. C.	
2551	Thomas-Morse Aircraft Corporation.	Ithaca, N. Y.	Jan. 11, 1918	2,000,100.00	*1,792,165.00	Airplanes	A. C. Downey, major.	Decreased $207,935.
4501	Parsons Pulp & Lumber Co.	Philadelphia, Pa	July 29, 1918	480,000.00	75,000.00	Spruce	F. D. Schnacke, first lieutenant, A. S., S. R. C.	
4501-1	Supplemental to 4501		Sept. 19, 1918				do	Extending date of contract.
4501-2	do		Aug. 24, 1918				do	Advance payment.
3025	Western Electric Co	New York City.	Mar. 6, 1918	116,944.00	*116,944.00	Electric equipment	O. R. Ewing, first lieutenant, A. S., S. R. C.	
2852	Edison Storage Battery Co.	Orange, N. J.	Apr. 13, 1918	206,160.00	90,352.00	Storage batteries	do	
2862	do	do	Apr. 16, 1918	214,080.00	48,668.00	do	do	
2857	do	do	Apr. 13, 1918	[1] 200,000.00	135,510.00	do	do	
1939	Curtiss Aeroplane Co	Buffalo, N. Y.	Oct. 17, 1917	824,545.00	*21,000.00	Spare parts	A. C. Downey, captain.	Decreased $803,545.
3320	International Radio Telegraph Co.	Brooklyn, N. Y.	May 21, 1918	140,000.00	106,708.00	Transmitters	F. D. Schnacke, first lieutenant, A. S., S. R. C.	Decreased $9,475.
4331	Jas. Cunningham Son & Co.	Rochester, N. Y.	Aug. 2, 1918	169,500.00	153,000.00	Windlasses	do	Decreased $16,500.
4689	International Duplex Cost Co.	New York City.	Sept. 16, 1918	197,500.00	*197,307.00	Flying suits	O. R. Ewing, captain, A. S., A. P.	Decreased $192.25.
4709	H. D. Lee Merchantile Co.	South Bend, Ind.	Sept. 27, 1918	156,000.00	156,000.00	Mechanics' suits	F. D. Schnacke, captain, A. S., A. P.	
3753	Doehler Dil Casting Co.	Toledo, Ohio	June 4, 1918	213,500.00	72,355.00	Spares	F. D. Schnacke, first lieutenant, A. S., S. R. C.	Increased $6,283.
2594	Thomas Morse Airplane Corporation.	Ithaca, N. Y.	Apr. 1, 1918	(2)	*216,035.00	do	A. C. Downey, major, Signal Corps.	
2594-1	Supplemental to 2594		Nov. 1, 1918	216,035.40		Changing from cost-plus to fixed price.	F. D. Schnacke, captain, Signal Corps.	
2533	Improved Equipment Co.	New York City.	Jan. 4, 1918	[1] 150,000.00	99,782.00	Silicon hydrogen generators.	A. C. Downey, major, Signal Corps.	Increased $11.62.
2533-1	Supplemental to 2533	do				Including orders 9203 and 20226.	do	
1846	American Propeller & Manufacturing Co.	Baltimore, Md.	Oct. 6, 1918	175,300.00	74,304.00	Propellers	do	Decreased $5,689.
2179	Curtiss Aeroplane & Motor Corporation.	Buffalo, N. Y.	Nov. 15, 1917	831,435.00	640,539.00	Spares	do	Decreased $21,000. This order followed 20086, which was canceled. Payments since June 1, 1919, $4,950.
2709	United States Aircraft Corporation.	Redwood City, Calif.	Feb. 6, 1918	326,242.00	*326,170.00	Planes and spares	do	Decreased $71.93.
2554	Pierce Manufacturing Co.	New Bedford, Mass.	Jan. 14, 1918	172,500.00	*228,468.00	Airplane fabric	do	Increased $55,938.74.
2329	Precision Instruments Co.	Detroit, Mich.	Dec. 1, 1917	[3] 140,000.00	*103,862.00	Air speed indicators	do	Decreased $19,392.75.
2329-1	Supplemental to 2329		Apr. 24, 1918				do	Advance payment.
2329-A	do		Mar. 27, 1919		*16,745.00	Raw materials	S. M. Wiley, captain, A. S., A. P.	Termination contract.
2238	Pierce Manufacturing Co.	New Bedford, Mass.	Nov. 20, 1917	120,000.00	131,016.00	Airplane fabric	A. C. Downey, major, Signal Corps.	Completed since June 1, 1919.
1580	Western Electric Co	New York City.	Aug. 28, 1917	137,000.00	*140,250.00	Telephone switchboards.	A. C. Downey, captain, S. C., U. S. R.	Increased $3,253.
1811	Wright-Martin Aircraft Corporation.	New Brunswick, N. J.	Sept. 28, 1917	[3] 2,500,000.00	320,720.00	Spares	do	Decreased $1,675,000.
1514	Western Electric Co	New York City.	July 30, 1917	195,400.00	*195,400.00	Outpost wire	A. G. Gutensohn, captain, Signal Corps.	
1653	do	do	May 9, 1918	[1] 75,000.00	*68,860.00	Electrical equipment	O. R. Ewing, first lieutenant, A. S., S. R. C.	Decreased $6,149.43.
5152	New Granada Corporation of Delaware.	do	Oct. 23, 1918	[3] 2,254,000.00		Castor beans	O. R. Ewing, captain, A. S., A. P.	Canceled, material not required.
4684	Commercial Bank of Spanish America.	do	Sept. 17, 1818	[3] 330,000.00		do	do	Do.
4005	The Silvex Co	Bethlehem, Pa.	June 14, 1918	560,000.00	350,000.00	Spark plugs	F. D. Schnacke, first lieutenant, A. S., S. R. C.	Do.
4108	Connecticut Aircraft Co.	New Haven, Conn.	June 17, 1918	170,000.00	*169,934.00	Balloons	do	Decreased $66.
4108-1	Supplemental to 4108		Aug. 5, 1918				do	Amending terms of payment.
3600	Hall-Scott Motor Car Co.	San Francisco, Calif.	Apr. 13, 1918	351,336.00	*368,159.00	Engines and spares	do	Increased $16,823.77.
3850	Lewis & Vought Corporation.	Long Island City, N. Y.	May 8, 1918	100,000.00	*100,000.00	Services	do	
4330	United Fruit Co	Boston, Mass.	July 23, 1918	131,434.78		Castor beans	do	Canceled, material not required.
5342	Waltham Clock Co	Waltham, Mass.	Nov. 5, 1918	423,000.00		Airplane clocks	F. D. Schnacke, captain, A. S., A. P.	Do.
5337	Van Sicklen Co	Elgin, Ill.	Nov. 12, 1918	372,500.00		Altimeters	do	Decreased $367,646.58.
5337-A	Supplemental to 5337		Apr. 26, 1919		*4,853.00		S. M. Wiley, captain, A. S., A. P.	Termination contract.
3395	Eastman Kodak Co	Rochester, N. Y.	Nov. 5, 1918	140,000.00	*75,683.00	Cameras	F. D. Schnacke, captain, A. S., A. P.	Decreased $64,316.77.
5360	Foxboro Co	Foxboro, Mass.	Nov. 13, 1918	350,000.00		Air speed indicators	do	Canceled, material not required.
5360-A	Supplemental to 5360		May 20, 1919				S. M. Wiley, captain, A. S., A. P.	Cancellation of contract.

[1] Estimated. [2] Cost plus. [3] Original contract in files P. S. and T.

List A of formal contracts aggregating $100,000 or over made by or under Air Service for Air Service from April 6, 1917, to June 1, 1919, in United States—Continued.

Contract No.	Contractor.	Contractor's address.	Date of contract.	Amount of contract.	Amount expended to June 1, 1919.	Nature of contract.	Officer or person executing contract.	Remarks.
2884	J. A. Roeblings Sons Co.	Trenton, N. J...	Feb. 13, 1918	[1] $177,675.00	$162,183.00	Wire	O. R. Ewing, first lieutenant, A. S., S. R. C.	$15,415.47 paid since June 1, 1919.
2882	....do	....do	Feb. 12, 1918	[1] 139,050.00	*138,716.00	....do	....do	Decreased $333.54.
2846	Western Electric Co....	New York City.	....do	[1] 463,500.00	286,597.00	....do	....do	
2845	J. A. Roeblings Sons Co.	Trenton, N. J...	Feb. 13, 1918	[1] 208,575.00	139,448.00	....do	....do	$15,394.40 paid since June 1, 1919.
4130	Gundlach Manhattan Optical Co.	Rochester, N. Y.	June 22, 1918	[1] 585,000.00		Field glasses	F. D. Schnacke, first lieutenant, A. S., S. R. C.	
2841	American Steel & Wire Co.	New York City.	Feb. 12, 1918	[1] 309,000.00		Wire	O. R. Ewing, first lieutenant, A. S., S. R. C.	Canceled; superseded by 2841-A.
2841-A	United States Steel Products Co.	....do	May 4, 1918	[1] 309,000.00	*315,895.00	....do	....do	Increased $6,895.77.
1637	Kelly-Springfield Motor Truck.	Detroit, Mich...	Sept. 4, 1917	[1] 3,797,500.00	*3,911,761.00	Chassis	A. C. Downey, captain, S. C., U. S. R.	Increased $114,261.
4038	Curtiss Aero & Motor Corporation.	Buffalo, N. Y...	Aug. 12, 1918	[1] 446,500.00	256,980.00	Airplanes	F. D. Schnacke, captain, A. S., A. P.	Decreased $105,388.
4033	....do	....do	Jan. 17, 1918	850,000.00	347,809.00	Spares	....do	Decreased $376,768.57.
4553	Bosch Magneto Co.....	New York City.	Aug. 23, 1918	112,500.00		Magnetos and switches	....do	Canceled, material not required.
4832	Wilson Foundry & Machine Co.	Pontiac, Mich...	Sept. 28, 1918	142,500.00	*142,500.00	Cylinders	....do	
4530	Splitdorff Electrical Co.	Newark, N. J....	Aug. 27, 1918	302,237.00		Magneto parts	....do	
4018	Packard Motor Car Co..	Detroit, Mich....	Aug. 20, 1918	[2]	557,885.00	Battle planes	....do	Do.
4037	Curtiss Aero & Motor Corporation.	Buffalo, N. Y....	Aug. 1, 1918	[2]	278,132.00	....do	F. D. Schnacke, first lieutenant, A. S., S. R. C.	Decreased $2,433,000.
4037-A	Supplemental to 4037...		Nov. 1, 1918	[1] 3,200,000.00		Changing cost plus to flat price.	....do	Additional payments since June 1, 1919.
4039	Curtiss Aero & Motor Corporation.	Buffalo, N. Y...	July 30, 1918	[2]		Planes	....do	Payments since June 1, 1919.
3964	Edison Storage Battery Co.	Orange, N. J.....	Aug. 27, 1918	105,014.00	63,152.00	Batteries	....do	Decreased $2,262.
1814	Western Electric Co....	New York City..	May 24, 1918	[3]	*240,138.00	Telephone material	....do	
3904	Standard Areo Corporation of New York.	Elizabeth, N. J..	Nov. 7, 1918	[2]	238,644.00	Planes and spares	O. R. Ewing, captain, A. S., A. P.	Payments since June 1, 1919.
1485	Kessler Motor Co.....	Detroit, Mich...	July 23, 1917	125,000.00		Engines	A. G. Gutensohn, captain, Signal Corps.	Canceled, material not required.
1485-1	Supplemental to 1485....		Apr. 1, 1918	125,000.00		....do	A. C. Downey, major, S. R. C.	Covering advance payments.
2027	Western Electric Co.....	New York City.	Oct. 25, 1917	252,000.00	252,000.00	Telephones	A. C. Downey, major.	
2538	Breese Aircraft Corporation.	Farmingdale, Long Island.	Jan. 23, 1918	[2]	70,724.00	Engine spares	A. C. Downey, major, Signal Corps.	
2538-1	Supplemental to 2538....		Mar. 12, 1918	[2]		Reducing 50 per cent and correcting clerical error.	F. D. Schnacke, first lieutenant, A. S., S. R. C.	
1895	The Rubay Co.....	Cleveland, Ohio.	Nov. 3, 1917	233,047.50	*240,805.00	Spares	A. C. Downey, major, Signal Corps.	Increased $7,758.
1841	Thomas Morse Aircraft Corporation.	Ithaca, N. Y.....	Oct. 6, 1917	126,000.00	*126,000.00	Engines	A. C. Downey, captain, S. R. C.	
191	Tindel Norris Co.....	North Eddystone, Pa.	Oct. 12, 1917	300,000.00	*300,600.00	Cylinders	....do	Increased $600.
1827	Thomas Morse Aircraft Corporation.	Ithaca, N. Y....	Oct. 5, 1917	540,000.00	*790,000.00	Airplanes	....do	Increased $250,000.
2365	Breese Aircraft Co.....	Farmingdale, Long Island.	Dec. 6, 1917	[2]	591,325.00	....do	....do	
1573	Crown Optical Co.....	Rochester, N. Y.	Aug. 21, 1917	750,000.00	127,425.00	Field glasses	....do	
1640	Lybrand Bros., Ross & Montgomery.	New York City.	Aug. 1, 1917	[4]	*315,631.00	Services	....do	
2939	General Electric Co.....	Schenectady, N. Y.	Feb. 16, 1918	[2]	*212,100.00	Vacuum tubes	O. R. Ewing, first lieutenant, A. S., S. R. C.	
2939-1	Supplemental to 2939...		May 17, 1918			Providing payment for development work.	....do	
92 (D. M. A).	Wm. E. Hampton Construction Co.	Los Angeles, Calif.	Mar. 21, 1918	[2]	157,485.00	Construction Rockwell Field.	C. G. Edgar, colonel, A. S., A.	
Dayton 106	Curtiss Engineering Co.	Garden City, N. Y.	Aug. 29, 1918	200,000.00	94,226.00	Planes	H. E. Blood, captain, A. S., A.	
Dayton 103	Dayton-Wright Airplane Co.	Dayton, Ohio...	July 10, 1918	[2]	109,320.00	Plane spares	....do	
Dayton 116	Fisher Body Corporation.	Detroit, Mich...	Aug. 19, 1918	[2]	*334,307.00	Plane spares and bodies.	....do	
Dayton 19	Packard Motor Car Co..	....do	May 8, 1918	[2]	*660,707.00	Planes	....do	
Dayton 119	Springfield Aircraft Corporation.	Springfield, Mass.	Sept. 4, 1918	[2]	*101,121.00	....do	....do	
5444	Glenn L. Martin Co....	Cleveland, Ohio.	Jan. 2, 1919	[2]	113,756.00	....do	F. D. Schnacke, captain, Signal Corps.	
Dayton 25	Packard Motor Car Co.	Detroit, Mich...	Apr. 15, 1918	[2]	*164,068.00	Plane spares	F. O. Replogle, lieutenant.	
2611	Glenn L. Martin Co.....	Cleveland, Ohio.	Jan. 17, 1918	300,000.00	525,451.00	3 Place Corps D'Armee planes.	A. C. Downey, major, Signal Corps.	
2611-A	Supplemental to 2611...		Nov. 14, 1918			Changing from fixed price to cost plus.	F. D. Schnacke, captain, Signal Corps.	
5159	Thomas Morse Aircraft Corporation.	Ithaca, N. Y....	Oct. 30, 1918	263,805.00	*265,552.00	Plane spares	F. D. Schnacke, captain, A. S., A. P.	Increased $1,687.
5089	Packard Piano Co.....	Fort Wayne, Ind.	Oct. 18, 1919	165,000.00		Propellers	....do	
5089-A	Supplemental to 5089...		May 8, 1919	12,694.91		Settlement	....do	Final payment since June 1, 1919.
5184	Holt Manufacturing Co.	Peoria, Ill.....	Oct. 30, 1918	425,000.00		Adapter sets	....do	
5184-A	Supplemental to 5184...		Apr. 25, 1919	6,709.21	*6,709.00	Settlement	S. M. Wiley, captain, A. S., A. P.	Termination contract.
4883	Curtiss Aero & Motor Corporation.	Buffalo, N. Y...	Oct. 7, 1918	119,600.00	10,115.00	Propellers	F. D. Schnacke, captain, A. S., A. P.	
4877	Harrisburg Pipe & Pipe Bending Co.	Harrisburg, Pa..	Oct. 1, 1918	475,000.00	*475,000.00	Cylinders	....do	
4878	National Tube Co.....	Pittsburgh, Pa..	....do	1,068,750.00	783,750.00	Steel cylinders	....do	
5050	Simmons Hardware Co.	Washington, D. C.	Oct. 22, 1918	116,500.00	*43,291.00	Belts	....do	
5050-A	Supplemental to 5050...		Mar. 24, 1919	82,560.55	*82,560.00	Settlement	....do	

[1] Estimated. [2] Cost plus. [3] Indefinite. [4] Per diem and expenses.

List A of formal contracts aggregating $100,000 or over made by or under Air Service for Air Service from April 6, 1917, to June 1, 1919, in United States—Continued.

Contract No.	Contractor.	Contractor's address.	Date of contract.	Amount of contract.	Amount expended to June 1, 1919.	Nature of contract.	Officer or person executing contract.	Remarks.
5294	Firestone Tire & Rubber Co.	Akron, Ohio	Nov. 13, 1918	$135,450.00		Wheels	F. D. Schnacke, captain, A. S., A. P.	
5294-A	Supplemental to 5294		May 20, 1919	5,313.36		Settlement	do	Final payment since June 1, 1919.
4898	International Duplex Coat Co.	New York City	Oct. 16, 1918	163,072.00	*$162,588.00	Fur backs and pockets for gauntlets.	do	Decreased $484.
5216	S. & F. Brenner (Inc.)	do	Nov. 1, 1918	146,125.00	*91,858.00	Leather helmets	do	
5216-A	Supplemental to 5216		Mar. 26, 1919	12,170.00	*12,170.00	Settlement	S. M. Wiley, captain, A. S., A. P.	
4763	Guiterman Bros	St. Paul, Minn.	Oct. 19, 1918	167,675.00	*97,075.00	Coats	F. D. Schnacke, captain, A. S., A. P.	
4763-A	Supplemental to 4763		Apr. 22, 1919	15,219.29	*15,219.00	Settlement	S. M. Wiley, captain, A. S., A. P.	
5389	Belmont Iron Works	Philadelphia, Pa.	Nov. 14, 1918	195,000.00	*187,417.00	Structural steel	F. D. Schnacke, captain, A. S., A. P.	Decreased $7,582.34.
5346	Kunhardt & Co	New York City	Nov. 12, 1918	450,000.00		Castor beans	do	
5346-A	Supplemental to 5346		May 17, 1919	24,478.78	*24,478.00	Settlement	S. M. Willey, captain, A. S., A. P.	
4358	Godfrey Hillabrandt	New York City	July 22, 1918	(1)	*78,398.00	Purchasing china dog mats.	O. R. Ewing, first lieutenant, A. S., A. P.	
3526	Electric Storage Battery Co.	Philadelphia, Pa.	June 18, 1918	163,950.00	*164,773.00	Batteries	do	Increased $823.27.
2780	Lorraine Manufacturing Co.	Pawtucket, R. I.	Feb. 7, 1918	150,000.00	*131,324.00	Aeroplane fabric	do	Decreased $18,675.45.
2646	Western Electric Co	New York City	Feb. 16, 1918	(2)	870,919.00	Radio telephone sets	do	
2963	do	do	Feb. 19, 1918	(2)	*78,750.00	do	do	
2727	do	New York City	Feb. 16, 1918	(3)	187,500.00	Radio telephone receiving sets.	O. R. Ewing, first lieutenant, A. S., A. P.	
2503	do	do	do	(3)	154,980.00	Telephone receiving sets.	do	
2909	do	do	do	(3)	787,490.00	Tubes	do	
2896	do	do	do	(3)	609,114.00	Vacuum tubes	do	
2478	do	do	Mar. 21, 1918	(3)	*184,189.00	Telephone units	do	
2437	do	do	Mar. 7, 1918	(3)	*120,000.00	Amplifiers	do	
4741	Guiterman Bros	St. Paul, Minn.	Sept. 20, 1918	213,750.00	*112,500.00	Flying suits	O. R. Ewing, first lieutenant, A. S., A. P.	
4741-A	Supplemental to 4741		Apr. 22, 1919	20,151.92		Settlement	S. M. Wiley, captain, A. S., A. P.	Final payment since June 1, 1919.
1599	Western Electric Co	New York City	Sept. 21, 1917	203,000.00	*208,128.00	Buzzers, telephone switchboards, etc.	A. C. Downey, captain, A. S., A. P.	Increased $128.80.
San Fran.	Regents of University of California.	Berkeley, Calif.	June 27, 1917	(4)	*161,962.00	Training of students	A. M. Krogstad, major, J. M. A. S. C.	
	Supplemental to above		Mar. 8, 1918			Extending course	G. B. Hunter, major, S. C.	
San Fran.	Regents of University of California.	Berkeley, Calif.	Sept. 5, 1918	(2)	86,966	Training of students	C. G. Edgar, colonel, S. C.	Final voucher for $31,724.50 awaiting payment.
3247	West Virginia Aircraft Corporation.	Wheeling, W. Va.	Mar. 19, 1918	240,657.50	*241,357.00	Spares	F. D. Schnacke, first lieutenant, A. S., A. P.	Increased $700.
3068	Harrisburg Pipe & Pipe Bending Co.	Harrisburg, Pa.	Apr. 4, 1918	666,300.00	*654,467.00	Cylinders	do	Decreased $11,832.60.
4779	Curtiss Aero & Motor Corporation.	Buffalo, N. Y.	Sept. 25, 1918	1,400,000.00	4,015.00	Planes	F. D. Schnacke, captain, A. S., A. P.	Decreased $196,000.
5051	Wolverine Co	Detroit, Mich	Oct. 18, 1918	126,032.40		Spares	do	Settlement contract and final payment since June 1, 1919.
4924	Thomas Morse Aircraft Corporation.	Ithaca, N. Y.	Oct. 9, 1918	1,750,000.00		Planes	do	Decreased $1,088,500.
4825	Curtiss Aero & Motor Corporation.	Buffalo, N. Y.	Sept. 13, 1918	245,863.90	45,973.00	Plane spares	do	
4830	Torrington Co. Std Plant.	Torrington, Conn.	Oct. 2, 1918	303,034.25		Spares, fittings, assemblings.	do	
4814	do	do	Sept. 27, 1918	485,063.90		Plane spares	do	Increased $5,564.35.
4759	Wire Wheel Corporation of America.	Buffalo, N. Y.	Sept. 24, 1918	188,496.00	50,208.00	Wire wheels	do	Decreased $88,000.
4737	Bastian Blessing Co	Chicago, Ill	do	192,300.00	*98,832.00	Hydrogen valves	do	Final payment since June 1, 1919.
4904	Goodyear Tire & Rubber Co.	Akron, Ohio	Oct. 8, 1918	194,515.00	64,406.00	Tire spares	do	
4904-A	Supplemental to 4904		Apr. 8, 1919	58,766.55	*58,766	Settlement	S. M. Wiley, Capt., A. S., A. P.	
5437	Arma Engineering Co	New York, N. Y.	Dec. 13, 1918	242,750.00		Aero navigation instruments.	F. D. Schnacke, captain, A. S., A. P.	Decreased $212,000.
4947	Van Sicklen Co	Elgin, Ill	Oct. 11, 1918	287,500.00	1,150.00	Oxygen apparatus	do	Decreased $267,000.
4947-A	Supplemental to 4947		May 22, 1919				do	Negotiating termination contract.
2948	Eastman Kodak Co	Rochester, N. Y.	Nov. 4, 1918	101,000.00	64,123.00	Cameras and repair kits.	do	Final payment since June 1, 1919.
5070	Intertype Corporation	Brooklyn, N. Y.	Oct. 25, 1918	236,100.00		Interrupter gears	do	Decreased $221,000.
2098	Waltham Watch Co	Waltham, Mass.	Feb. 14, 1918	121,000.00	127,790.00	Airplane clocks	F. D. Schnacke, first lieutenant, A. S., S. R. C.	Increased $10,000.
4334	Westinghouse Electric & Manufacturing Co.	Washington, D. C.	July 20, 1918	139,200.00	139,710.00	Generator and parts	do	Increased $7,500.
4313	General Electric Co	Schenectady, N. Y.	July 19, 1918	123,500.00	111,193.00	Tubes	do	
4367	Spencer Lens Co	Buffalo, N. Y.	July 26, 1918	275,000.00	148,775.00	Sights	do	Decreased $76,000.
3022	do	do	Mar. 18, 1918	169,830.00	*169,830.00	Sights and accessories	do	
4687	Northeast Electric Co	Rochester, N. Y.	Sept. 18, 1918	190,000.00	19,141.00	Electric generators	O. R. Ewing, captain, A. S., A. P.	
4645	The Bristol Co	Waterbury, Conn.	Sept. 10, 1918	125,000.00	24,875.00	Speed indicators	do	
4603	Jas. Cunningham & Sons Co.	Rochester, N. Y.	Sept. 17, 1918	255,000.00		Windlasses	do	
4647	The Bristol Co	Waterbury, Conn.	Sept. 10, 1918	100,000.00		Speed indicators	do	
4661	Burke & James (Inc.)	Chicago, Ill	Sept. 9, 1918	5 352,600.00	93,952.00	Cameras	do	
1507	Western Electric Co. (Inc.)	New York City	July 23, 1917	5 252,000.00	*252,000.00	Telephones	A. G. Gutensohn, captain, S. C.	
DMA 214	University of Texas	Austin, Tex	June 30, 1918	(4)	190,449.00	Instruction, subsistence and quarters enlisted men, radio school.	C. G. Edgar, colonel, S. C.	Final payment since June 1, 1919, of $71,115.33.

[1] Commission. [2] Indeterminate (weekly rate per student). [3] Cost plus. [4] Indeterminate. [5] Estimated.

List A of formal contracts aggregating $100,000 or over made by or under Air Service for Air Service from April 6, 1917, to June 1, 1919, in United States—Continued.

Contract No.	Contractor.	Contractor's address.	Date of contract.	Amount of contract.	Amount expended to June 1, 1919.	Nature of contract.	Officer or person executing contract.	Remarks.
DMA 251	Supplemental to DMA 214.	.....	Aug. 29, 1918	.....	.....	Providing pay for subsistence for men not instructors.	C. G. Edgar, colonel, S. C.	
DMA 215	....do.....	.....	Aug. 1, 1918	.....	.....	Changing rate and extending.	.....do.....	
DMA 213	....do.....	.....	Aug. 28, 1919	.....	.....	Changing rate.....	.....do.....	
1914	U. S. Steel Products Co..	New York City.	Nov. 15, 1917	$735,000.00	*$736,809.00	Hydrogen cylinders...	A. C. Downey, major, S. C.	Increased $1,809.98.
1921	National Cash Register Co.	Dayton, Ohio...	Dec. 28, 1917	400,000.00	*395,128.00	Tachometers.....	.....do.....	Decreased $4,871.25.
2141	Export & Domestic Hardware Co.	New York City.	Nov. 26, 1917	[1] 300,000.00	.....	Mahogany.....	.....do.....	
4587	Sperry Gyroscope Co...	Brooklyn, N. Y.	Aug. 30, 1918	157,500.00	.....	Air compasses.....	F. D. Schnacke, captain.	Settlement contract made June 9, 1919.
4646	Foxboro Co. (Inc.).....	Foxboro, Mass..	Sept. 10, 1918	350,000.00	*87,500.00	Air speed indicators...	O. R. Ewing, captain.	
4646-A	Supplemental contract to contract 4646.	.....	May 1, 1919	49,900.00	*49,900.00	Terminating contract .	.....	
4935	Waltham Watch Co....	Waltham, Mass.	Oct. 10, 1918	211,500.00	*14,100.00	Airplane clocks.....	F. D. Schnacke, captain.	
4935-A	Supplemental contract to contract 4935.	.....	Apr. 9, 1919	33,999.32	.....	Terminating contract .	S. M. Wiley, captain..	Paid since June 1, 1919.
5071	Wolverine Brass Works.	Grand Rapids, Mich.	Oct. 25, 1918	163,000.00	.....	Interrupter gears.....	F. D. Schnacke, captain, A. S., A. P.	
5071-A	Supplemental contract to contract 5071.	.....	May 1, 1919	19,748.80	*19,748.00	Terminating contract .	S. M. Wiley, captain, A. S., A. P.	
5312	Victor Safe & Lock Co..	Concinnati, Ohio	Nov. 12, 1918	174,000.00	.....	Gun yokes, trigger controls.	F. D. Schnacke, captain, A. S., A. P.	
5312-A	Supplemental contract to contract 5312.	.....	Apr. 21, 1919	7,335.62	*7,335.00	Terminating contract .	S. M. Wiley, captain, A. S., A. P.	
5314	Electric Magnetic Tool Co.	Chicago, Ill.....	Nov. 11, 1918	110,400.00	.....	Gun yokes, trigger controls.	F. D. Schnacke, captain, A. S., A. P.	
5314-A	Supplemental contract to contract 5314.	.....	May 7, 1919	9,662.80	*9,662.00	Terminating contract.	.....do.....	
5359	Bristol Co.....	Waterbury, Conn.	Nov. 13, 1918	250,000.00	.....	Air speed indicators...	.....do.....	
5359-A	Supplemental contract to contract 5359.	.....	June 6, 1919	643.47	.....	Terminating contract.	S. M. Wiley, captain, A. S., A. P.	Do.
2020	Standard Oil Corporation of New York.	Plainfield, N. J.	Oct. 26, 1917	263,752.50	*163,662.00	Spare parts.....	A. C. Downey, major, S. C.	Reduced $100,090.
2553	Union Switch & Signal Co.	Swissvale, Pa...	Mar. 11, 1918	[2]	236,560.00	Engine forgings.....	.....do.....	
1571	Flottorp Manufacturing Co.	Chicago, Ill.....	Aug. 21, 1917	190,000.00	*176,420.00	Prop. Hall-Scott A-7-A Eng.	.....do.....	Reduced $13,579.64.
3422	Spensor Lens Co.....	Buffalo, N. Y...	Apr. 11, 1918	[3] 332,500.00	51,900.00	Optical glass.....	F. D. Schnacke, first lieutenant, A. S., A. P.	Paid since June 1, 1919, $152.
3422-1	Supplemental contract to contract 3422.	.....	July 12, 1918	.....	.....	Settlement clauses....	.....do.....	
3422-A	Do.....	.....	Apr. 26, 1919	172,419.12	.....	Terminating contract .	F. D. Schnacke, captain, A. S., A. P.	Paid since June 1, 1919.
5364	Organic Salt & Acid Co.	Long Island City, N. Y.	Nov. 13, 1918	116,400.00	.....	Benzyl benzoate.....	.....do.....	This contract was terminated and settled, together with contracts 3954, 5045, 5155, 5253, 5325, and orders 710413, 710566, by contract dated Feb. 20, 1919, No. 3954-A, amount $47,226.37. Contracting officer, S. M. Wiley, captain, A. S., A. P.
1838	Standard Aero Corporation of New York.	Plainfield, N. J..	Oct. 5, 1917	530,000.00	*269,102.00	Airplanes.....	A. C. Downey, major, S. C.	Reduced 260,897.50.
1838-1	Supplemental contract to contract 1838.	.....	May 9, 1918	.....	.....	.....	.....do.....	Providing for additional payment of $200 on each plane delivered to enable contractor to pay the M. A. Association royalty of $200 per plane, thereby eliminating infringement clause in original contract.
4299	California Castor Bean Association.....	Santa Barbara, Calif.	Apr. 9, 1918	490,000.00	18,573.00	Planting castor beans.	O. R. Ewing, first lieutenant, A. S., S. R. C.	Reduced 122,500.
5266	Busk & Daniels.....	New York City, N. Y.	Nov. 13, 1918	196,000.00	.....	Castor beans.....	F. D. Schnacke, captain, A. S., A. P.	Canceled, material not required.
5335	Mitsui & Co.....	Seattle, Wash...	Nov. 11, 1918	196,000.00	*196,000.00	.....do.....	.....do.....	
4956	Liberty Iron Works....	Sacramento, Calif.	Oct. 16, 1918	350,000.00	.....	Airplanes.....	.....do.....	
4956-A	Supplemental contract to contract 4956.	.....	June 18, 1919	151,775.12	.....	Terminating contract.	S. M. Wiley, captain, A. S., A. P.	Payment completed after June 1, 1919.
2606	L. P. Liles & J. M. Malom.	Dothan, Ala....	Feb. 5, 1918	350,000.00	*50,030.00	Shelled castor beans...	O. R. Ewing, first lieutenant, A. S., A. R. C.	Reduced $299,969.97.
5255	Toledo Seed & Oil Co...	Toledo, Ohio....	Nov. 4, 1918	98,000.00	196,000.00	Castor beans.....	F. D. Schnacke, captain, A. S., A. P.	Increased $98,414.42.
4873	W. H. Mullins Co.....	Salem, Ohio.....	Oct. 18, 1918	191,472.01	*138,785.88	Spare parts for planes.	.....do.....	Increased $6,673.66.
4873-A	Supplemental contract to contract 4873.	.....	May 19, 1919	29,971.91	*29,971.00	Terminating contract.	.....do.....	
5250	Jas. Cunningham Son & Co.	Rochester, N. Y.	Nov. 4, 1918	506,956.00	.....	Windlasses.....	F. D. Schnacke, captain, A. S., A. P.	
5250-I	Supplemental contract to contract No. 5250.	.....	Dec. 19, 1918	.....	.....	Terminating contract..	.....do.....	No charge.
5258	W. R. Grace & Co.....	New York City, N. Y.	Nov. 5, 1918	392,000.00	22,964.00	Castor beans.....	F. D. Schnacke, captain, A. S., A. P.	

[1] Estimated. [2] Cost plus. [3] Indeterminate (weekly rate per student).

List A of formal contracts aggregating $100,000 or over made by or under Air Service for Air Service from April 6, 1917, to June 1, 1919, in United States—Continued.

Contract No.	Contractor.	Contractor's address.	Date of contract.	Amount of contract.	Amount expended to June 1, 1919.	Nature of contract.	Officer or person executing contract.	Remarks.
5259	Baher Castor Oil Co.	New York City, N. Y.	Nov. 4, 1918	$392,000.00	$14,227.00	Castor beans	F. D. Schnacke, captain, A. S., A. P.	Payments made since June 1, 1919.
4489	Lamb, Finlay & Co.	do	July 1, 1918	200,000.00	125,957.00	Services	F. D. Schnacke, first lieutenant, A. S., S. R. C.	Do.
4839	Wellington Sears Co.	do	Sept. 2, 1918	160,500.00	39,265.00	Balloon cloth	F D. Schnacke, captain, A. S., A. P.	Do.
5149	Springfield Aircraft Corporation.	Springfield, Mass	Nov. 1, 1918	(1)	12,805.00	Planes	do	Do.
5135	Sturtevant Aero. Co.	Jamaica Plain, Mass.	do	(1)		do	do	
4918	Brewster & Co.	Long Island City, N. Y.	Oct. 17, 1918	2,697,500.00	200,000.00	do	do	Reduced $2,496,000.
4918-1	Supplemental contract to contract No. 4918.		Nov. 6, 1918			Providing advanced payment.	do	
5013	Curtiss Aero & Motor Corporation.	Buffalo, N. Y.	Oct. 26, 1918	128,166.25	52,259.00	Spare parts	do	Payments made since June 1, 1919.
1917	Western Electric Co.	New York City, N. Y.	Oct. 15, 1917	271,290.00	*271,290.00	Material	A. C. Downey, captain, S. C.	
4516	Hoosier Veneer Co.	Indianapolis, Ind.	Aug. 20, 1918	155,000.00	143,265.00	Walnut lumber	F. D. Schnacke, captain, A. S., A. P.	Reduced $10,184.12.
4516-1	Supplemental contract to contract No. 4516.		Jan. 2, 1919			Providing for delivery	do	
4297	John A. Roebling's Sons Co.	Trenton, N. J.	July 16, 1918	121,750.00	*119,341.00	Wire	F. D. Schnacke, first lieutenant, A. S., S. R. C.	Reduced $2,408.97.
4319	Engel Aircraft Co.	Niles, Ohio	Sept. 19, 1918	172,597.00	*172,597.00	Spare parts	do	
4398	Wellington Sears & Co.	New York City, N. Y.	Aug. 3, 1918	157,155.00	56,255.00	Balloon cloth	do	Reduced $61,000.
4479	Des Moines Sawmill Co.	Des Moines, Iowa.	Aug. 15, 1918	155,000.00	113,542.00	Walnut lumber	F. D. Schnacke, captain, A. S., A. P.	Reduced $41,107.85.
4479-1	Supplemental contract to contract No. 4479.		Oct. 3, 1918			Providing for delivery	do	
4399	Wellington Sears & Co.	New York City, N. Y.	Aug. 3, 1918	108,187.50	23,316.84	Balloon cloth	F. D. Schnacke, first lieutenant, A. S., S. R. C.	Reduced $22,000.
4458	E. I. de Nemours du Pont Co.	Philadelphia, Pa.	July 9, 1918	155,000.00	19,095.00	Solvent recovery plant	do	Reduced $128,000.
4936	International Register Co.	Chicago, Ill.	Oct. 10, 1918	405,000.00		Spare parts	F. D. Schnacke, captain, A. S., A. P.	Reduced $405,000.
4936-A	Supplemental contract to contract No. 4936.		Apr. 23, 1919			Terminating contract	S. M. Wiley, captain, A. S., A. P.	No charge.
5065	Ackerman Wheel Co.	Cleveland, Ohio.	Nov. 1, 1918	823,508.00		Spare parts	F. D. Schnacke, captain, A. S., A. P.	
5065-A	Supplemental contract to contract No. 5065.		Mar. 12, 1919	10,081.00	*10,081.00	Terminating contract	do	
4925	Excelsior Motor Manufacturing & Supply Co.	Chicago, Ill.	Oct. 24, 1918	242,705.57	8,221.70	Spare parts	do	
4925-A	Supplemental contract to contract No. 4925.		Apr. 11, 1919	67,093.76	*67,093.00	Terminating contract	do	
5041	Standard Aero Corporation.	Elizabeth, N. J.	Nov. 6, 1918	1,466,450.00	313,106.00	Planes	O. R. Ewing, captain, A. S., A. P.	Additional payments since June 1, 1919.
5390	Fisher Body Corporation.	Detroit, Mich.	Sept. 7, 1918	(1)	*2,276.00	Airplanes	F. D. Schnacke, captain, A. S., A. P.	
5390-A	Supplemental contract to contract No. 5390.		Apr. 30, 1919	1.00	*1.00	Terminating contract	do	
3638	Torrington Co.	Torrington, Conn.	Apr. 17, 1918	310,000.00	94,149.00	Wire and rods	F. D. Schnacke, first lieutenant, A. S., S. R. C.	Payments made since June 1, 1919.
5107	B. Shoninger & Co.	New Haven, Conn.	Oct. 28, 1918	142,750.00	20,316.00	Propellers	F. D. Schnacke, captain, A. S., A. P.	
5107-A	Supplemental contract to contract No. 5107.		May 21, 1919	49,571.83		Terminating contract	S. M. Wiley, captain, A. S., A. P.	
5210	Stewart Hartshorn Co.	New York City, N. Y.	Nov. 5, 1918	228,461.34		Tie rods	F. D. Schnacke, captain, A. S., A. P.	Terminated by contract since June 1, 1919.
5228	Erie Specialty Co.	do	do	100,198.04	*100,513.00	Bolts and nuts, JN-4D plane.	do	Increased $315.22.
3439	Standard Aircraft Corporation.	Elizabeth, N. J.	Mar. 29, 1918	(1)	1,742,970.00	Airplane assembling	A. C. Downey, major, S. C.	
3203	Grand Rapids Airplane Co.	Grand Rapids, Mich.	Mar. 18, 1918	(1)	2,476,298.00	Spare parts	do	
3203-A	Supplemental contract to contract No. 3203.		May 28, 1919	298,072.18		Terminating contract	F. D. Schnacke, captain, A. S., A. P.	Paid since June 1, 1919.
2082	Hall Scott Motor Car Co.	San Francisco, Calif.	Nov. 9, 1918	1,461,492.12	1,005,333.00	Engine parts	A. C. Downey, major, S. C.	
2082-A	Supplemental contract to contract No. 2082.		Jan. 5, 1918				do	Providing 40 per cent instead of 25 per cent discount to Government by purchasing 1,000 extra engines.
4366	The Holt Manufacturing Co.	Peoria, Ill.	July 26, 1918	212,500.00	208,250.00	Caterpillar truck adaptors.	F. D. Schnacke, first lieutenant, A. S., S. R. C.	
4473	Jas. Cunningham & Co.	Rochester, N.Y.	July 17, 1918	127,500.00	51,000.00	Windlasses	F. D. Schnacke, captain, A. S., A. P.	
4409	Curtiss Aeroplane & Motor Co.	Buffalo, N. Y.	Sept. 23, 1918	199,195.44	118,207.00	Motor spares	do	
5086	Hardman Peck Co.	New York City.	Oct. 25, 1918	117,000.00		Propellers	do	Termination contract $11,472.20, made since June 1, 1919.
5218	Witherow Steel Co.	Pittsburgh, Pa.	Nov. 5, 1918	231,917.63		Wire	F. D. Schnacke, captain, A. S., A. P.	Canceled, material not required.
5326	Marlin Rockwell Corporation.	New York City.	Nov. 11, 1918	125,000.00	127,735.00	Radiators	do	Increased $2,735.
4382	Thomas Morse Aircraft Corporation.	Ithaca, N. Y.	July 27, 1918	109,076.75	*109,076.00	Spare parts	do	
4977	Gordon & Ferguson	St. Paul, Minn.	Oct. 15, 1918	230,360.00	20,422.00	Leather coats	do	Decreased $155,000.
4937	Intertype Corporation	Brooklyn, N. Y.	Oct. 23, 1918	435,000.00		Spare parts	do	Canceled, material not required.
4513	Witherow Steel Co.	Pittsburgh, Pa.	Aug. 20, 1918	170,000.00	*151,874.00	Stream line wire tie rods.	do	Decreased $18,125.15.

*Cost plus.

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Contract No.	Contractor.	Contractor's address.	Date of contract.	Amount of contract.	Amount expended to June 1, 1919.	Nature of contract.	Officer or person executing contract.	Remarks.
4571	Howell & Lesser	San Francisco, Calif.	Aug. 28, 1918	$300,000.00	*$300,175.00	Airplanes	F. D. Schnacke, captain, A. S., A. P.	Increased $175.
4472	N. C. L. Engineering Corporation.	Providence, R. I.	Aug. 17, 1918	325,000.00	325,000.00	Windlasses	do	
4472-1	Supplemental to 4472		Jan. 14, 1919			Correcting typographical error repayments.	do	
4452	West Virginia Aircraft Corporation.	Wheeling, W. Va.	Aug. 13, 1918	374,110.50	*374,110.00	Spare parts	do	
4228	American Cellon Co	New York City	July 3, 1918	239,000.00	236,652.00	Cellulose acetate dope	F. D. Schnacke, first lieutenant, A. S., S. R. C.	
5220	The Silvex Co	South Bethlehem, Pa.	Nov. 4, 1918	600,000.00	240,000.00	Spares	F. D. Schnacke, captain, A. S., A. P.	
5220-1	Supplemental to 5220		Dec. 1, 1918			Storage spark plugs	do	
5060	Hayes-Ionia Co	Grand Rapids, Mich.	Oct. 24, 1918	189,900.00		Spare parts	do	
5060-A	Supplemental to 5060		May 19, 1919			Termination contract	S. M. Wiley, captain, A. S., A. P.	No charge.
5265	American Trading Co	New York City	Nov. 12, 1918	196,000.00	188,063.00	Castor beans	F. D. Schnacke, captain, A. S., A. P.	
4518	Eastman Kodak Co. of New York.	Rochester, N. Y.	Aug. 20, 1918	255,000.00	51,000.00	Unit sights	do	Additional payments since June 1, 1919.
5105	Starr Piano Co	Richmond, Ind.	Oct. 28, 1918	119,625.00	6,349.00	Propellers	do	Government to credit contractor $53,349.04 on the books of the sales department as final settlement charge.
5105-A	Supplemental to 5105		Apr. 4, 1919				do	
4978	Guiterman Bros	St. Paul, Minn.	Oct. 14, 1918	168,340.00	15,677.00	Leather coats	do	
4978-A	Supplemental to 4978		Apr. 25, 1919	22,053.79		Settlement	S. M. Wiley, captain, A. S., A. P.	Additional payments since June 1, 1919.
4433	General Motors Corporation.	Flint, Mich	Oct. 8, 1918	18,000,000.00	5,188.00	Liberty motors	F. D. Schnacke, captain, A. S., A. P.	
4433-A	Supplemental to 4433		May 14, 1919	3,020,740.96		Termination contract	do	This termination contract also covers order 30071 and contracts 2266-A and 2266-5. Amt. of settlement $3,020,740.96.
2575	T. S. Evans	Hamlet, N. C	Jan. 11, 1918	875,000.00	264,664.00	Castor beans	A. C. Downey, major, S. C.	Decreased $350,000.
2575-1	Supplemental to 2575		Jan. 15, 1918			Amending location of work to be performed.	do	
2575-2	do		Aug. 5, 1918			Reshelling beans, 40 per cent to be deducted from voucher.	O. R. Ewing, captain, A. S., A. P.	
2575-3	do		Aug. 27, 1918			Extending time of delivery.	do	
4589	Willard Storage Battery Co.	Cleveland, Ohio	Aug. 30, 1918	271,250.00	*39,005.00	Batteries	F. D. Schnacke, captain, A. S., A. P.	
4589-A	Supplemental to contract No. 4589.		Mar. 27, 1919	17,796.96	*17,796.00	Termination contract	S. M. Wiley, captain, A. S., A. P.	
4827	G. & O. Manufacturing Co.	New Haven, Conn.	Sept. 28, 1918	117,500.00	*96,338.00	Radiators	F. D. Schnacke, captain, A. S., A. P.	
4827-A	Supplemental to contract No. 4827.		Apr. 7, 1919	2,590.08	*2,590.00	Termination contract	do	
4251	Chemical Products Co	Cambridge, Mass.	July 24, 1918	159,600.00	*13,164.00	Airplane dope	do	
4251-A	Supplemental to contract No. 4251.		Mar. 25, 1919	8,895.18	*8,895.00	Termination contract	S. M. Wiley, captain, A. S., A. P.	
5084	Unit Construction Co	Philadelphia, Pa.	Oct. 26, 1918	152,000.00		Propellers	F. D. Schnacke, captain, A. S., A. P.	Payments made since June 1, 1919.
5084-A	Supplemental to contract No. 5084.		Apr. 24, 1919	80,797.00		Termination contract	S. M. Wiley, captain, A. S., A. P.	Terminated through payment of $797 and crediting contractor $80,000 on books of sales department.
5167	The Baltic Mills Co	Baltic, Conn	Oct. 31, 1918	236,250.00	*15,866.00	Balloon cloth	F. D. Schnacke, captain, A. S., A. P.	Supplemental contract made since June 1, 1919.
5078	Harding Tilton Co	New Bedford, Mass.	Oct. 20, 1918	221,000.00		Fabric	do	
5078-A	Supplemental to 5078		May 26, 1919	81,160.21		Settlement	do	Final payment since June 1, 1919.
5164	Potomska Mills	New Bedford, Mass.	Oct. 30, 1918	108,375.00		Balloon cloth	do	
5162-A	Supplemental to 5164		May 19, 1919	42,339,47		Settlement	do	Do.
4621	Splitdorf Electric Co	Newark, N. J	Sept. 13, 1918	1,887,500.00	1,765,884.00	Magnetos and spares	do	
4621-1	Supplemental to 4621		Nov. 8, 1918				do	Includes additional items.
4560	Wm. Whitman & Co. (Inc.).	New York City	Aug. 28, 1918	159,387.75	*151,340.00	Balloon cloth	do	Increased $1,952.25.
4604	Ford Motor Co	Detroit, Mich	Sept. 5, 1918	2,400,000.00	465,167.00	Cylinders	F. D. Schnacke, captain, A. S., A. P.	Decreased $1,430,365.55.
4604-A	Supplemental to 4604		Apr. 30, 1919	579,467.45	*579,467.00	Settlement	do	
5001	Lorraine Manufacturing Co.	Pawtucket, R. I.	Oct. 22, 1918	102,000.00	*30,096.00	Balloon cloth	do	Decreased $48,000.
5001-A	Supplemental to 5001		June 11, 1919	9,660.73		Settlement	S. M. Wiley, captain, A. S., A. P.	Final payment since June 1, 1919.
4590	Electric Storage Battery Co.	Washington, D. C.	Aug. 30, 1918	108,500.00	53,924.00	Batteries	F. D. Schnacke, captain, A. S., A. P.	
4535	Godfrey Hillabrandt	New York City	Aug. 16, 1918	900,000.00	761,460.00	China dog mats	do	Decreased $105,000.
5075	Wm. Whitman & Co	New Bedford, Mass.	Oct. 26, 1918	780,000.00	*109,045.00	Fabric	do	
5075-A	Supplement to 5075		Apr. 4, 1919	210,614.41	*210,614.00	Settlement	do	
5408	The Wilson Body Corporation.	Bay City, Mich.	Nov. 6, 1918	784,453.00		Plane spares	do	Canceled; material not required.
4584	Wellington Sears Co	New York City	Aug. 29, 1918	213,806.25	167,143.00	Balloon cloth	do	
4585	do	do	do	122,187.50	33,075.00	do	do	Decreased $70,000.

List A of formal contracts aggregating $100,000 or over made by or under Air Service for Air Service from April 6, 1917, to June 1, 1919, in United States—Continued.

Contract No.	Contractor.	Contractor's address.	Date of contract.	Amount of contract.	Amount expended to June 1, 1919.	Nature of contract.	Officer or person executing contract.	Remarks.
4588	Wellington Sears Co	New York City.	Aug. 29, 1918	$150,909.00	$141,576.00	Balloon cloth	F. D. Schnacke, captain, A. S., A. P.	
4567	The Recording Devices Co.	Dayton, Ohio	Aug. 27, 1918	156,000.00	*156,000.00	Synchronizing generators.	do	
5000	American Bleached Goods Co.	Taftville, Conn.	Oct. 22, 1918	153,600.00	35,813.00	Balloon cloth	do	
5039	Tillotson Manufacturing Co.	Toledo, Ohio	Nov. 8, 1918	(1)		Carburetors	do	
5077	Harding Tilton & Co	New Bedford, Mass.	Oct. 26, 1918	136,500.00	*13,833.00	Fabric	do	
5077-A	Supplement to 5077		Apr. 4, 1919	14,010.56	*14,010.00	Settlement	S. M. Wiley, captain, A. S., A. P.	Decreased $108,437.
4503	Light Manufacturing & Foundry Co.	Pittstown, Pa.	Aug. 17, 1918	228,150.00	*179,400.00	Crank cases and bearing cups.	F. D. Schnacke, captain, A. S., A. P.	Decreased $48,125.89.
4503-A	Supplemental to 4503		Apr. 5, 1919	624.00	*624.00	Settlement	do	
5365	Celluloid Co	New York City.	Nov. 14, 1918	123,500.00	*10,117.00	Triphenyl phosphate	do	Decreased $96,155.54.
5365-A	Supplemental to 5365		Apr. 24, 1919	17,226.77	*17,226.00	Settlement	S. M. Wiley, captain, A. S., A. P.	
5230	Wm. Whitman Co	New York City.	Nov. 1, 1918	226,800.00	26,378.00	Balloon cloth	F. D. Schnacke, captain, A. S., A. P.	Decreased $132,274.10.
5230-A	Supplemental to 5230		Mar. 25, 1919	68,147.01	*68,147.00	Settlement	do	
4079	Springfield Aircraft Corporation.	Springfield, Mass.	June 24, 1918	(1)	909,909.00	Planes	F. D. Schnacke, first lieutenant, A. S., S. R. C.	Additional payments since June 1, 1919.
4748	Equitable Export Co	New York City.	Sept. 23, 1918	225,000.00		Castor beans	F. D. Schnacke, captain, A. S., A. P.	
4748-A	Supplemental to 4748		Apr. 2, 1919	20,000.00	*20,000.00	Settlement	S. M. Wiley, captain, A. S., A. P.	
4979	C. H. Haberkorn & Co.	Detroit, Mich.	Oct. 21, 1918	189,000.00		Spares	F. D. Schnacke, captain, A. S., A. P.	
4979-A	Supplemental to 4979		Apr. 4, 1919	19,869.67	*19,869.00	Settlement	do	
5146	Grinnell Manufacturing Co.	New Bedford, Mass.	Oct. 29, 1918	117,937.50		Balloon cloth	F. D. Schnacke, captain, U. S. A. F.	Terminating contract for $13,941.12 made and paid since June 1, 1919.
4824	Howell & Lesser	San Francisco, Calif.	Sept. 13, 1918	350,000.00		Planes	do	Decreased $313,000; settlement contract before Claims Board.
5162	Pierce Manufacturing Co.	New Bedford, Mass.	Oct. 30, 1918	137,062.50	*1,228.00	Balloon cloth	do	Terminating contract $17,381.54 made and paid since June 1, 1919.
2597	B. E. Moses and H. M. Gibb.	Memphis, Tenn.	Jan. 14, 1918	262,500.00	17,880.00	Planting and growing castor beans.	O. R. Ewing, first lieutenant, A. S., S. R. C.	Decreased $105,000.
25971	Supplemental to 2597		Apr. 30, 1918			Amending location of planting.	do	
2597-2	do		Sept. 3, 1918			Shipment unshelled beans.	O. R. Ewing, captain, A. S., A. P.	
5378	United West India Corporation.	New York City.	Oct. 19, 1918	900,000.00	88,604.00	Castor beans	do	Decreased $810,000.
4652	The Kosse, Shoe & Schleyer Co.	Cincinnati, Ohio.	Sept. 10, 1918	155,000.00	153,646.00	Walnut lumber	do	
4652-1	Supplemental to 4652		Nov. 16, 1918			Regarding delivery	F. D. Schnacke, captain, A. S., A. P.	
4628	Hayes Manufacturing Co.	Detroit, Mich.	Sept. 9, 1918	105,000.00	11,670.00	Cylinder jackets	O. R. Ewing, captain, A. S., A. P.	
4628-A	Supplemental to 4628		Apr. 26, 1919	21,405.23		Settlement	S. M. Wiley, captain, A. S., A. P.	
4649	Watts, Stebbins & Co.	New York City.	Sept. 10, 1918	119,687.50	60,164.00	Balloon cloth	O. R. Ewing, captain, A. S., A. P.	
4641	do	do	Sept. 9, 1918	126,743.75	64,674.00	do	do	
4623	W. H. Mullins Manufacturing Co.	Salem, Ohio	do	210,000.00	120,250.00	Cylinder water jackets	do	
4623-A	Supplemental to 4623		May 15, 1919	21,105.83	*21,105.00	Settlement	F. D. Schnacke, captain A. S., A. P.	
4623-1	do		Mar. 31, 1919			Restoring, etc., material	do	
10228	F. A. Jones Construction Co.	Dallas, Tex	Aug. 25, 1917	(1)	*1,000,981.00	Constructing A. C. T., Waco, Tex	C. G. Edgar, captain, A. S., A. P.	
2576	B. L. Hammer	Norfolk, Va	Jan. 10, 1918	875,000.00	121,891.00	Castor beans	A. C. Downey, major, Signal Corps.	Decreased $250,000.
2576-1	Supplemental to 2576		July 29, 1918			To accept delivery of beans unshelled; 40 per cent to be deducted from price.	O. R. Ewing, captain, A. S., A. P.	
5271	American Bleached Goods Co.	Taftville, Conn.	Nov. 11, 1918	300,000.00	61,858.00	Balloon cloth	F. D. Schnacke, captain, A. S., A. P.	Decreased $210,000.
4864	Bosch Magneto Co	New York City.	Oct. 2, 1918	320,000.00	*64,000.00	Magnetos	do	Contract terminated for $25,061.20 since June 1, 1919.
4777	do	do	Sept. 25, 1918	750,000.00		do	do	Completed since June 1, 1919.
4838	Curtiss Aero & Motor Corporation.	Buffalo, N. Y.	Oct. 1, 1918	180,000.00	137,670.00	Cylinders	do	
5319	W. S. Gray & Co	New York City.	Nov. 11, 1918	124,700.00		Methyl acetate	do	
5292	Lawton Mills	Plainfield, Conn.	Nov. 13, 1918	279,000.00	2,116.00	Balloon cloth	do	Do.
5270	do	do	Nov. 12, 1918	270,000.00		do	do	Contract terminated since June 1, 1919.
1528	Pittsburg Plate Glass Co.	Pittsburgh, Pa.	Sept. 14, 1917	105,945.00	50,124.00	Glass and plant equipment.	A. C. Downey, captain, S. C., U. S. R.	Decreased $37,322.07.
1528-A	Supplemental to 1528		Mar. 18, 1919	18,498.66	*18,498.00	Settlement	F. D. Schnacke, captain, A. S., A. P.	
2507	Curtiss Aero & Motor Corporation.	Buffalo, N. Y.	Jan. 11, 1918	[2] 2,988,000.00	2,209,216.00	Airplanes	A. C. Downey, major, S. C.	Decreased $45,602.92.
2266	General Motors Corporation.	Detroit, Mich.	Dec. 11, 1917	(1)	*3,697,095.00	Engines	do	
2266-1	Supplemental to 2266		do			Modification of terms of payment advanced.	do	
2266-2	do		Mar. 24, 1918			Increasing order by 1,000 engines.	do	
2266-3	do					Not executed	do	
2266-4	do					do		

[1] Cost plus.

[2] Estimated.

List of formal contracts aggregating $100,000 or over made by or under Air Service for Air Service from April 6, 1917, to June 1, 1919, in United States—Continued.

Contract No.	Contractor.	Contractor's address.	Date of contract.	Amount of contract.	Amount expended to June 1, 1919.	Nature of contract.	Officer or person executing contract.	Remarks.
2266-5	Supplemental to 2266	.....	Oct. 2, 1918	.....	.....	Superseding contract canceling original and amendments. This contract now fixed price, approximately $24,000,000.	F. D. Schnacke, captain, A. S., A. P.	
2266-6	.....do.....	.....	Feb. 13, 1919	.....	.....	Revision of Article I in contract 2266-5, which through error was not expressed in proper manner.	.....do.....	
2266-A	.....do.....	.....	May 14, 1919	$3,020,641.96	.....	Settlement.....	.....do.....	This contract also covers contract 4433-A.
2581	B. F. Sturtevant Co....	Hyde Park, Mass	Jan. 14, 1918	165,440.00	*$165,440.00	Engines.....	A. C. Downey, major, S. C.	
3311	The Silvex Co.....	Bethlehem, Pa..	Mar. 20, 1918	(1)	*150,834.00	Spark plugs.....	.....do.....	
3311-1	Supplemental to 3311...	.....	May 9, 1918	.....	.....	Furnishing contractor with certain equipment valued at $5,000	F. D. Schnacke, first lieutenant, A. S., A. P.	
2390	Ordnance Engineering Corporation.	New York City..	Feb. 19, 1918	(1)	113,004.00	Airplanes.....	A. C. Downey, major, S. C.	
3443	Curtiss Aero & Motor Corporation.	Buffalo, N.Y....	Mar. 30, 1918	(1)	.....	Plane spares.....	.....do.....	Canceled; material not required.
2136	Union Switch & Signal Co.	Swissvale, Pa...	Sept. 25, 1917	(1)	*13,263,816.00	Engines.....	.....do.....	
2136-1	Supplemental to 2136...	.....	May 4, 1918	.....	.....	To include spare parts.	F. D. Schnacke, first lieutenant, A. S., A. P.	
2136-2	.....do.....	.....	Nov. 8, 1918	.....	.....	Price of engines and spares increased on account of change in specifications.	F. D. Schnacke, captain, A. S., A. P.	
2136 1-A	.....do.....	.....	Aug. 18, 1918	.....	.....	Cancels amendment 2136-1 and amends Article I original contract re spare parts.	F. D. Schnacke, first lieutenant, A. S., A. P.	
2293	The Pierce Co.....	East Rochester, N. Y.	Dec. 13, 1917	64,015.00	*101,045.00	Castor oil.....	A. C. Downey, major, S. C.	Increased $37,030.42.
50194	Clough Bourne Corporation, contractors.	New York City..	Nov. 9, 1917	(1)	*3,116,805.00	Construction Hazelhurst Field.	C. G. Edgar, captain, S. C.	
9721	J. W. Thompson.....	St. Louis, Mo...	Aug. 22, 1917	(1)	1,228,274.00	Construction Camp No. 1, Fort Worth, Tex.	.....do.....	
10367	American Construction Co.	Houston, Tex...	Sept. 4, 1917	(1)	*2,388,228.00	Construction training school near Houston	.....do.....	
1381	J. G. White Engineering Corporation.	New York City.	June 4, 1917	(1)	636,491.00	Aviation mobilization camp for overseas.	C. S. Wallace, major, S. C.	
1839	Standard Aero Corporation of New York.	Plainfield, N. J..	Nov. 10, 1917	(1)	*4,390,215.00	Airplanes.....	A. C. Downey, captain, S. C., U. S. R.	
1839-1	Supplemental to 1838...	.....	Jan. 7, 1918	.....	.....	Additional spare parts	.....do.....	
1839-2	.....do.....	.....	Mar. 8, 1918	.....	.....	Additional planes.....	.....do.....	
1839-3	.....do.....	.....	May 16, 1918	.....	.....	Additional spare parts	.....do.....	
1839-4	.....do.....	.....	.....	.....	.....	Not executed.....	.....do.....	
2696	Standard Aircraft Corporation.	Elizabeth, N. J.	Jan. 26, 1918	(1)	7,390.00	Airplanes.		
26961-1	Supplemental to 2696...	.....	Feb. 1, 1918	.....	.....	Change in type of planes.	A. C. Downey, major, S. C.	
2696-A	.....do.....	.....	June 19, 1918	.....	.....	Amending number planes of original contract.	F. D. Schnacke, first lieutenant A. S., S. R. C.	
2696-A-1	.....do.....	.....	May 16, 1918	.....	.....	Space necessary for testing guns, etc.	A. C. Downey, major, S. C.	
2696-2	.....do.....	.....	Sept. 21, 1918	.....	.....	Additional 120 planes..	O. R. Ewing, captain, A. S., A. P.	
2696-A-2	Supplemental to 2696...	.....	Nov. 6, 1918	.....	.....	800 additional planes and spares for 1,000 planes. Also this amendment supersedes original contract and amendment.	.....do.....	
2696-AA	.....do.....	.....	June 24, 1919	3,700,000.00	.....	Settlement.		
3475	Oliver Iron & Steel Co.	Pittsburgh, Pa..	Apr. 4, 1918	123,322.00	85,992.00	Bolts and washers.....	O. R. Ewing, first lieutenant, A. S., S. R. C.	
2605	J. W. Dean and J. H. Malone.	Dothan, Ala....	Feb. 13, 1918	437,500.00	135,394.00	Planting and growing castor beans.	.....do.....	Decreased $302,105.42.
5236	The Presto-Lite Co.....	New York City.	Nov. 11, 1918	226,275.00	.....	Tanks of acetylene gas	O. R. Ewing, captain, A. S., A. P.	
236-A	Supplemental to 5236...	.....	Apr. 4, 1919	439.39	*439.00	Settlement.....	F. D. Schnacke, captain, A. S., A. P.	
4670	The Ohio Rubber Co...	Cleveland, Ohio.	Sept. 14, 1918	200,000.00	79,371.00	Shock absorber cord...	O. R. Ewing, captain, A. S., A. P.	
4723	Aluminum Castings Co.	.....do.....	Sept. 16, 1918	[2] 1,776,000.00	2,215,587.00	Castings.....	.....do.....	Increased $475,000.
4723-1	Supplemental to 4723...	.....	Dec. 21, 1918	.....	.....	Changing date re option	.....do.....	
4723-2	.....do.....	.....	Jan. 27, 1919	.....	.....	.....do.....	S. M. Wiley, captain, A. S., A. P.	
4723-3	.....do.....	.....	Feb. 20, 1919	.....	.....	.....do.....	.....do.....	
4263	National Pneumatic Co.	Chicago, Ill.....	July 17, 1918	127,500.00	122,895.00	Gears.....	F. D. Schnacke, first lieutenant, A. S., S. R. C.	Additional payment since June 1, 1919.
4014	.....do.....	.....do.....	June 8, 1918	100,000.00	*100,000.00	Gears (interrupter)....	.....do.....	
2448	Sturtevant Airplane Co.	Jamaica Plains, Mass.	Feb. 13, 1918	263,917.50	*268,867.00	Spare parts.....	.....do.....	Increased $4,950.
4417	Thomas Morse Aircraft Corporation.	Ithaca, N. Y....	Aug. 6, 1918	600,000.00	389,697.00	Airplanes.....	.....do.....	Increased $1,697.50.
1550-A	Fowler Airplane Corporation.	San Francisco, Calif.	Mar. 8, 1918	323,176.50	*323,166.00	.....do.....	.....do.....	Decreased $9.60.
4915	Willys Overland Co....	Elmira, N. Y...	Oct. 30, 1918	[2] 481,147.50	104,421.00	Screw machine parts..	F. D. Schnacke, captain, A. S., A. P.	Decreased $14,567.50.

[1] Cost plus.

[2] Estimated.

List A of formal contracts aggregating $100,000 or over made by or under Air Service for Air Service from April 6, 1917, to June 1, 1919, in United States—Continued.

Contract No.	Contractor.	Contractor's address.	Date of contract.	Amount of contract.	Amount expended to June 1, 1919.	Nature of contract.	Officer or person executing contract.	Remarks.
4733	Disco Manufacturing Co.	Detroit, Mich...	Sept. 27, 1918	$250,000.00	$217,089.00	C. C. synchronizing generators.	F. D. Schnacke, captain, A. S., A. P.	
4733-A	Supplemental to 4733...	.....	May 31, 1919	17,139.05	.....	Settlement.....	S. M. Wiley, captain, A. S., A. P.	
4262	Sturtevant Aeroplane Co.	Boston, Mass....	July 13, 1918	234,182.50	*45,744.00	Spares.....	F. D. Schnacke, captain, A. S., A. P.	
2249	General Vehicle Co.....	New York City.	Nov. 20, 1917	1,527,568.00	*1,595,599.00	Belting and equipment	A. C. Downey, major, Signal Corps.	Increased $68,031.83.
2249-1	Supplemental to 2249...	.....	May 11, 1918	.....	.....	Advance payment....	.....do.....	
2249-2	.....do.....	.....	July 10, 1918	.....	.....	Amendment substituting the Government instead of Vehicle Co. in connection with railroad at plant.	F. D. Schnacke, first lieutenant, A. S., S. R. C.	
2249-3	.....do.....	.....	Aug. 24, 1918	.....	.....	Resale office equipment, etc., to contractor.	F. D. Schnacke, captain, A. S., A. P.	
5062	Packard Motor Car Co..	Detroit, Mich...	Sept. 7, 1918	(1)	348,199.00	Combat planes.....	.....do.....	
5062-1	Supplemental to 5062...	.....	May 19, 1919	87,725.35	.....	Settlement.....	.....do.....	
5293	Wellington Sears Co....	New York City.	Nov. 13, 1918	279,000.00	22,501.00	Balloon cloth.....	.....do.....	
5384	Pratt & Lambert (Inc.).	Buffalo, N. Y...	Nov. 12, 1918	222,500.00	*202,416.00	Dope.....	.....do.....	Payment since June 1, 1919.
4889	Pittsburgh Model Engine Co.	Pittsburgh, Pa..	Nov. 7, 1918	450,000.00	.....	Finishing engines.....	F. D. Schnacke, captain, A. S., A. F.	Decreased $435,000.
5231	Lawton Mills Corporation.	New York City..	Nov. 1, 1918	283,500.00	9,636.00	Balloon cloth.....	.....do.....	Completed since June 1, 1919.
5269	Wm. Whitman Co.....	.....do.....	Nov. 13, 1918	156,000.00	30,277.00	.....do.....	.....do.....	
5269-A	Supplemental to 5269...	.....	Mar. 21, 1919	11,076.43	*11,076.00	Settlement.....	.....do.....	Paid since June 1, 1919.
5119	Ericson Manufacturing Co.	Buffalo, N. Y...	Oct. 26, 1918	392,014.84	275,696.00	Magneto spares.....	.....do.....	Completed since June 1, 1919. Decreased $95,809.28.
5042	Steel Products Co.....	Cleveland, Ohio.	Nov. 13, 1918	144,000.00	143,325.00	Engine spares.....	.....do.....	
4987	Mosler & Co.....	Mount Vernon, N. Y.	Oct. 10, 1918	1,050,000.00	409,911.00	Spark plugs.....	.....do.....	Decreased $1,534,000.
4987-1	Supplemental to 4987...	.....	Oct. 19, 1918	.....	.....	Advance payment....	.....do.....	
4416	Curtiss Aeroplane & Motor Corporation.	Buffalo, N. Y...	Sept. 6, 1918	234,579.00	136,455.00	Spare parts.....	.....do.....	
4289	.....do.....	.....do.....	July 16, 1918	495,838.98	376,654.00	.....do.....	.....do.....	Decreased $59,987.79.
3783	.....do.....	.....do.....	June 17, 1918	3,325,000.00	2,418,069.00	Airplanes.....	F. D. Schnacke, first lieutenant.	Decreased $108,251.42.
2692	The Toledo Seed & Oil Co.	Toledo, Ohio....	Feb. 14, 1918	189,100.00	$193,722.00	Castor oil.....	O. R. Ewing, first lieutenant, A. S., S. R. C.	Increased $4,622.84.
2823	California Castor Bean Association.	Santa Barbara, Calif.	Feb. 6, 1918	437,500.00	52,421.00	Planting and growing castor beans.	.....do.....	Decreased $175,000.
2952	Chamber of Commerce and Business Men's Club.	San Antonio, Tex.	Feb. 20, 1918	437,500.00	23,183.00	.....do.....	.....do.....	Decreased $227,500. Additional payments since June 1, 1919.
2952-1	Supplemental to 2952...	.....	Aug. 22, 1918	.....	.....	Amendment reaccepting unshelled beans.	O. R. Ewing, captain, A. S., A. P.	
3007	D. C. Gillett.....	Tampa, Fla.....	Feb. 28, 1918	[2] 175,000.00	16,959.00	Planting and growing castor beans.	O. R. Ewing, first lieutenant, A. S., S. R. C.	Decreased $70,000.
3007-1	Supplemental to 3007...	.....	Aug. 13, 1918	.....	.....	Extending date delivery.	F. D. Schnacke, captain, A. S., A. P.	
10162	W. C. Hedrick Construction Co.	Fort Worth, Tex.	Aug. 31, 1917	Cost plus.	1,159,951.00	Construction training school, Dallas.	C. G. Edgar, captain, Signal Corps.	
2954	Moe Solomon & Co.....	New York City.	Feb. 18, 1918	130,000.00	*130,078.00	Coats.....	O. R. Ewing, first lieutenant, Signal Reserve Corps.	Increased $78.
3305	Trans-Oceanic Trading Co. (Inc.).	.....do.....	Mar. 21, 1918	490,000.00	.....	Castor beans.....	.....do.....	Canceled, material not requested.
3474	Oliver Iron & Steel Co..	Pittsburgh, Pa.	Apr. 4, 1918	[2] 126,985.00	*79,339.00	Bolts and washers.....	.....do.....	Decreased $47,645.87.
8504	Unit Construction Co...	St. Louis, Mo...	June 19, 1917	(1)	1,638,423.00	Construction aviation school, Belleville, Ill.	C. G. Edgar, captain, Signal Corps.	
3134	Richard T. Barnhart, Irby J. Hudson.	Pearsall, Tex....	Feb. 26, 1918	175,000.00	*2,080.00	Planting and growing castor beans.	O. R. Ewing, first lieutenant, A. S., S. R. C.	Decreased $172,919.27.
9723	J. W. Thompson.....	St. Louis, Mo...	Aug. 22, 1917	(1)	988,612.00	Construction Camp No. 3, Fort Worth, Tex.	C. G. Edgar, captain, Signal Corps, United States Reserves.	
9722	.....do.....	.....do.....	.....do.....	(1)	1,195,432.00	Construction Camp No. 2, Fort Worth, Tex.	.....do.....	
50005	E. A. Wickham.....	Council Bluffs, Iowa.	Sept. 15, 1917	(1)	2,081,227.00	Construction Park Field.	C. G. Edgar, lieutenant colonel, Signal Corps.	Payments since June 1, 1919.
50045	Dayton Lbr. & Manufacturing Co.	Dayton, Ohio...	Oct. 1, 1917	(1)	801,026.00	Construction Wilbur Wright.	.....do.....	
DMA-110	University of Illinois...	Champaign County, Ill.	Aug. 27, 1918	[3]	205,825.00	Military aeronautics training.	C. G. Edgar, colonel, Signal Corps.	
DMA-162	Ohio State University..	Franklin County, Ohio.	Aug. 26, 1918	[3]	172,559.00	.....do.....	.....do.....	
DMA-132	Massachusetts Institute of Technology.	Cambridge, Mass.	Sept. 9, 1918	[3]	146,191.00	.....do.....	.....do.....	
DMA-133	Supplemental to DMA-132.	.....	Oct. 6, 1918	.....	.....	Provides course in aeronautical engineering.	T. H. Bane, colonel, Signal Corps.	
DMA-246	Willys-Overland (Inc.).	Toledo, Ohio....	July 1, 1918	106,469.95	*61,220.00	Lease building at St. Paul.	C. G. Edgar, colonel, Signal Corps.	
DMA-593	Supplemental to DMA-246.	.....	Jan. 10, 1919	.....	.....	Terminating lease.....	W. F. Volandt, captain, A. S. A.	Decreased $45,249.73.
4090	Wolverine Brass Works.	Grand Rapids, Mich.	June 17, 1918	312,500.00	*600,000.00	Mounts.....	F. D. Schnacke, first lieutenant, A. S., S. R. C.	Increased $287,500.
4155	B. Shoninger & Co.....	New Haven, Conn.	June 26, 1918	190,000.00	*225,672.00	Propellers.....	.....do.....	Increased $70,320.82.
4155-1	Supplemental to 4155...	.....	Oct. 2, 1918	.....	.....	Re storing, etc.....	.....do.....	

[1] Cost plus. [2] Estimated. [3] Indeterminate.

List A of formal contracts aggregating $100,000 or over made by or under Air Service for Air Service from April 6, 1917, to June 1, 1919, in United States—Continued.

Contract No.	Contractor.	Contractor's address.	Date of contract.	Amount of contract.	Amount expended to June 1, 1919.	Nature of contract.	Officer or person executing contract.	Remarks.
4155-2	Supplemental to 4155..	.....	May 8, 1919	$34,648.53	*$34,648.00	Settlement.....	F. D. Schnacke, captain, A. S., A. P.	
Everman-3	Panther Auto Supply Co.	Fort Worth, Tex.	Dec. 7, 1917	(1)	*168,781.00	Gasoline.....	S. V. Schermerhorn, captain, Signal Reserve Corps.	
2250	Wright-Martin Aircraft Corporation.	New Brunswick, N. J.	Nov. 13, 1918	(2)	29,615,776.00	Engines, spares, tools..	A. C. Downey, major, Signal Corps.	Payments since June 1, 1919.
2250-1	Supplemental to 2250...	.....	Feb. 2, 1918	.....	.....	Additional 1,000 engines and spares.	.....do.....	
2250-2	.....do.....	.....	Feb. 25, 1918	.....	.....	.....do.....	.....do.....	
2250-3	.....do.....	.....	May 25, 1918	.....	.....	Additional 1,000 engines as required from time to time.	.....do.....	
2250-4	.....do.....	.....	May 27, 1918	.....	.....	Re contractor, furnishing equipment of rejected parts, etc.	F. D. Schnacke, first lieutenant, A. S., A. P., N. A.	
2250-5	.....do.....	.....	Aug. 1, 1918	.....	.....	3,000 additional engines	.....	
2250-6	.....do.....	.....	Sept. 19, 1918	.....	.....	Re subcontractors.....	O. R. Ewing, captain, A. S., A. P.	
2250-7	.....do.....	.....	Oct. 31, 1918	.....	.....	Additional 1,000 engines.	F. D. Schnacke, captain, A. S., A. P.	
2569	Standard Motor Truck Co.	Detroit, Mich...	Jan. 16, 1918	747,007.50	*768,576.00	Trucks.....	O. R. Ewing, first lieutenant, Signal Reserve Corps.	Increased $21,568.50.
2532	General Motors Truck Co.	New York City..	Jan. 24, 1918	3 1,577,009.00	*1,627,550.00	.....do.....	.....do.....	
1949	Western Electric Co....	.....do.....	Aug. 10, 1918	4 500,000.00	*215,211.00	Electrical equipment..	F. D. Schnacke, captain, A. S., A. P.	
4497	Blaw-Knox Co.....	Pittsburgh, Pa..	Aug. 19, 1918	215,600.00	420,740.00	Structural steel.....	.....do.....	Increased $301,840.
4474	McKeen Motor Car Co..	Omaha, Nebr...	Aug. 17, 1918	175,000.00	170,676.00	Windlasses.....	.....do.....	Increased $12,737.22.
5074	Dartmouth Manufacturing Co.	New Bedford, Mass.	Oct. 26, 1918	1,300,000.00	296,463.00	Fabric.....	.....do.....	Additional payments since June 1, 1919. Before claims board for termination.
2649	Fred L. Boniff.....	San Fernando, Calif.	Jan. 27, 1918	437,500.00	.....	Planting and growing castor beans.	O. R. Ewing, first lieutenant, A. S., R. C.	Canceled.
2567	Republic Motor Truck Co.	Alma, Mich.....	Jan. 16, 1918	1,024,850.00	*1,149,190.00	Trucks.....	.....do.....	Increased $124,340.70.
2567-1	Supplemental to 2567...	.....	June 27, 1918	.....	.....	Advanced payment...	O. R. Ewing, captain, A. S., A. P.	
2531	Velie Motors Corporation.	Moline, Ill.....	Jan. 16, 1918	1,236,412.00	*1,221,167.00	Trucks.....	O. R. Ewing, first lieutenant, A. S., R. C.	Decreased $15,244.04.
5383	General Electric Co.....	Schenectady, N. Y.	Nov. 8, 1918	456,000.00	*30,537.00	Compasses.....	F. D. Schnacke, captain, A. S., A. P.	Decreased $425,462.50.
4769	Springfield Aircraft Corporation	Springfield, Mass	Nov. 1, 1918	1,050,000.00	236,114.00	Planes.....	.....do.....	Decreased $806,873.62. Additional payments since June 1, 1919.
4932	Taylor Instrument Co..	Rochester, N. Y.	Oct. 10, 1918	836,250.00	.....	Altimeters.....	.....do.....	
4474	McKeen Motor Car Co..	Omaha, Nebr...	Aug. 17, 1918	175,000.00	.....	Windlasses.....	.....do.....	Canceled.
4905	Goodrich Rubber Co...	Akron, Ohio....	Oct. 8, 1918	187,688.00	.....	Tires.....	.....do.....	Decreased $137,000.
4450	International Register Co.	Chicago, Ill.....	Aug. 13, 1918	218,500.00	96,419.00	Interrupter gear.....	.....do.....	Decreased $113,210.72.
4809	H. D. Lee Mercantile Co.	South Bend, Ind.	Sept. 27, 1918	156,000.06	38,151.00	Mechanics' suits.....	.....do.....	Decreased $117,000.
5256	The American Stove Co.	St. Louis, Mo...	Nov. 2, 1918	177,000.00	51,713.00	Airplane engine heaters	.....do.....	
5361	Liberty Crankshaft Co..	Worcester, Mass.	Oct. 14, 1918	Cost plus.	.....	Services special machinist, and new machinery plant.	O. R. Ewing, captain, A. S., A. P.	
4773	St. Louis Aircraft Corporation.	St. Louis, Mo...	Sept. 25, 1918	700,000.00	.....	Airplanes.....	O. Q. Ewing, captain, A. S., A. F.	Decreased $497,000.
2454	Excelsior Motor Manufacturing Co.	Chicago, Ill.....	Jan. 23, 1918	295,000.00	*295,000.00	Engines.....	A. C. Downey, major, S. C.	
5056	Olds Motor Co.....	Lansing, Mich..	Sept. 20, 1918	1,975,000.00	220,914.00	Spare parts.....	A. C. Downey, lieutenant colonel, A. S., A. P.	Decreased $1,604,000.
2456	Hall-Scott Motor Car Co.	West Berkeley, Calif.	Feb. 6, 1918	1,500,000.00	*779,868.00	Engines.....	A. C. Downey, major, S. C.	
2456-1	Supplemental to 2456...	.....	Apr. 6, 1918	.....	.....	Confirms cancellation 500 engines under original contract, and provides for same as per amendment.	F. D. Schnacke, first lieutenant, S. R. C.	
2696	Standard Aircraft Corporation.	Elizabeth, N. J.	Jan. 26, 1918	Cost plus.	3,698,500.00	Airplanes.....	A. C. Downey, major, S. C.	Settlement contract since June 1, 1919, $3,700,000; this corrects the eighth item on list A-16 (same contract).
2696-1	Supplemental to 2696...	.....	Feb. 1, 1918	.....	.....	Substitution D. H. 4's for D. H. 9's.	.....do.....	
2692-2	.....do.....	.....	Sept. 21, 1918	.....	.....	Additional 120 D. H. 4's.	O. R. Ewing, captain, A. S., A. P.	
2696-A	.....do.....	.....	June 19, 1918	.....	.....	Substitution of D. H. 4's for D. H. 9's.	F. D. Schnacke, captain, A. S., A. P.	
2696-A-1	.....do.....	.....	May 16, 1918	.....	.....	Covering space for testing guns, etc.	A. C. Downey, major, A. S., A. P.	
2696-A-2	.....do.....	.....	Nov. 6, 1918	.....	.....	Additional D. H. 4's and spares.	O. R. Ewing, captain, A. S., A. P.	
2042	Lewis Thompson & Co. (Inc.).	Philadelphia, Pa.	Nov. 23, 1917	300,000.00	154,368.00	Mahogany.....	A. C. Downey, major, S. C.	
	Supplemental to 2042...	.....	Dec. 4, 1917	.....	.....	Advanced payments..	.....do.....	
3853	Anderson Motor Co.....	Rock Hill, S. C..	May 11, 1918	142,992.96	73,289.00	Trailers.....	O. R. Ewing, first lieutenant, A. S., R. C.	
3853-1	Supplemental to 3853...	.....	Mar. 10, 1919	.....	.....	Increase unit price to cover losses to contractor due to change in specifications on 3853 and 3719.	F. D. Schnacke, captain, A. S., A. P.	

[1] 27 cents per gallon. [2] Cost plus. [3] Plus 3 per cent war tax. [4] Estimated.

List E of informal contracts aggregating $100,000 or over made by or under Air Service for Air Service from April 6, 1917, to June 1, 1919, in United States.

[Starred items in the column headed "Amount Expended" include final payment.]

Contract No.	Contractor.	Contractor's address.	Date of contract.	Amount of contract.	Amount expended to June 1, 1919.	Nature of contract.	Officer or person executing contract.	Remarks.
ASA-9	Settlement claim under Dent Act on contract 730265 (above).	.....	Apr. 10, 1919	$3,273.94	*$3,273.00	Material and freight 110-horsepower engines.	G. I. Rowley, captain, A. S., A. P.	
ASA-10	.....do.....	.....	.....do.....	9,975.83	*9,975.00	Material, 80-horsepower engines.	.....do.....	
720475	Fisher Body Corporation.	Detroit, Mich...	Sept. 5, 1918	100,000.00	.....	Spares.....	F. D. Schnacke, captain, A. S., A. P.	Final payment since June 1, 1919.
4626	Supplemental to 720475.	.....	May 23, 1919	94,073.04	.....	.....	S. M. Wiley, captain, A. S., A. P.	
20670	Wright-Martin Aircraft Corporation.	New Brunswick, N. J.	Mar. 2, 1918	1,060,000.00	.....	Planes.....	F. D. Schnacke, first lieutenant, A. S., A. P.	Canceled, material not required.
20770	Dayton Wright Airplane Corporation.	Dayton, Ohio...	Mar. 16, 1918	(1)	.....	Spares.....	.....do.....	Do.
108	West & Dodge Co.....	Boston, Mass....	Mar. 14, 1918	[2] 50,000.00	*221,413.00	Gauges.....	.....do.....	Increased $220,000; final payment since June 1, 1919.
810047	Secretary of Navy.....	Washington, D. C.	Oct. 16, 1918	269,992.00	.....	Ferrosilicon.....	A. C. Downey, captain, A. S., A. P.	
810050	.....do.....	.....do.....	Oct. 19, 1918	229,160.00	.....	.....do.....	A. C. Downey, lieutenant colonel, A. S., A. P.	
20018	B. F. Goodrich Co.....	Akron, Ohio....	Sept. 25, 1917	[2] 670,750.00	*137,400.00	Balloons.....	A. C. Downey, captain, A. S., A. P.	Decreased $533,350.
810040	Cocoanut Plantation Co.	Boston, Mass....	Oct. 10, 1918	765,000.00	.....	Castor beans.....	O. R. Ewing, captain, A. S., A. P.	Decreased $755,000.
710880	Packard Motor Car Co..	Detroit, Mich....	Feb. 13, 1919	100,000.00	.....	Engine spares.....	F. D. Schnacke, captain, A. S., A. P.	Payments since June 1, 1919.
710882	.....do.....	....do.....	.....do.....	160,000.00	.....	.....do.....	.....do.....	Canceled since June 1, 1919.
710499	Gosnold Mills.....	New Bedford, Mass.	Oct. 26, 1918	121,125.00	.....	Balloon cloth.....	.....do.....	Do.
720805	Singer Manufacturing Co.	Bridgeport, Conn.	Oct. 30, 1918	178,159.16	.....	Wire fittings.....	.....do.....	Canceled.
720816	Hayes-Ionia Co.....	Grand Rapids, Mich.	Nov. 14, 1918	1,572,053.00	.....	Spare parts.....	O. R. Ewing, captain, A. S., A. P.	Canceled; material not required.
870232	Spruce Production Corporation.	Washington, D. C.	Dec. 2, 1918	[3] 9,999,300.00	*99,993.00	Stock.....	.....do.....	Under authority act of Congress No. 193, approved July 9, 1918.
720738	Secretary of the Navy..	.....do.....	Nov. 2, 1918	150,000.00	*166,000.00	Balloons.....	A. C. Downey, lieutenant colonel, A.S., A. P.	Increased $16,000.
720696	.....do.....	.....do.....	Oct. 15, 1918	2,000,000.00	.....	Hydroplanes.....	.....do.....	
720720	.....do.....	.....do.....	Oct. 18, 1918	330,000.00	70,000.00	Balloons.....	.....do.....	
721046	.....do.....	.....do.....	Feb. 4, 1919	124,420.00	.....	Flying boats and spares	.....do.....	Decreased $12,684.86.
721069	.....do.....	.....do.....	Mar. 11, 1919	124,000.00	.....	Flying boats.....	W. A. Miller, first lieutenant, A. S., A. P.	Decreased $12,264.86.
840214	Gianni Caproni.....	Milan, Italy.....	Apr. 19, 1919	210,717.89	.....	1 and 2 Caproni missions.	G. I. Rowley, captain, A. S., A. P.	See Contracts with foreign countries.
50016	Stone & Webster.....	Boston, Mass....	Sept. 14, 1917	(1)	.....	Construction.....	C. G. Edgar, captain.	Canceled Feb. 2, 1918.
710675	Rogers & Cleaver, receivers, Champion Lumber Co.	Sunburst, N. C.	Nov. 9, 1918	156,000.00	.....	Spruce lumber.....	F. D. Schnacke, captain, A. S., A. P.	
72279	John A. Hill.....	Harlington, Tex.	Feb. 15, 1918	175,000.00	.....	Planting and growing castor beans.	O. R. Ewing, first lieutenant, A. S., S. R. C.	Canceled.
30206	General Motors Co.....	Detroit, Mich...	Jan. 2, 1918	6,750,000.00	.....	Engine and spare parts	A. C. Downey, major.	Do.
72473	Ernest Hall Coolidge...	New York City.	Feb. 26, 1918	878,400.00	.....	Castor oil.....	O. R. Ewing, first lieutenant, A. S., S. R. C.	Do.
20455	Secretary of the Navy..	Washington, D. C.	Jan. 12, 1918	150,000.00	113,400.00	Seaplanes.....	Newton D. Baker, Secretary of War.	Completed since June 1, 1919.
72489	D. C. Gillett.....	Tampa, Fla.....	Feb. 27, 1918	175,000.00	.....	Planting and growing castor beans.	O. R. Ewing, first lieutenant, A. S., S. R. C.	Canceled.
72548	British ministry of munitions in United States.	Washington, D. C.	Feb. 28, 1918	2,250,000.00	.....	Castor oil.....	.....do.....	Do.
90070	Quartermaster General, United States Army.	.....do.....	Oct. 10, 1917	320,000.00	.....	Motor chasses.....	M. C. Bristol, lieutenant colonel.	Do.
90022	.....do.....	.....do.....	Sept. 26, 1917	635,000.00	*472,842.00	Motor equipment.....	.....do.....	Decreased $162,157.77.
90068	.....do.....	.....do.....	Oct. 9, 1917	[3] 3,947,200.00	.....	Trucks.....	.....do.....	Decreased $3,947,200; canceled.
7943	Quartermaster General.	U. S. Army.....	May 28, 1917	[2] 175,350.00	.....	Request for purchase of chassis.	C. S. Wallace, major, S. C.	Canceled; material not required.
8114	.....do.....	.....do.....	June 4, 1917	[2] 200,000.00	.....	Radio tractor chassis..	.....do.....	Do.
8793	.....do.....	.....do.....	July 13, 1917	[2] 166,250.00	*197,594.00	Motor cycles, cars, and trucks.	C. S. Wallace, lieutenant colonel, S. C.	
9593	Chief of Ordnance.....	.....	Aug. 22, 1917	260,000.00	.....	Copper.....	Geo. H. Brett, major, S. C.	
7836	J. G. Brill Co.....	Philadelphia, Pa.	May 22, 1917	(1)	.....	Wire carts.....	C. S. Wallace, major, S. C.	Do.
9374	Western Electric Co....	New York City..	Aug. 11, 1917	168,000.00	*168,000.00	Buzzer telephone.....	L. M. Evans, captain, S. C., U. S. R.	
9167	.....do.....	.....do.....	July 31, 1917	[2] 275,000.00	*212,976.00	Construction supplies..	.....do.....	
8433	Fisher Body Corporation.	Detroit, Mich...	June 21, 1917	2,500,000.00	.....	Airplanes.....	C. S. Wallace, lieutenant colonel, S. C.	Do.
8436	Dayton-Wright Airplane Co.	Dayton, Ohio...	.....do.....	2,500,000.00	.....	.....do.....	.....do.....	Do.
9565	Langrock Bros. Co.....	Brooklyn, N. Y.	Aug. 22, 1917	114,000.00	.....	Overall suits.....	A. C. Downey, captain, S. C., U. S. R.	Do.
10266	Underwood Typewriter Co.	Washington, D.C.	Sept. 10, 1917	155,925.00	*155,646.00	Typewriters.....	A. C. Downey, captain, S. C.	Decrease by adjustment voucher.
10269	Corona Typewriter Co..	.....do.....	.....do.....	141,750.00	*141,750.00	.....do.....	.....do.....	
10337	Quinault Lumber Co...	Raymond, Wash.	Sept. 12, 1917	168,000.00	.....	Spruce.....	.....do.....	Canceled; taken over by Spruce Production Corporation.
10338	Siler Mill Co.....	.....do.....	.....do.....	420,000.00	.....	.....do.....	.....do.....	Do.
10339	Aloha Lumber Co.....	Aloha, Wash....	.....do.....	420,000.00	.....	.....do.....	.....do.....	Do.
10341	Raymond Lumber Co..	Raymond, Wash	.....do.....	126,000.00	.....	.....do.....	.....do.....	Do.
10342	Willapa Lumber Co....	.....do.....	.....do.....	420,000.00	.....	.....do.....	.....do.....	Do.
10343	Buehner Lumber Co....	North Bend, Oreg.	.....do.....	126,000.00	.....	.....do.....	.....do.....	Do.

[1] Cost plus. [2] Estimated. [3] Original contract in files of Purchase, Storage, and Traffic Division.

List E of informal contracts aggregating $100,000 or over made by or under Air Service for Air Service from April 6, 1917, to June 1, 1919, in United States—Continued.

Contract No.	Contractor.	Contractor's address.	Date of contract.	Amount of contract.	Amount expended to June 1, 1919.	Nature of contract.	Officer or person executing contract.	Remarks.
10344	Multnomah Lumber & Box Co.	Portland, Oreg..	Sept. 12, 1917	$420,000.00	*$20,743.00	Spruce	A. C. Downey, captain, S. C.	Decreased $399,256.17; balance taken over by Spruce Production Corporation.
10345	Brighton Mill Co.	Tillamook, Oreg.	do	420,000.00	*74,967.00	do	do	Decreased $345,032.16; balance taken over by Spruce Production Corporation.
10346	Puget Sound Mill & Timber Co.	Port Angeles, Wash.	do	252,000.00		do	do	Canceled; taken over by Spruce Production Corporation.
10348	North Bend Mill & Lumber Co.	North Bend, Oreg.	do	168,000.00		do	do	Do.
10349	Astoria Box Co.	Astoria, Oreg.	do	420,000.00	*9,775.00	do	do	Decreased $410,224.19.
20527	B. F. Goodrich Co.	Akron, Ohio	Jan. 25, 1918	[1] 400,000.00	*89,250.00	Balloons	A. C. Downey, major, S. C.	Decreased $310,750.
20528	do	do	do	[1] 800,000.00	*562,552.00	do	do	Decreased $237,447.12.
20356	Macy Engineering Co.	Franklin, Pa.	Dec. 20, 1917	250,000.00	5,000.00	Electrical controls	do	Decreased $185,000.
710357	Dartmouth Manufacturing Co.	New Bedford, Mass.	Oct. 15, 1918	120,000.00		Balloon cloth	F. D. Schnacke, first lieutenant, S. C.	Canceled; material not required.
21041	Secretary of Navy	Washington, D. C.	Apr. 29, 1918	210,000.00		Mercury	do	Do.
720308	Grand Rapids Airplane Co.	Grand Rapids, Mich.	Oct. 2, 1918	400,000.00		Airplane tools	F. D. Schnacke, captain, S. C.	Decreased $392,000.
730473	Splitdorf Electrical Co.	Newark, N. J.	Sept. 27, 1918	384,800.00		Magneto parts	O. R. Ewing, captain, A. S., A. P.	Canceled; material not required.
720773	Curtiss Aero & Motor Corporation.	Buffalo, N. Y.	Oct. 28, 1918	1,400,000.00		Airplanes	F. D. Schnacke, first lieutenant, S. C.	Do.
880021	Federal Truck Co.	Detroit, Mich.	Oct. 15, 1918	120,606.25	*120,606.00	Services	O. R. Ewing, first lieutenant, A. S. A.	
40415	Navy Department	Washington, D. C.	Nov. 16, 1917	156,300.00		Transmitting sets and spares.	Secretary of War	Do.
810059	U. S. Fruit Co.	Boston, Mass.	Nov. 2, 1918	894,200.00		Castor beans	O. R. Ewing, first lieutenant, A. S. A.	Do.
810021	Electro Metallurgical Sales Corporation.	New York, N. Y.	Aug. 19, 1918	241,500.00		Ferrosilicon	F. D. Schnacke, captain, S. C.	Do.
720171	Jas. Cunningham & Co.	Rochester, N. Y.	Aug. 2, 1918	350,000.00		Balloon windlasses	do	Do.
720546	Harrisburg Pipe & Pipe Bending Co.	Harrisburg, Pa.	Sept. 20, 1918	1,543,750.00		Steel cylinders	O. R. Ewing, first lieutenant, S. C.	Canceled; material not required.
720313	U. S. Aircraft Corporation.	Redwood City, Calif.	Aug. 26, 1918	200,000.00		Airplanes	F. D. Schnacke, captain, S. C.	Do.
90072	Quartermaster General	Washington, D. C.	Oct. 10, 1917	[1] 210,000.00	161,062.00	Autos and motor cycles.	C. A. Seoane, lieutenant colonel, S. C.	
9132	do	do	Aug. 2, 1917	[1] 600,000.00	94,533.00	Motor equipment	G. H. Brett, captain, S. C.	
9477	Director Bureau of Standards.	do	Aug. 15, 1917	[1] 100,000.00	98,375.00	Equipment and employment of personnel.	R. M. Jones, captain, S. C.	
9064	Quartermaster General	do	July 28, 1917	[1] 153,000.00	88,586.00	Motor equipment	Geo. Brett, captain, S. C.	
8837	do	do	July 17, 1917	[1] 176,000.00	*189,658.00	do	G. H. Brett, captain, S. C.	Increased $13,658.
9456	Chief of Ordnance, U. S. Army.	do	Aug. 15, 1917	[1] 100,000.00	*5,935.00	Ammunition	R. M. Jones, captain, S. C.	Decreased $94,065.
90063	Quartermaster General	do	Oct. 9, 1917	150,800.00		Truck bodies	C. A. Seoane, lieutenant colonel, S. C.	
60203	do	do	Oct. 13, 1917	[1] 103,500.00		Gasoline drums	do	
9451	Chief of Ordnance, U. S. Army.	do	Aug. 22, 1917	[1] 940,000.00		Machine guns and ammunition.	G. H. Brett, major, S. C.	
8553	Quartermaster General	do	July 2, 1917	179,180.00	109,883.00	Motor equipment	Chas. Wallace, lieutenant colonel, S. C.	
8338	do	do	June 18, 1917	100,800.00		do	do	
7869	do	do	May 25, 1917	[1] 264,500.00	195,349.00	do	Chas. Wallace, major and lieutenant colonel, S. C.	Increased $500.
90117	do	do	Oct. 30, 1917	[1] 404,265.00	103,147.00	do	C. A. Seoane, lieutenant colonel, S. C.	
10286	do	do	Sept. 12, 1917	[1] 427,500.00	*130,350.00	do	do	Decreased $297,150.
20429	Curtiss Airplane & Motor Corporation.	Buffalo, N. Y.	Feb. 4, 1918	2,382,500.00		Spares	O. R. Ewing, first lieutenant, S. R. C., A. S.	Canceled; material not required.
20494	Lewis Spring & Axle Co.	Chelsea, Mich.	Feb. 16, 1918	[1] 122,000.00	*4,169.00	Metal parts	F. D. Schnacke, first lieutenant, S. R. C., A. S	Decreased $117,831.
20270	Bureau of Mines	Washington, D. C.	Nov. 22, 1917	500,000.00	*227,818.00	Argon gas	C. A. Seoane, lieutenant colonel, S. C.	Decreased $272,181.59.
870173	Spruce Production Corporation.	do	Oct. 14, 1918	[1] 25,000,000.00	*21,500,000.00	Debentures	O. R. Ewing, captain, A. S., A. P.	Decreased $3,500,000. Under authority of act of Congress No. 193 approved July 9, 1918.
42799	Optical Annex, Naval Gun Factory.	do	May 16, 1918	[2] 1,850,000.00		Field glasses	R. M. Jones, major, S. C.	
730212	Disco Manufacturing Co.	Detroit, Mich.	Aug. 16, 1918	156,000.00		Generators	F. D. Schnacke, captain, A. S., A. P.	Canceled; material not required.
730223	Winton Motor Car Co.	Cleveland, Ohio.	Aug. 20, 1918	4,200,000.00		Engines	do	Do.
880001	McKeen Motor Car Co.	Omaha, Nebr.	July 11, 1918	578,126.50		Windlasses	O. R. Ewing, captain, S. C.	Do.
20250	Director Bureau of Mines.	Washington, D.C.	Nov. 14, 1917	144,000.00	62,332.00	Investigation and experiments of oxygen apparatus.	C. A. Seoane, lieutenant colonel, S. C.	Decreased $55,200.
10345	Brighton Mill Co.	Tillamook, Oreg.	Sept. 12, 1917	420,000.00	*74,967.00	Spruce	A. C. Downey, captain, S. C.	Decreased $345,032.18; balance canceled.
10344	Multnomah Lumber & Box Co.	Portland, Oreg..	do	420,000.00	*20,743.00	do	do	Decreased $399,256.17.
30004	Wright-Martin Aircraft Corporation.	New York City..	Sept. 27, 1917	2,500,000.00		Engines	do	Canceled; material not required.
730265	Union Switch & Signal Co.	Swissvale, Pa.	Sept. 3, 1918	720,000.00			F. D. Schnacke, captain, S. C.	
ASA9	Supplemental to 730265.						G. I. Rowley, captain, A. S., A. P.	

[1] Estimated.

[2] Transferred to General Staff.

Mr. FREAR. I have here, for the next exhibit, a two-page statement, entitled "Construction at Air Service Stations," and says it gives the amounts under "Cost of buildings" to cover everything in construction at the several stations. There are several columns, and the first one is "Location," and the next one "Class or character," and the next one "Date of contract," and the next one "Date of purchase," and the next one "Cost of land," and the next one "Cost of buildings," and the next one "Payments to July 15, 1919," and the next one "Balance due," and the next one "Officer in charge, July 15, 1919," and the last one "Remarks." These columns have not been totaled, so I will not refer to them at this time, nor to this statement further than to say that I will introduce it as an exhibit; and apparently this gives the cost of the buildings and everything in the matter of construction at the several stations. That is your understanding, is it?

General MENOHER. Yes, sir.

Mr. FREAR. I will ask that it be marked "Exhibit No. 103 (General Menoher, Exhibit D)" and inserted in the record.

(The paper referred to is printed in full in the record, and is as follows:)

EXHIBIT No. 103. (Gen. MENOHER, EXHIBIT D.)

Construction at Air Service stations.

[The amounts given under "Cost of buildings" includes everything in construction at the several stations.]

Location.	Class or character.	Date of contract.	Date of purchase.	Cost of land.	Cost of buildings.	Payments to July 15, 1919.
Americus, Ga.	Souther Field—flying, training	Feb. 7, 1918	July 5, 1919	$32,534.40	$1,374,931.68	$1,358,685.75
Do.	General supply depot [1]	Mar. 30, 1918			473,574.42	464,484.50
Anacostia, D. C.	Bolling Field, flying [2]	May 21, 1918			364,760.95	364,760.95
Arcadia, Fla.	Carlstrom Field, flying	Dec. 3, 1917	June 28, 1919	5,120.00	1,338,726.07	1,300,619.44
Do.	Dorr Field, flying	do.	do.	5,120.00	1,508,018.21	1,508,018.21
Arcadia, Calif.	Ross Field, flying	June 14, 1918	(3)		525,831.80	525,831.00
Baltimore, Md.	Johns Hopkins University, training school	June 10, 1918	(3)		25,439.09	24,331.00
Belleville, Ill.	Scott Field, flying field	June 25, 1917	June 26, 1919	119,285.84	1,800,739.00	1,789,680.00
Brooklyn, N. Y.	Pratt Institute, training school	Mar. 4, 1918	(3)		13,703.58	13,268.07
Buffalo, N. Y.	Acceptance Park, testing field	150 leases	(3)		561,187.59	561,187.59
Chicago, Ill.	Grant Park steel hangar	Erected in City Park.			3,000.00	3,000.00
Dallas, Tex.	Love Field—flying, training	Aug. 21, 1917	(3)		1,350,565.86	1,340,884.15
Do.	Repair depot	Nov. 2, 1917	(3)		780,427.01	772,727.70
Do.	Camp Dick, gunnery school [4]				11,766.00	11,766.00
Dayton, Ohio.	McCook Field, experimental	Oct. 1, 1917	(3)		1,179,479.15	1,166,439.05
Do.	Acceptance park, testing field	(5)	(3)		419,279.87	419,279.87
Detroit, Mich.	Saxon Motor plant, warehouse	June 10, 1918	(3)		41,500.00	41,500.00
Do.	Acceptance park, testing field	May 2, 1918	(3)		223,339.73	223,339.73
Elizabeth, N. J.	do.	May 13, 1918	(3)		165,515.27	165,515.27
Essington, Pa.	Chandler Field, flying	Sept. 20, 1918	(3)		14,242.45	13,770.58
Fairfield, Ohio.	Wilbur Wright Field, flying	May 27, 1917	(3)		3,185,702.26	3,116,960.91
Do.	Gunnery school, Wilbur Wright	Mar. 4, 1918	(3)		249,040.90	248,337.13
Do.	Supply depot	Aug. 22, 1917	June 16, 1917	8,000.00	1,101,312.00	1,074,269.49
Fayetteville, N. C.	Camp Bragg	Aug. 22, 1918	(3)		31,613.44	31,613.44
Fort Omaha, Nebr.	Balloon school, training	July 24, 1917	(6)	(7)	631,923.76	629,848.45
Fort Sam Houston, Tex.	Storehouse	July 6, 1917	(6)	(7)	339,259.53	332,601.27
Fort Worth, Tex.	Taliaferro Field	Aug. 30, 1917	(3)		1,446,230.12	1,422,151.18
Do.	Barron Field—flying, training	Sept. 1, 1917	(3)		1,353,535.18	1,327,023.36
Do.	Carruthers Field—flying, training	Sept. 25, 1917	(3)		1,215,033.91	1,182,482.01
Hampton, Va.	Langley Field—flying, training	Aug. 1, 1917	1916	290,000.00	8,393,741.42	8,459,234.05
Hawaiian Islands.	Fords Island, seaplane station		(6)		59,551.17	59,551.17
Do.	Fort Kamehamaha		(6)		3,000.00	3,000.00
Houston, Tex.	Ellington Field—flying, training	Sept. 4, 1917	July 3, 1919	86,178.00	2,561,182.86	2,539,786.75
Fort Sill, Okla.	Post field—flying, training	July 28, 1917	(6)	(8)	1,931,921.88	1,903,273.56
Do.	Balloon school	Apr. 8, 1918	(9)		443,540.56	443,540.56
Indianapolis, Ind.	Engine repair depot	Nov. 5, 1917	(3)		672,560.83	672,560.83
Lake Charles.	Gerstner Field—flying, training	Apr. 8, 1918	(1)		2,774,626.97	2,689,049.57
Little Rock, Ark.	Aviation general supply depot	July 8, 1918	(1)		1,052,783.27	1,052,783.27
Little Silver, N. J.	Camp Alfred Vail	Nov. 19, 1917	(1)		933,826.87	933,826.87
Lonoke, Ark.	Eberts Field—flying, training	Dec. 3, 1917	(1)		1,902,473.76	1,893,988.94
Miami, Fla.	Chapman Field	May 26, 1918	(1)		1,320,938.63	1,320,938.63
Middletown, Pa.	Supply depot	Aug. 1, 1917	(1)		2,544,411.83	2,525,721.80
Millington, Tenn.	Park Field—flying, training	Sept. 15, 1917	(1)		2,189,516.94	2,180,516.94
Minneapolis, Minn.	Dunwoody Institute, school	(5)	(1)		804.75	804.75
Mineola, Long Island, N. Y.	Hazelhurst Field	July 18, 1917	(1)		5,810,341.07	5,720,216.37
Do.	Mitchell Field	(10)	June 27, 1919	360,310.80		
Montgomery, Ala.	Taylor Field—flying, training	Dec. 15, 1917	(11)		1,320,258.63	1,288,224.47
Morrison, Va.	General supply depot	Sept. 10, 1917	(11)		2,190,043.26	2,129,909.87
Mount Clemens, Mich.	Selfridge Field—flying, training	June 1, 1917	(11)		2,483,414.46	2,474,216.16
Panama Canal.	France Field				335,400.00	335,400.00
Rantoul, Ill.	Chanute Field—flying, training	May 28, 1917	(1)		1,215,323.10	1,213,986.00
Richmond, Va.	General supply depot	Aug. 10, 1917	June 14, 1919	19,731.25	1,164,713.62	1,160,552.58
Riverside, Calif.	March Field—flying, training	Mar. 2, 1918	(1)		994,123.77	978,165.99
Rochester, N. Y.	Photo school	Jan. 31, 1918	(1)		69,777.98	69,198.64
Sacramento, Calif.	Mather Field—flying, training	Mar. 14, 1918	(1)		840,776.26	831,102.19
San Antonio, Tex.	Kelly Field—flying, training	July 23, 1917	July 1, 1917	156,217.00	4,483,757.43	4,473,602.86
Do.	Brooks Field—flying, training	Dec. 15, 1917	(1)		1,448,381.16	1,442,673.85
Do.	Camp John Wise	May 29, 1918	(1)		279,153.09	278,992.97
San Diego, Calif.	Rockwell Field, flying	Feb. 23, 1918	(12)	(13)	1,448,381.16	1,442,673.85
St. Paul, Minn.	Mechanics school		(1)		976,626.84	976,626.84
Waco, Tex.	Rich Field—flying, training	Aug. 25, 1917	(1)		1,166,439.08	1,164,305.66
West Point, Miss.	Payne Field—flying, training	Mar. 25, 1918	(1)		1,486,321.50	1,463,378.75
Wichita Falls, Tex.	Call Field—flying, training	Sept. 6, 1917	(1)		1,259,063.92	1,236,645.49
Lee Hall, Va.	Balloon school		June 8, 1918	90,000.00	933,830.00	933,830.00

Location.	Class or character.	Balance due.	Officer in charge July 15, 1919.	Remarks.
Americus, Ga.	Souther Field—flying, training	$16,245.93	I. A. Rader, lieutenant colonel	
Do.	General supply depot [1]	9,089.92	do.	
Anacostia, D. C.	Bolling Field, flying [2]		R. D. Harts, lieutenant colonel	
Arcadia, Fla.	Carlstrom Field, flying	38,106.63	T. Duncan, lieutenant colonel	
Do.	Dorr Field, flying		do.	
Arcadia, Calif.	Ross Field, flying		L. J. Mygott, lieutenant colonel	
Baltimore, Md.	Johns Hopkins University, training school	1,108.09	Closed	Alterations.
Belleville, Ill.	Scott Field, flying field	11,059.00	Henry Abbey, major	
Brooklyn, N. Y.	Pratt Institute, training school	435.51	Closed	Do.
Buffalo, N. Y.	Acceptance Park, testing field		G. G. Scarlett, first lieutenant	
Chicago, Ill.	Grant Park steel hangar		J. P. Morrow, colonel	
Dallas, Tex.	Love Field—flying, training	9,681.71	H. P. Burwell, lieutenant colonel	1½ acres purchased May 10, 1919, because of septic tank.
Do.	Repair depot	7,699.31	D. B. Netherwood, lieutenant colonel	
Do.	Camp Dick, gunnery school [4]		Closed	Alterations.

[1] Included in Souther Field.
[2] On filled land owned by Government.
[3] Not purchased.
[4] Land and buildings owned by State.
[5] No contract.
[6] Not available.
[7] Owned by Government.
[8] Government reservation.
[9] Included in Fort Sill.
[10] Construction included in Hazelhurst Field.
[11] Not purchased; Government land.
[12] Acquired under condemnation proceedings.
[13] Not yet adjusted.

Construction at Air Service stations—Continued.

Location.	Class or character.	Balance due.	Officer in charge July 15, 1919.	Remarks.
Dayton, Ohio	McCook Field, experimental	$13,040.10	T. H. Bane, colonel	
Do	Acceptance Park, testing field		J. P. Caffrey, captain	Construction done by Supply Section, division Military Aeronautics.
Detroit, Mich	Saxon Motor plant, warehouse		Closed	Contract made by Construction Division.
Do	Acceptance Park, testing field		A. J. Ballinger, first lieutenant	Do.
Elizabeth, N. J	do		Closed	Do.
Essington, Pa	Chandler Field, flying	471.87	do	
Fairfield, Ohio	Wilbur Wright Field, flying	68,741.35	P. A. Olive, major	
Do	Gunnery School, Wilbur Wright	703.77	do	
Do	Supply Depot	27,042.51	J. P. Caffrey, captain	
Fayetteville, N. C	Camp Bragg		B. J. Saunders, captain	Do.
Fort Omaha, Nebr	Balloon School, training	2,075.31	J. Wuest, lieutenant colonel	
Fort Sam Houston, Tex	Storehouse	6,658.26	W. M. Garrison, major	
Fort Worth, Tex	Taliaferro Field	24,078.94	Carl Spatz, major	
Do	Barron Field—flying, training	26,508.82	J. B. Edgerly, major	
Do	Carruthers Field—flying, training	38,583.91	T. J. Hanley, major	
Hampton, Va	Langley Field—flying, training	65,492.63	W. M. Hensley, colonel	
Hawaiian Islands	Fords Island, seaplane station		J. B. Brooks, major	
Do	Fort Kamehamaha		do	
Houston, Tex	Ellington Field—flying, training	21,396.86	L. W. McIntosh, lieutenant colonel	
Fort Sill, Okla	Post Field—flying, training	28,648.32	R. R. Barnitz, lieutenant colonel	
Do	Balloon school		do	
Indianapolis, Ind	Engine repair depot		Patrick Frissel, major	
Lake Charles	Gerstner Field—flying, training	84,977.40	W. W. Wynne, major	
Little Rock, Ark	Aviation general supply depot		G. W. DeArmond, lieutenant colonel	Do.
Little Silver, N. J	Camp Alfred Vail		Closed	
Lonoke, Ark	Eberts Field—flying, training	8,484.82	A. N. Krogstad, major	
Miami, Fla	Chapman Field		F. T. Madigan, second lieutenant	
Middletown, Pa	Supply depot	18,690.03	R. C. Kirtland, lieutenant colonel	
Millington, Tenn	Park field—flying, training		J. W. Simons, major	
Minneapolis, Minn	Dunwoody Institute, school		Closed	Alterations.
Mineola, Long Island, N. Y	Hazelhurst Field	90,124.70	Archie Miller, colonel	
Do	Mitchell Field			
Montgomery, Ala	Taylor Field—flying, training	32,034.16	Seth W. Cook, lieutenant colonel	
Morrison, Va	General Supply depot	60,133.39	C. H. Bonesteel, major	
Mount Clemens, Mich	Selfridge Field—flying, training	9,198.30	D. Johnson, lieutenant colonel	
Panama Canal	France Field		M. F. Harmon, lieutenant colonel	
Rantoul, Ill	Chanute Field—flying, training	1,337.10	Ira H. Longanecker, lieutenant colonel	
Richmond, Va	General supply depot	4,101.04	C. V. Stalze, captain	
Riverside, Calif	March Field—flying, training	15,957.78	J. C. P. Bartholf, major	
Rochester, N. Y	Photo school	579.34	Closed	Do.
Sacramento, Calif	Mather Field—flying, training	9,674.07	R. L. Watson, lieutenant colonel	
San Antonio, Tex	Kelly Field—flying, training	10,154.57	B. G. Buttler, lieutenant colonel	
Do	Brooks Field—flying, training	5,707.31	D. H. Bower, lieutenant colonel	
Do	Camp John Wise	160.12	Closed	
San Diego, Calif	Rockwell Field, flying	5,707.31	A. J. Hanlon, lieutenant colonel	
St. Paul, Minn	Mechanics school		H. P. Wehrle, major	Do.
Waco, Tex	Rich Field—flying, training	2,133.42	J. J. Whiteside, major	
West Point, Miss	Payne Field—flying, training	22,942.75	W. W. Howard, major	
Wichita Falls, Tex	Call Field—flying, training	22,418.43	C. W. Russell, major	
Lee Hall, Va	Balloon school			

Mr. FREAR. The next exhibit which I have to offer is entitled "Summary of contracts, United States Spruce Production Corporation." That we asked for in question 6 on June 23, and it provides, first, the name of the contractor, and then the address, and then the date, and then the amount, and then the kind of lumber, and so on. This relates entirely, as I take it, to the spruce item; it does not relate to any other expenditures, for railways or anything of the kind, that were constructed. The general purpose was to include all expenditures, and I wonder if you could furnish us, in addition to that statement—and I did not discover until now that it was lacking—I wonder if you could furnish not only what was in the spruce-production contract; not only the spruce material alone, because that does not cover anywhere near the expenditures in the western section, and the committee expects to conduct some investigation there—but all expenditures out there?

General MENOHER. I can not right offhand say whether it does or does not include all expenditures.

Mr. FREAR. I have the totals of the various subjects, but they are not itemized in this way. I thought they would be of some value to us if we could get them in that way. Outside of strictly spruce production, if we could have the items of expense that are given under these various items mentioned in the next statement, so far as could be furnished, it would be of value to us.

General MENOHER. We will furnish that. Is there any limit?

Mr. FREAR. Yes; $100,000 would continue to be the limit. I would like to have this paper introduced in evidence and marked "Exhibit No. 104. (General Menoher, Exhibit E.)"

(The paper referred to, composed of five sheets of a photostatic copy of statement entitled "Summary of contracts," is here printed in full in the record as follows:)

EXHIBIT NO. 104. (GENERAL MENOHER, EXHIBIT E.)

WAR DEPARTMENT,
OFFICE OF THE DIRECTOR OF AIR SERVICE,
Washington, July 30, 1919.

Hon. JAMES A. FREAR, *Capitol.*

DEAR MR. FREAR: In response to No. 6 of your questionnaire of June 23, I hand you herewith data on contracts taken over or entered into by the United States Spruce Production Corporation, together with a statement of cash receipts and disbursements of that corporation as of June 30, 1919.

I understood from our conversation of last Saturday that this data, for the present, will suffice for this question (No. 6), and that you will notify me if you later desire data on hardwood contracts.

Very truly yours,

DAVID S. SEATON,
Captain, A. S. M. A., Liaison Officer.

Summary of contracts—United States Spruce Production Corporation.

Contractor.	Contract.		Amount.	Kind of lumber.	Lumber furnished.			Payments made.
	Address.	Date.			Kind.	Quantity.	Rate.	
			Feet.			*Feet.*		
C. P. Adams Lumber Co	Aberdeen, Wash	Dec. 27, 1917	2,000,000	Spruce	Airplane	625,082	$105 per thousand feet.	$73,820.65
					Sawn cants	73,980		8,803.92
					Reinstatements	71,536		
Aloha Lumber Co	Aloha, Wash	Nov. 1, 1917	8,000,000	do	Airplane	1,043,987	$105 per thousand feet.	58,153.40
					Sawn cants	1,847,488		141,202.94
					Reinstatements	358,689		
Aircraft Lumber Co	Seattle, Wash	Sept. 10, 1918			Logging of Government land and stumpage.	None.		[1] 8,768.26
Airplane Spruce & Lumber Co.	Hoquiam, Wash	Jan. 23, 1918		Spruce cants and logs.	Rived cants	1,277,340	Cost plus 7 per cent	[1] 1,379,881.61
					Logs	11,086,549		
Anderson & Peterson	Skamokawa, Wash	Oct. 4, 1918	200,000	Rived spruce	None			None.
Anacortes Lumber & Box Co.		Nov. 1, 1917	900,000	Spruce	Airplane	1,027,182	$105 per thousand feet.	96,606.83
					Sawn cants	1,497,227		111,252.12
					Reinstatements	256,781		

[1] To Dec. 31, 1918.

Summary of contracts—United States Spruce Production Corporation—Continued

Contractor.	Contract.		Amount.	Kind of lumber.	Lumber furnished.			Payments made.
	Address.	Date.			Kind.	Quantity.	Rate.	
			Feet.					
J. G. Arnold & Co	Myrtle Point, Oreg.	Sept. 27, 1918	3,000,000	Rived cedar	None			None.
Frank Astman	Rockaway, Oreg.	Jan. 19, 1918	1,000,000	Rived spruce	Rived spruce	162,024	$90 with $40 bonus	$21,063.12
Astoria Box Co	Astoria, Oreg.	Nov. 1, 1917	9,900,000	Spruce	Airplane Sawn cants Reinstatements	956,860 1,330,409 669,013	$105 per thousand feet.	73,029.83 94,183.59
Balmer, Balmer & Hodge	Tillamook, Oreg.	Oct. 3, 1918	100,000	Rived spruce	Rived spruce	26,083	$90 with $40 bonus	3,390.79
A. G. Beals	do	Nov. 1, 1917	120,000	Spruce	Airplane	161,776	$105 per thousand feet.	13,013.89
Bear River Spruce Co	Portland, Oreg.	Aug. 21, 1918	7,500,000	Rived spruce		None.		None.
Bloedel Donovan Lumber Mills.	Bellingham, Wash.	Nov. 1, 1917	150,000	Spruce	Airplane Sawn cants Reinstatements	239,239 601,039 23,951	$105 per thousand feet.	18,505.49 45,430.46
H. A. Brewer	Portland, Oreg.	Jan. 7, 1918	200,000	do		None.		None.
Brighton Mills Co	Brighton, Oreg.	Nov. 1, 1917	9,000,000	do	Airplane Sawn cants Reinstatements Pd. in Washing	1,844,374 1,617,794 922,810 510,762	$105 per thousand feet.	133,623.29 120,926.93
Beckham & Hinkle	Coquille, Oreg.	May 9, 1918	150,000	Rived cedar	Rived cedar	215,675	$90 with $40 bonus	27,225.99
C. L. Buckbee	Cloverdale, Oreg.	Mar. 22, 1918	20,000	Rived spruce		None.		None.
Carrier Raught Co	Centralia, Wash.	Apr. 22, 1918	1,000,000	Split spruce logs	Split spruce logs	106,722	$90 grade 1, $45 grade 2.	9,472.16
Clatsop County Co	Astoria, Oreg.	Oct. 8, 1918	6,200,000	Spruce	Airplane Sawn cants	121,048 757,193	$175 grade A $80 grade B, $45 grade C	2,665.30 31,987.25
Coats & Donald	Myrtle Point, Oreg.	July 17, 1918	250,000	Rived cedar	Rived cedar	422,425	$90 with $40 bonus	52,390.21
J. H. Cogan	Ecola, Oreg.	Jan. 17, 1918	500,000	Spruce		None.		None.
Columbia Box & Lumber Co.	South Bend, Wash.	Nov. 1, 1917	1,500,000	do	Airplane Sawn cants Reinstatements	1,127,991 1,520,969 106,039	$105 per thousand feet.	91,755.53 107,945.01
H. C. Copeland	Joyce, Wash.	Mar. 28, 1918	100,000	Rived spruce	Rived spruce	30,820	$90, with $40 bonus	4,006.06
Copalis Lumber Co	Carlisle, Wash.	Nov. 1, 1917	1,800,000	Spruce	Airplane Sawn cants Reinstatements	615,836 1,516,301 71,928	$105 per thousand feet.	61,896.33 118,540.30
Craig Lumber Co	Craig, Alaska	Jan. 8, 1918	100,000	do	Airplane Sawn cants	42,695 752,892	do	5,417.78 69,326.79
Do	do	Sept. 7, 1918		(1)	(1)	(1)	(1)	(1)
Crawford & Newnham	Hoquiam, Wash.	Feb. 14, 1918	1,000,000	Rived spruce	Rived spruce	158,263	$90, with $40 bonus	20,574.19
C. Bystrom		Feb. 1, 1918	1,000,000	do	do	565,521	do	73,517.73
Lester W. David	Seattle, Wash.	May 25, 1918	(2)		Logs	212,169	$10 per thousand feet.	1,510.40
Do	do	Aug. 1, 1918	(2)		Sawed logs Drying logs	7,430,207	$8 per thousand feet $4 per thousand feet	70,153.36 4,550.28
Ernst Dolge	Tacoma, Wash.	Nov. 1, 1917	1,500,000	Spruce	Airplane Sawn cants Reinstatements	126,258 120,700 26,941	$105 per thousand feet.	13,341.18 14,550.84
Donovan Lumber Co	Aberdeen, Wash.	do	2,250,000	do	Airplane Sawn cants Reinstatements	1,702,947 2,205,441 409,093	$105 per thousand feet.	125,915.87 141,477.73
H. H. Dufort	Bandon, Oreg.	Apr. 30, 1918	250,000	Rived cedar	Rived cedar	154,995	$90, with $40 bonus	19,795.28
E. Dyer	Cedar Point, Oreg.	Jan. 29, 1918	(4)	do	do	186,969	$130 per thousand feet.	24,305.97
Do	do	Mar. 30, 1918	250,000	do		None.		None.
L. R. Edmundson & Co	Portland, Oreg.	June 21, 1918	3,000,000	do		None.		None.
Ewall-Loomis Lumber Co.	Humptulips, Wash.	Nov. 1, 1917	450,000	Spruce	Airplane Sawn cants Reinstatements	428,098 29,937 21,857	$105 per thousand feet.	47,834.04 3,008.34
O. C. Fenleson	Portland, Oreg.	Dec. 1, 1917	1,000,000	Rived spruce	Rived spruce	47,037	$90, with $40 bonus	6,114.81
Do	do	Oct. 3, 1918	180,000	do		None.		None.
Fishpoint Logging Co	Brookfield, Wash.	Apr. 12, 1918	(5)			2,458,389	$10 per thousand feet.	20,141.47
E. L. Fletcher	Hoquill, Wash.	Feb. 14, 1918	250,000	Rived spruce	Rived spruce	139,336	$90, with $40 bonus	18,011.30
Fyfe-Wilson & Co	Bandon, Oreg.	Sept. 3, 1918	1,000,000	Rived cedar	Rived cedar	216,293	do	27,668.15
Grant Smith, Porter Bros.	Portland, Oreg.	Dec. 28, 1917		Spruce cants and logs.	Rived cants Logs	5,840,481 17,965,778	Cost plus 7 per cent	6 2,807,659.47
Grays Harbor Commercial Co.	Cosmopolis, Wash.	Sept. 10, 1918	(7)		Logs sawed	3,625,774	$12 per thousand feet, subject to adjustment.	5,915.65
Frank Gustis	Nehelan, Oreg.	Mar. 30, 1918	240,000	Rived spruce	Rived spruce	51,281	$90, with $40 bonus	6,660.53
Hammond Lumber Co	Portland, Oreg.	July 31, 1918	60,000,000	Spruce logs	Spruce logs	4,410,224	$40 per thousand feet; profit not to exceed $2.50 per thousand.	500,000.00
Chas. H. Hannam	South Bend, Wash.	Oct. 1, 1918	500,000	Logging of Government land and stumpage.		None.		None.
Hannify Lumber Co	Raymond, Wash.	May 15, 1918	1,200,000	Fir	Fir	552,510	$50 per thousand feet.	27,625.50
Edgar Hannan	Eugene, Oreg.	Mar. 13, 1918	200,000	Rived cedar	Rived cedar	160,173	$90 with $40 bonus	20,091.49
H. H. & S. Lumber Co	Humptulips, Wash.	Jan. 7, 1918	500,000	Spruce	Airplane Sawn cants	153,470 762,433	$105 per thousand feet.	14,825.48 50,384.10
A. L. Houghtaling	Seaside, Oreg.	Jan. 26, 1918	450,000	do		None.		None.
Do	do	do	900,000	Rived spruce		None.		None.
Hoquiam Spruce Co	Hoquiam, Wash.	Sept. 10, 1918	5,000,000	Government lands and stumpage.		None.		None.
H. H. & S. Lumber Co	Humptulips, Wash.	Sept. 16, 1918	1,500,000	Spruce cants	Sawn spruce cants.	762,433	$90 grade 1, $50 grade 2, $30 grade 3.	50,384.10
W. R. Johnson	Raymond, Wash.	May 22, 1918	60,000	Rived spruce	Rived spruce	102,912	$90 with $40 bonus	13,378.56
Johnson & Hopson	Portland, Oreg.	Feb. 16, 1918	3,000,000	do	do	None.		None.
Liberty Spruce & Pulp Co.	Wilmington, Del.	Oct. 7, 1918	4,000,000	Sawn spruce cants.		None.		None.
Moore Mill & Lumber Co	Bandon, Oreg.	Nov. 1, 1917	2,500,000	Spruce	Airplane Sawn cants Reinstatements	1,820,250 109,625 91,106	$105 per thousand feet.	196,932.58 12,366.92
Edward Murphy	Portland, Oreg.	July 1, 1918		Logging of Government land and stumpage.		7,615,979	Cost plus 50 cents per thousand feet.	8 229,224.98
J. Canby Morgan	do	Jan. 9, 1918	200,000	Fir	Fir	12,465	$55 per thousand feet.	656.62
Do	do	Feb. 15, 1918	300,000	do	do	None.		None.
Archie McDougall	Wheeler, Oreg.	Jan. 29, 1918	40,000	Rived spruce	Rived spruce	5,339	$90 with $40 bonus	694.07
McNeill-O'Hearne Co	Port Angeles, Wash.	Mar. 21, 1918	300,000	do	do	176,667	do	22,966.71
North Bend Mill & Lumber Co.	North Bend, Oreg.	Nov. 1, 1917	1,000,000	Spruce	Airplane Sawn cants	804,578 1,717,877	$105 per thousand feet.	59,519.47 134,371.06
Northwestern Lumber Co.	Hoquiam, Wash.	do	3,600,000	do	Airplane Sawn cants Reinstatement	656,244 610,169 124,443	do	57,186.18 46,407.80
Olympic Spruce Lumber Co.	Seattle, Wash.	Dec. 14, 1917	100,000	do	Airplane	133,072	do	18,455.20
Oregon Pacific Mill & Lumber Co.	Astoria, Oreg.	Dec. 22, 1917	10,000,000	do	Airplane Sawn cants	1,344,753 2,421,877	do	92,493.20 181,175.81
Palmer Logging Co	do	July 1, 1917	12,000,000	Logging of Government land and stumpage.		1,884,248	$26.75 grades 1 and 2, $9 grade 3.	47,709.62

[1] Canceled; see above.
[2] Sawing Government logs.
[3] Sawing and drying logs.
[4] 1 carload.
[5] Logging Government lands and stumping.
[6] To Dec. 31, 1918.
[7] Sawing logs.

Summary of contracts—United States Spruce Production Corporation—Continued.

Contractor.	Contract.		Amount.	Kind of lumber.	Lumber furnished.			Payments made.
	Address.	Date.			Kind.	Quantity.	Rate.	
			Feet.					
Portland Lumber Co	Portland, Oreg.	Sept. 10, 1918		Logging of Government land and stumpage.		None.	Cost plus $1 per thousand feet.	$219,917.11
Port Orford Mills	Astoria, Oreg.	Jan. 7, 1918	450,000	Spruce	Airplane cedar	16,861	$105 per thousand feet.	2 256.94
Quinault Lumber Co	Raymond, Wash.	Nov. 1, 1917	3,600,000	do	Airplane Sawn cants Reinstatements	558,121 1,481,695 275,699	$105 per M	41,807.19 118,667.71
R. D. Spruce Co	do	May 22, 1918	300,000	Rived spruce	Rived spruce	152,742	$90 with $40 bonus	19,646.44
Rocek & White Log Co	Aberdeen, Wash.	Oct. 7, 1918	3,300,000	Logging of Government land and stumpage.		389,224	$25 per M for grade 1, grade 2: $8 per M for grade 3.	[1] 8,739.44
Carl Schotte	Portland, Oreg.	Jan. 29, 1918	5,000,000	Rived spruce		None.		None.
Siems, Carey-H. S. Kerbaugh Corporation.	Seattle, Wash.	May 12, 1918	250,000,000	Sawn spruce cants.		None.		None.
Siler Mill Co	Raymond, Wash.	Apr. 1, 1918	4,500,000	Spruce	Airplane Sawn cants Reinstatements	1,507,437 3,418,185 440,544	$105 per M	120,042.35 254,530.25
Silver Spruce Co	Bay City, Oreg.	Nov. 1, 1917 Sept. 25, 1918	3,600,000 1,800,000	do Fir	Airplane Sawn cants Reinstatements	1,777,665 16,757 144,361	do	128,587.70 1,182.73 None
Sitka Spruce Co	Coquille, Oreg.	Nov. 1, 1917	5,400,000	Spruce	Airplane Sawn cants Reinstatements	3,793,003 27,480 361,524	$105 per M	341,198.31 2,546.79
Solon Schiffman	Bay City, Oreg.	do	720,000	do	Airplane Reinstatements	52,279 4,657	do	4,762.58
Sprague & Soule	Carlisle, Wash.	Oct. 1, 1918	3,000,000	Logging of Government land and stumpage.		None.		None.
A. P. Stockwell Lumber Co.	Copalis, Wash.	Jan. 28, 1918	1,000,000	Spruce	Airplane Sawn cants	81,902 26,465	$105 per M	948,956.94 980.61
C. F. Stone	Tillamook, Oreg.	Jan. 10, 1918	500,000	Rived spruce	Rived spruce	290,583	$90 with $40 bonus	37,278.15
Thorsen Hendricksen Lumber Co.	Portland, Oreg.	Jan. 14, 1918	10,000,000	Spruce	Airplane	107,390	$105 per M	7,246.23
Veness & Malone	Olney, Oreg.	July 1, 1918	12,000,000	Logging of Government land and stumpage.		1,867,737	$20 per M grade 1 and 2; $8 per M grade 3.	[1] 17,364.06
Warren Scott Co	Seaside, Oreg.	Feb. 1, 1918	6,000,000	Rived spruce	Rived spruce	398,282	$90 with $40 bonus	46,040.48
Warren Spruce Co	Portland, Oreg.	Jan. 11, 1918		Spruce cants and logs.	Cants Logs	4,714,871 19,483,870	Cost plus 7 per cent	[2] 4,366,075.26
Wheeler Lumber Co	Wheeler, Oreg.	Nov. 1, 1917	1,500,000	Spruce	Airplane Sawn cants Reinstatements	1,112,952 1,367,183 79,142	$105 per M	47,931.87 89,134.19
White River Lumber Co	Enumclaw, Wash.	Aug. 1, 1918 July 1, 1918	169,669	Sawing of Government logs. do		2,155,405 1,988,973	$9 per M do	[1] 1,983.22 [1] 681.44
Willapa Lumber Co	Raymond, Wash.	Nov. 1, 1917 Feb. 5, 1918	5,400,000	Spruce Total output cants	Airplane Sawn cants Reinstatements Cants	2,220,329 5,660,705 464,601 5,660,706	$105 per M	175,809.25 [3] 274,054.05 [2] 274,054.05
Fred Wilson	Hoquiam, Wash.	Sept. 10, 1918	4,300,000	Logging of Government land and stumpage.		None.		None.
William E. Warren	Astoria, Oreg.	Nov. 27, 1918	990,000	Spruce		None.		None.
Willamette Valley Stock & Land Co.	Corvallis, Oreg.	Nov. 1, 1917	2,700,000	do	Airplane	398,366	$105 per M	36,777.12
Yaquina Bay Ry. & Lumber Co.	Toledo, Oreg.	May 25, 1918		Sawing of Government logs.	Logs sawed	1,274,812	$9 per thousand feet	[1] 11,473.34
Youmans & Thomas	Portland, Oreg.	Jan. 23, 1918	4,500,000	Rived spruce	Rived spruce	292,139	$90 with $40 bonus	37,879.69
Carl R. Schotte	do	June 4, 1918	3,500,000	Spruce logs	Spruce logs	None.		None.
Donovan Lumber Co	Aberdeen, Wash.	Oct. 21, 1918		Sawing of Government logs.	Logs sawed	813,626	$12 per thousand feet (subject to adjustment).	[1] 1,159.66
Hammond Lumber Co	Portland, Oreg.	Sept. 24, 1918		do	do	1,348,129	$8 per thousand feet for sawing; $3 per thousand feet for drying.	[2] 12,253.24
White River Lumber Co	Enumclaw, Wash.	Oct. 15, 1918		do	do	1,145,250	$12 per thousand feet (subject to adjustment).	[1] 1,809.84
Willapa Lumber Co	Raymond, Wash.	Sept. 28, 1918		do	do	4,552,284	do	17,113.84

[1] To Dec. 31, 1918. [2] Above payment includes total amount paid for all operations, including railroad construction and purchase of equipment. [3] To Jan. 8, 1918.

Report No. 637, Sixty-sixth Congress, second session, on Expenditures in the War Department, Aviation, gives many pages to a review of testimony of a hundred or more witnesses taken before that congressional committee, and throughout the report points out unauthorized charges made against the Government and paid by the Federal Treasury. Congressional investigations direct attention of the legal department of the Government to alleged violations of the law, and in that particular investigation, one of five separate investigations in War Department expenditures, the report on aviation specifically points out fraud and overcharges on the Government. Not one prosecution has resulted from such disclosures so far as can be ascertained.

The ablest attorney and jurist in the Cabinet is the Secretary of State, Hon. Charles E. Hughes, who made a report on aircraft frauds and profits during the war, acting under a commission from President Wilson. Mr. Hughes examined a few of the foregoing contracts and arrived at conclusions that warranted prosecution under the Criminal Code and civil proceedings to recover moneys to the Treasury, according to his report. Taking contracts for airplanes and aviation fields centered around Col. Edward A. Deeds at Dayton, his report states:

THIRD. PERSONAL INTERESTS.

There are no common-law offenses against the United States, and a charge of crime under Federal law must rest exclusively upon the violation of a Federal criminal statute. (United States *v.* Eaton, 144 U. S. 677, 687; United States *v.* George, 228 U. S. 422.)

The applicable statutes of the United States dealing with the question of personal interest of officers and agents of the Government in Government contracts are the following:

(1) Section 41 of the Criminal Code of the United States, formerly section 1783 of the Revised Statutes, provides:

"SEC. 41. No officer or agent of any corporation, joint-stock company, or association, and no member or agent of any firm, or person directly or indirectly interested in the pecuniary profits or contracts of such corporation, joint-stock company, association, or firm, shall be employed or shall act as an officer or agent of the United States for the transaction of business with such corporation, joint-stock company, association, or firm. Whoever shall violate the provision of this section shall be fined not more than $2,000 and imprisoned not more than two years."

Under this statute it is not enough that an interested person merely recommends or advises transactions with the Government. To constitute a violation of the statute, the interested person must "be employed" or "act as an officer or agent of the United States for the transaction of business with such corporation," etc.

(2) Section 3 of the act of August 10, 1917 (food and fuel control act), provides:

"SEC. 3. That no person acting either as a voluntary or paid agent or employee of the United States in any capacity, including an advisory capacity, shall solicit, induce, or attempt to induce any person or officer authorized to execute or to direct the execution of contracts

on behalf of the United States to make any contract or give any order for the furnishing to the United States of work, labor, or services, or of materials, supplies, or other property of any kind or character, if such agent or employee has any pecuniary interest in such contract or order, or if he or any firm of which he is a member, or corporation, joint-stock company, or association of which he is an officer or stockholder, or in the pecuniary profits of which he is directly or indirectly interested, shall be a party thereto. Nor shall any agent or employee make, or permit any committee or other body of which he is a member to make, or participate in making, any recommendation concerning such contract or order to any council, board, or commission of the United States, or any member or subordinate thereof, without making to the best of his knowledge and belief a full and complete disclosure in writing to such council, board, commission, or subordinate of any and every pecuniary interest which he may have in such contract or order and of his interest in any firm, corporation, company, or association being a party thereto. Nor shall he participate in the awarding of such contract or giving such order. Any willful violation of any of the provisions of this section shall be punishable by a fine of not more than $10,000 or by imprisonment of not more than five years, or both: *Provided*, That the provisions of this section shall not change, alter, or repeal section 41 of chapter 321, Thirty-fifth Statutes at Large."

This section covers those who act in an advisory capacity. It has no application to transactions occurring before its passage.

It is apparent that the section was guardedly drawn and its limitations should be noted. The first sentence of the section applies to interested persons only where they "solicit, induce, or attempt to induce" any person or officer who is "authorized to execute, or to direct the execution of contracts," to make any contract or give any order for labor, services, materials, etc. The use of different expressions in the different clauses of the section suggest possible shades of meaning. The act of recommending does not come within the first sentence unless it is found to amount to "soliciting," "inducing," or "attempting to induce," nor does the first sentence cover solicitations addressed to others than the persons or officers duly authorized to make the contracts or give the orders.

The second sentence relates to "recommendations" by interested persons, but it is limited to recommendations made "to any council, board, or commission of the United States, or any member or subordinate thereof" in the absence of the disclosure described. Apparently this sentence does not cover recommendations made to individual officers acting under the authority conferred upon them by law, who are not members or subordinates of a "council, board, or commission."

The third sentence provides that the interested person shall not "participate in the awarding of such contract or giving such order." This would seem to relate to those who take part in the actual awarding of the contract or giving of the order and not to those who act in an advisory capacity only.

The section concludes with the proviso that its provisions shall not alter or repeal section 41 of the Criminal Code above quoted.

To come within these statutes an interested person must either (1) act as an officer or agent of the Government for the transaction of business with the concern in which he is interested, or (2) solicit, induce, or attempt to induce the person or officer who is authorized to execute or direct the execution of contracts to make a contract with, or give an order to, the concern to which the interest relates, or (3) take part in a recommendation to a "council, board, or commission" or subordinate or members thereof, without the disclosure stated, or (4) participate in the award of the contract or giving of the order.

In connection with these statutes attention may be called to the following provision, which appears as a rider in the appropriation act of March 3, 1917, immediately following an appropriation for the distribution of documents (39 Stat. p. 1106):

"*Provided*, That on and after July 1, 1919, no Government official or employee shall receive any salary in connection with his services as such an official or employee from any source other than the Government of the United States, except as may be contributed out of the treasury of any State, county, or municipality, and no person, association, or corporation shall make any contribution to, or in any way supplement the salary of, any Government official or employee for the services performed by him for the Government of the United States. Any person violating any of the terms of this proviso shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine of not less than $1,000 or imprisonment for not less than six months, or by both such fine and imprisonment, as the court may determine."

It will be noted that this provision, enacted in March, 1917, is not to be operative until July 1, 1919. It may be contended with force that this constitutes a legislative declaration, by implication, that the action described by the provision—that is, the mere supplementing of the pay of Government officials by private contributions—should not be deemed contrary to law prior to the date fixed.

INDIVIDUAL RELATIONS OF OFFICIALS.

* * * * * * *

OFFICERS OF THE SIGNAL CORPS FORMERLY IN CONTROL OF AIRCRAFT PRODUCTION.

(1) The Chief Signal Officer: It does not appear that General Squier had any interest in any corporation or concern transacting business with the Signal Corps. The defects in the organization, which was created under his direction for the purpose of aircraft production, are matters distinct from any question of personal interest and will be considered in another division of this report.

(2) Col. Edward A. Deeds: The charges pertaining to personal interest in Government contracts relate particularly to Col. Edward A. Deeds and grow out of the highly suggestive transactions with his former business associates at Dayton. These transaction have been subjected to careful scrutiny.

Colonel Deeds was born near Granville, Ohio, on March 12, 1874. There is testimony that he once said that his name originally was "Dietz." No public record has been found to this effect. Colonel Deeds denies making the remark attributed to him and states that his family has borne the name of Deeds for at least four generations—his great-grandfather of that name coming from Pennsylvania. For many years Colonel Deeds was an officer of the National Cash Register Co., and was one of several connected with that organization who were indicted in the Federal District Court for the Southern District of Ohio, in 1912, for violation of the Sherman Antitrust Act. Upon the trial Deeds, with other defendants, was convicted, but this conviction was set aside by the Circuit Court of Appeals (Patterson *v.* United States, 222 Fed. 599), and the prosecution went no further.

At the time of our entry into the war Mr. Deeds had large business interests at Dayton. His intimate business associates were Charles F. Kettering and H. E. Talbott. Mr. Deeds and Mr. Kettering (an inventor and engineer of ability) have been jointly associated in many enterprises with equal shares, it being their policy to organize corporations and to take their respective interests in stocks. Mr. Deeds has supplied the financial talent and Mr. Kettering, who is without any aptitude for business details, the engineering skill. They have had, and still have, a common agent of a highly confidential sort, George B. Smith, of Dayton, who holds the power of attorney of each, keeps their respective books, has charge of their bank accounts, signs their checks, and generally looks after their financial affairs. They are still associated in various undertakings and their relations are of the most intimate character.

In 1904 Kettering was employed in the National Cash Register Co. as a designer in the engineering department, and later he became associated with Deeds in the development of what is known as the Delco ignition systems for automobiles. In the course of this development Deeds and Kettering organized the Dayton Engineering Laboratories Co., known as the Delco Co. The enterprise was successful and the common stock was sold by Deeds and Kettering in 1916 to the United Motors Corporation for several million dollars in cash and certain shares of stock. Deeds and Kettering each retained a few shares of preferred stock; Deeds continued as president of the corporation, with a salary of $60,000 a year, and Kettering as vice president, with a salary of $50,000.

In April, 1915, Deeds, Kettering, H. E. Talbott, sr., and his son, H. E. Talbott, jr., organized the Dayton Metal Products Co. with a capital stock of $200,000. The stock was held as follows: Talbott, sr., 900 shares; Deeds, 500 shares; Kettering, 499 shares; Talbott, jr., 99 shares; Charles H. Mead, 1 share; and George B. McCann, 1 share. Prior to our entry into the war this company had profitable fuse contracts with the British Government and had accumulated a considerable surplus. It appears that in the spring of 1917 both Deeds and Talbott were appointed on the subcommittee on fuses and detonators of the Munitions Standards Board. In 1916 the company had a contract with the Navy Department for fuses, and it received other fuse contracts from the Navy and the Ordnance Department of the Army in 1917. As vice president of this company Deeds had a salary of $25,000 a year. The relation of the Dayton Metal Products Co. to aircraft production is that this company, in the latter part of the year 1917, acquired all the stock (save four qualifying shares) of the Dayton-Wright Airplane Co. and also has subcontracts for metal parts with contractors making airplanes and engines. The Dayton Metal Products Co. also subscribed and paid for 1,000 shares (par value $100,000) of the stock of the Lincoln Motor Co. which was organized to build Liberty engines and has a paid-up capital stock of $850,000.

In September, 1916, Deeds and Kettering organized the Domestic Building Co., of Dayton, for the purpose of erecting and financing plants for the use of various companies. The capital stock is now $1,000,000, of which all but four qualifying shares are held by Deeds and Kettering in equal parts. This company owned the land and erected the building acquired by the Dayton-Wright Airplane Co. for its principal airplane plant.

On April 9, 1917, the Dayton-Wright Airplane Co. was incorporated with a capital stock of $500,000 by Deeds, Kettering, H. E. Talbott, and H. E. Talbott, jr., in conjunction with Orville Wright. They had taken over the former Wright organization and thus had started an airplane enterprise at Dayton in a small way in the summer of 1916. The larger enterprise of the Dayton-Wright Airplane Co. was launched about the time of our entry into the war, manifestly with the expectation of obtaining Government contracts. While Deeds was one of the incorporators, he did not become a stockholder, the subscriptions for the first 5,000 shares being as follows: H. E. Talbott, 1,990 shares; C. F. Kettering, 2,000 shares; H. E. Talbott, jr., 900 shares; George H. Mead, 10 shares; and C. A. Craighead, 10 shares. In August, 1917, the capital stock was increased to $1,000,000 ($600,000 common and $400,000 preferred). The new common stock was taken by the Messrs. Talbott and Kettering in the proportion of two-fifths, two-fifths, and one-fifth. There were early negotiations for a Government contract, and as early as June 12, 1917, a contract with the company was recommended by the Aircraft Production Board. The contract was executed on August 17, 1917 (under date of August 1, 1917), and was for 40 Standard J–1 training planes at the fixed price of $6,500 each. For this, there was substituted the contract dated September 7, 1917, which was also recommended by the Aircraft Production Board and was approved by General Squier. This contract was for 400 Standard J airplanes, 2,000 De Haviland 9's, and 1,500 Martinsydes with spare parts. By later modifications the Martinsydes and De Haviland 9's were omitted and provision was made for 4,000 De Haviland 4's. These contracts were on a cost-plus basis, the estimated amount involved being upward of $30,000,000. There was to be a fixed profit of $620 on each Standard J plane and $875 on each De Haviland, making a total fixed profit of about $3,750,000, exclusive of fixed profit on spare parts covered by the contract, thus expected to be earned, according to the contemplated deliveries, before the end of 1918. The contract also provided for additional profits to the extent of 25 per cent of the saving under the bogey or estimated cost of the planes ($7,000 on the De Havilands), and it is estimated that the additional profit on this basis would have amounted to over $2,600,000. When the bogey cost of $7,000 was fixed letters were obtained from the Dayton-Wright Airplane Co. and from the Fisher Body Corporation (which also had a contract for De Havilands), that after 250 machines had been produced there would be an equitable adjustment if the bogey cost was found to be "materially wrong." Accordingly, a contract is now about to be signed reducing the bogey cost to $5,000 and the fixed profit to $625 per plane. Even at this rate the fixed profit on the 4,000 De Havilands will be $2,500,000, and it is believed that there will be an additional profit through saving under the bogey cost and on spare parts of not less than $1,000,000. In August and September, 1917, when the first Government contracts were awarded, the capital stock of the company ($1,000,000) had not been paid in. It was not paid in until December 1, 1917, when, in one transaction, the stock was paid for and all the shares, preferred and common, save five qualifying shares, were transferred to the Dayton Metal Products Co., which thus became and still remains the owner of the Dayton-Wright Airplane Co. As the latter company practically received nothing on the issue of its capital stock save the fixed property represented by its plants, it was lacking in working capital, and this at the outset was supplied by various loans and advances of the interested parties. In December the Government agreed to advance the company $2,500,000, of which $1,500,000 was advanced at once.

The name of Orville Wright was used in this enterprise, but his chief activity has been as a consulting engineer in connection with experimental work. He has not been responsible for production. Mr.

Kettering is an engineer of ability, but his work also has been that of experimental engineering; he is not a manufacturing or production expert. Much emphasis is placed by the parties concerned upon the fact that they were able to avail themselves of the old Wright organization, which had been continued as already stated. But this was a very slender basis for the prompt selection of this newly organized company, which had not even completed its financial arrangements, as one of the few companies immediately admitted to the advantages of large and highly profitable Government contracts. The promoters of this enterprise, not content with these profits which were to accrue to them, either directly or through their ownership of the Dayton Metal Products Co., at once took advantage of the opportunity to increase their gains by salaries as executive officers of the Dayton-Wright Airplane Co. Dating from August 1, 1917, the salaries thus allowed were as follows: H. E. Talbott, sr., $35,000; C. F. Kettering, $35,000; and H. E. Talbott, jr. (30 years old, who was made president of the company), $30,000. Talbott, sr., was at the time receiving, and continued to receive $60,000 a year as president of the Dayton Metal Products Co.; Kettering received a salary of $25,000 from the Dayton Metal Products Co. and $50,000 from the Delco Co.; and Talbott, jr., was also receiving a salary of $18,000 from the Dayton Metal Products Co.

There would seem to be no question but that the members of the Aircraft Production Board in recommending contracts had confidence in the capacity of those undertaking the venture, and the previous success of this group while Mr. Deeds had been associated with them was well known. But the fact remains that practically at the inception of the Government's aviation activity in connection with the war and within the sphere of Colonel Deeds's important, if not commanding, influence, his former business associates were placed at once through Government contracts in a position where they had the assurance of very large profits upon a relatively small investment of their own money, and in addition were able to secure generous salaries, which they charged against the Government as part of the cost of manufacture.

That Deeds, Kettering, and Talbott continued to be on the most intimate and confidential footing in connection with the prosecution of the Government work by the Dayton-Wright Airplane Co. is apparent from their correspondence, of which the following are excerpts:

[Letter Deeds to Kettering, June 13, 1917.]

WASHINGTON, *June 13, 1917.*

Mr. C. F. KETTERING,
City National Bank Building, Dayton, Ohio.

MY DEAR C. F.: You will be interested to know that the standard training machine is going to be called the U. S. primary training, and will not be called the Curtiss J. N. This was decided last week, and I forgot to tell you when in Dayton.

Provision will be made for either Mr. Coffin or myself to appear before the S. A. E. (Society of Automotive Engineers), and as I am one of the committee of arrangements, will see that the plans of the Aircraft Production Board get properly before the association.

Relative to the design of planes, I do not care to write what is being done, but will discuss it with you when I get home and you will see that we have already gone away down the pike in this matter. Everything is lining up now in pretty good shape.

Yours very truly,

E. A.

—

[Telegram Deeds to Talbott, July 3, 1917.]

JULY 3, 1917.

Mr. H. E. TALBOTT, *Dayton, Ohio:*

General Squier went direct to Detroit. Will probably spend Fourth at his old home in Michigan. May be in Dayton Thursday or Friday, arriving there from Detroit or from Champaign, Ill. Harold, Kettering, and Wright can take care of him. He will be interested in the Dayton-Wright factory and laboratory, Orville Wright laboratory, and especially Mr. Kettering's views on scientific subjects. In general, he is highly technical.

E. A. DEEDS.

—

[Telegram Kettering to Deeds, August 4, 1917.]

DAYTON, OHIO, *August 4, 1917.*

E. A. DEEDS,
Room 527, Munsey Building, Washington, D. C.:

We believe all confidential telegrams should be sent to Mr. H. E. Talbott, sr., City National Bank Building, or George B. Smith, instead of the Dayton-Wright Airplane Co.

C. F. KETTERING.

—

[Telegram Deeds to Kettering, August 4, 1917.]

AUGUST 4, 1917.

Mr. C. F. KETTERING,
City National Bank Building, Dayton, Ohio:

Hereafter all confidential telegrams will be sent to H. E. Talbott, sr., instead of to the Dayton-Wright Airplane Co.

E. A. DEEDS.

—

[Telegram Deeds to Talbott, September 16, 1917.]

OLD POINT, VA., *September 16, 1917.*

H. E. TALBOTT, *Dayton, Ohio:*

For your personal information as coming from your local attorney. Judge Advocate General has ruled it legal for Government to select one, contractor one, and the two a third, as appraisers of market value of plant at expiration of contract. If you care to raise the question the above will be found to be the final ruling.

E. A. DEEDS.

When this last telegram, which puts in a stronger light the relations of the parties, was sent, Deeds was an officer in the Army. This highly improper conduct in holding communication in this manner with his former business associate in a transaction pending between the Dayton-Wright Co. and the Government department in Colonel Deeds's charge demands the attention of the military authorities.

But evidence of favoritism, influence, or confidential communications of this sort, however otherwise reprehensible, do not make out criminal liability under the statutes above quoted, unless it appears that the representative of the Government has a pecuniary interest in the Government contract or order, or is an officer or stockholder of, or has a pecuniary interest in, a corporation, firm, or association which is a party to the Government contract or order. And the question is whether Colonel Deeds had such an interest. His statement is that he had no such interest, but, on the contrary, had given up large salaries to devote himself to the Government service.

The facts with respect to the disposition of Colonel Deeds's interests (so far as pertinent to this inquiry) and the method of disposition are as follows:

UNITED MOTORS CORPORATION, DAYTON ENGINEERING LABORATORIES CO.

* * * The only transfer made by him of any of his shares in that company was by gift to his wife. He indorsed, for transfer, the certificates for 17,500 shares on October 13, 1917, and they were transferred to Mrs. Deeds's name on October 17, 1917. * * *

* * * If there were evidence that Colonel Deeds had acted as officer or agent of the Government in the transactions with the Delco Co., or with the United Motors Corporation, prior to October 13, 1917, there would be ground by reason of his interest for charging a violation of the statute, and it may be doubted whether there was then or thereafter such a transfer as would avail to take the case out of the statutory prohibition. But there is no evidence that Deeds acted for the Government in any transaction with either of these corporations. So far as appears, the Government made no contracts for Delco ignition either with the Delco Co. or with the United Motors Corporation. The contracts for the Delco system were made by the contractors who were manufacturing the engines under contracts with the Government, and the dealings with the Delco Co. or with the United Motors Corporation in relation to the Delco system were had by these contractors. * * *

* * * His statement to the Aircraft Production Board on August 28, 1917, that he had made a bona fide transfer of all his stock in the United Motors Corporation, when the stock had not in fact been transferred, and at most he contemplated a gift of the stock to his wife, was neither candid nor truthful, and is certainly not to be regarded as a "full and complete disclosure." But in the absence of proof of solicitation, inducement, or recommendation by him, or action on his part as an officer or agent of the Government in transactions with the United Motors Corporation or the Delco Co., there are no facts bringing the case within the statutory prohibition.

DOMESTIC BUILDING CO.

In his letter of August 28, 1917, to the Aircraft Production Board, Colonel Deeds stated that he had made a bona fide transfer of his stock in this company. This was not true. It appears that on that date he resigned the office of president of the company, but he did not dispose of his stock. The stock of that company is still held in equal portions by Deeds and Kettering.

Colonel Deeds was plainly led to make the statement in his letter by the fact that the Domestic Building Co. had acquired the land and had erected the building which was in course of completion and was then occupied and intended to be used as the principal plant of the Dayton-Wright Airplane Co. for the manufacture of airplanes. It is said that in anticipation of a lease of the property to the Dayton-Wright Airplane Co. it had been agreed prior to August 28, 1917, that Deeds's stock in the Domestic Building Co. should be sold to Kettering. But there is not sufficient evidence of a definite and binding agreement to that effect, or of anything more than a loose understanding between intimates, whose arrangements could at any time be adjusted to suit their mutual convenience. Certainly there had been no transfer of the stock. It was not until November that there was an adjustment of accounts with this company, and then, instead of a sale of his stock by Deeds, he retained his stock in the Domestic Building Co., and the plant erected by that company was purchased by Talbott, sr., Kettering, and Talbott, jr., who at once transferred it to the Dayton-Wright Airplane Co. * * *

DAYTON-WRIGHT AIRPLANE CO.

Colonel Deeds's statement in his letter of August 28, 1917, that he had never been a stockholder in this company was true. The stock is owned by the Dayton Metal Products Co., and if Colonel Deeds had or has any interest through stock ownership in the profits on its contracts with the Government this interest must be derived from an interest in the stock of the Dayton Metal Products Co.

His relation to the organization of the Dayton-Wright Airplane Co. is this: He was an incorporator, and while he did not subscribe for stock and none was issued in his name, the payment of the stock of the company to the extent of upward of four-fifths of its par value was made, in substance, by the transfer to the company of the plant built by the Domestic Building Co., owned by Deeds and Kettering, and this company received therefor unsecured notes of Talbott, sr., Kettering, and Talbott, jr., only a small part of which has been paid. Thus, Deeds and Kettering, through the Domestic Building Co., virtually furnished the main plant of the Dayton-Wright Airplane Co. on a credit to the Talbotts and Kettering. The transaction was as follows:

The airplane factory was erected on a tract which the Domestic Building Co. had acquired from the Moraine Development Co. (a corporation in which Deeds and Kettering were largely interested) at a price little over $753 an acre. The building was intended for the use of the Domestic Engineering Co., another concern owned by Deeds and Kettering, which was engaged in the business of supplying Delco lights for general illuminating purposes. It was later decided that it should be used by the Dayton-Wright Airplane Co., which entered into possession.

Still later, it was arranged that the syndicate composed of Talbott, sr., Kettering, and Talbott, jr., should purchase the plant from the Domestic Building Co. and convey it to the Dayton-Wright Airplane Co. In November, 1917 (while the building was still incomplete), Mr. Allan R. Smart, a public accountant (of Barrow, Wade, Guthrie & Co.), made an adjustment of the accounts of Deeds, Kettering, Talbott, sr., and Talbott, jr., for various advances, and a balance was struck of $683,732.16 as owing to the Domestic Building Co. In this adjustment the land (25.55 acres) was taken at $1,200 an acre, and the building at the amount of the expenditures upon it, making the price of the plant (called the Moraine plant) $836,401.08. The balance of $683,732.16 was covered by three individual notes of Talbott, sr., Kettering, and Talbott, jr., in the proportion of two-fifths, two-fifths, and one-fifth, as follows: H. E. Talbott, $273,492.87; C. F. Kettering, $273,492.87; and H. E. Talbott, jr., $136,746.43. All of the notes were dated November 4, 1917, and were payable to the Domestic Building Co. one year after date with 6 per cent interest. The notes are unsecured. The makers of the notes have paid interest quarterly; and, in addition, Talbott, sr., has paid $3,492.87 on the principal of his note, reducing it to $270,000, and Talbott, jr., has paid $26,746.43 on the principal of his note, reducing it to $110,000. It appears that Mr. Kettering has

made payments of $6,000. This transaction left the Talbotts and Kettering as the owners of the Moraine plant, which the Dayton Wright Airplane Co. was operating, and the stock of the Dayton Wright Airplane Co. for which they had subscribed had not been paid in.

The payment of the subscriptions for the stock of the Dayton Wright Airplane Co., the concurrent payment by that company for two plants (the Moraine plant, already mentioned, and another at Miamisburg), and the transfer of its stock, thus paid for, to the Dayton Metal Products Co. were effected by an exchange of checks on December 1, 1917. Shortly before, the Miamisburg plant had been acquired by Talbott, sr. (for the syndicate) for the sum of $60,000 and was turned over to the Dayton Wright Airplane Co. at $127,202, the profit being divided between himself, Kettering, and Talbott, jr., according to their respective interests in the syndicate.

To accomplish the desired result, the following procedure was adopted:

The Dayton Wright Airplane Co. gave to the syndicate its check for the sum of $955,071.25, made up of the purchase price of the Moraine and Miamisburg plants ($836,401.08 less an item of interest ($8,531.83) for the Moraine, or main plant, and $127,202 for the Miamisburg plant). The Dayton Metal Products Co. gave its checks to the syndicate for $183,459.55 for various balances of accounts and for $999,500, the purchase price at par of the stock of the Dayton Wright Airplane Co. (less five shares retained). The syndicate thus received checks to the aggregate amount of $2,138,030.80. The syndicate gave their check to the Dayton Wright Airplane Co. in payment of the capital stock of $1,000,000 and another check to the Dayton Metal Products Co. for $1,136,537.20 as the purchase price of certain securities which the Dayton Metal Products Co. sold to the syndicate, making the total of the syndicate's checks $2,136,537.20. The Dayton Wright Airplane Co. gave its check to the Dayton Metal Products Co. in repayment of advances for $44,928.75, the difference between the sum of $955,071.25 paid by the company for the plants and the sum of $1,000,000 received for its stock. The transaction was accomplished with a minimum use of cash (less than $1,500), and as a result the Dayton Metal Products Co. had all the stock (save five shares) of the Dayton Wright Airplane Co.; the Dayton Wright Airplane Co. had the Moraine and the Miamisburg plants; Messrs. Talbotts and Kettering had the securities which they had purchased from the Dayton Metal Products Co.; and the Domestic Building Co. (owned by Deeds and Kettering) continued to hold the notes which the Talbotts and Kettering had given to that company on the settlement in November.

* * * * * * *

DAYTON METAL PRODUCTS CO.

Colonel Deeds originally held one-fourth of the stock of this company, or 500 shares. It appears from the minutes of the board of directors that at a meeting of the board in Dayton on May 21, 1917, President Talbott stated that the company had been advised by the Ordnance Department of the Army "that, in all probability, the entire facilities of the company would be utilized for munition work, and, in all probability, contracts would be given to the company as soon as appropriations were made by the Government." It is further set forth "that Mr. E. A. Deeds explained that he had been called to Washington and requested to take place on some of the committees of the Council of National Defense; that he had been to Washington and that he had accepted the call; and he therefore desired it that he might act as uninterested, directly or indirectly, in any manufacturing plant which was contemplating business with the Government, and that he desired to offer his resignation as vice president and as director of the company." The minutes show the acceptance of this resignation and that Mr. Kettering was elected vice president. The minutes of the meeting of May 21, 1917, conclude with the following statement:

"At this meeting Mr. Deeds offered for sale and discussed probable purchasers for his stock in the Dayton Metal Products Co., and Mr. Deeds offered to the directors his entire holdings of stock at its book value less 15 per cent to cover costs and probable losses in view of the possibility of no future Government contracts being secured and the business of the company would have to be readjusted into lines being developed by the experimental department."

Some time subsequently—in the early part of the year 1918—the accountant drew a line across the last-mentioned statement in the minutes. He explains that he did not consider it "a corporate record," but a matter between the stockholders.

The testimony of the parties concerned is that Talbott, sr., Kettering, and Talbott, jr., purchased all Deeds's shares in the Dayton Metal Products Co. at their book value as of May 1, 1917, less 15 per cent, and gave in settlement of the purchase price their notes, as follows:

H. E. Talbott, 200 shares	$207,706
C. F. Kettering, 200 shares	207,706
H. E. Talbott, jr., 100 shares	103,853

The notes were dated May 22, 1917, were payable to Deeds's order one year after date, with interest at 4½ per cent, and were placed in the hands of George B. Smith, the confidential agent of Deeds and Kettering. The notes were wholly unsecured. According to the stock certificate book the old certificates were canceled and new certificates issued to the Talbotts and Kettering under date of May 22, 1917.

It is not only open to doubt whether the transaction described in the minute book took place on May 21, 1917, but on all the evidence it is reasonably clear that it did not take place on that date. The minutes are typewritten and pasted in the minute book. No one of the parties is willing to testify positively that the proceedings described in the minutes took place on that day. Mr. S. S. King, of the Dayton Lumber & Manufacturing Co., has testified that he and Deeds went to Washington on the same train on May 18, 1917, and that they were in communication every day in Washington, from May 19 to 23. Furthermore, it appears that on May 21, 1917, when Mr. Deeds is represented as making his statement at the meeting of directors in Dayton, he was making his first appearance, according to the minutes of the Aircraft Production Board, at a meeting held by that board on that day in Washington. He himself testifies that he was in Washington on that day. While Mr. Deeds is represented as resigning his office as vice president of the Dayton Metal Products Co. in May, 1917, he continued to draw his salary until the end of June, 1917. The notes were placed in the custody of the confidential agent Smith, but he made no entry in Deeds's bills receivable book of these notes until September. It does not satisfactorily appear, in view of the nature of some of the items, that the adjustment of accounts in fixing the book value and the determination of the amounts of the notes could have been made before June 30, 1917. There are stock certificates bearing the date of May 22, 1917, and purporting to have been issued after the issue of the new certificates to the Talbotts and Kettering for the Deeds share, but these certificates were issued to members of the Talbott family, dividing the shares he had formerly held.

Upon all the evidence it is not established that the stock was purchased as early as May 22, 1917, and there are many indications that the transaction was dated back to that date.

However, Colonel Deeds's stock was actually transferred on the books of the company, and the notes dated May 22, 1917, were given apparently not later than September, 1917.

On December 31, 1917, interest was paid by the makers on their respective notes to that date; and interest was paid quarterly thereafter. On January 18, 1918, Talbott, sr., paid $7,706 on account of the principal, reducing his note to $200,000; in February, 1918, Talbott, jr., paid $3,853 on account of the principal, reducing his note to $100,000, and on September 11, 1918, Kettering paid, on account of his note, the sum of $10,000.

If the transaction was a bona fide sale of the stock, Colonel Deeds thereby parted with all his stock interest in the Dayton Metal Products Co., and thus did not have, by virtue of an interest in that stock, an interest in the profits of the Dayton Wright Airplane Co. The parties all deny that there is any secret agreement or option or understanding of any sort for a retransfer of the shares to Colonel Deeds, or for a sharing of profits with him.

To conclude: The fact is that the transfer of the shares in the Dayton Metal Products Co., which owns the stock of the Dayton Wright Airplane Co., was made to Colonel Deeds's intimate business associates on their unsecured notes, which are overdue and unpaid save to a small extent. But there is no proof upon which it can be charged that Colonel Deeds retained an interest in the Dayton Metal Products Co., and thereby in the Dayton Wright Airplane Co.

OTHER AVIATION ACTIVITIES CENTERED AT DAYTON—THE WILBUR WRIGHT FIELD.

This is a tract of about 2,245 acres leased to the Government by the Miami conservancy district, of which Mr. Deeds was the head. It was a portion of the area selected by the Miami conservancy district for the impounding of waters in the event of a serious flood. The property was acquired by the Government for a flying field and was developed by the erection of hangars, barracks, a storehouse, and other structures. Upward of $3,000,000 has been expended by the Government in this development.

* * * * * * *

It appears from the testimony of Ezra M. Kuhns, the secretary of the Miami conservancy district, that at the time of our entry into the war the district had been able to secure options on only about 300 acres of the tract in question, but when negotiations with the Government began there was swift action. Mr. Deeds had brought the matter to the attention of Mr. Waldon as early as April 24, 1917, and had sent to him one of the district's engineers with maps. The following telegrams show the activity of Deeds and Talbott:

[Telegram Deeds to Kuhns, April 30, 1917.]

WASHINGTON, D. C., *April 30, 1917.*

EZRA M. KUHNS,
Miami Conservancy District, Dayton, Ohio:

Subject of our trip yesterday moving very rapidly and very satisfactorily. There is no doubt in my mind but what we will be successful. Avoidence of publicity very essential. Inspection will be made end of this week or first of next. You and Morgan (Morgan was the engineer of the Miami conservancy district) must plan now as though it was decided.

E. A. DEEDS.

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[Telegram Deeds to Kuhns, April 30, 1917.]

WASHINGTON, D. C., *April 30, 1917.*

EZRA M. KUHNS,
Miami Conservancy District, Dayton, Ohio:

Options should be rushed in the vicinity of Fairfield, raising the price if necessary.

E. A. DEEDS.

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[Telegram Deeds to Kuhns, April 30, 1917.]

WASHINGTON, D. C., *April 30, 1917.*

EZRA M. KUHNS,
Miami Conservancy District, Dayton, Ohio:

Ohio State University is ordered to-day to cooperate with the Dayton school, and Magruder, Lord, and Knight instructed to report at Camp Borden, Canada, Monday to learn course of instruction. Publicity will follow these instructions, and no one outside of Signal Corps officers know of our plan for the larger school, and, so far as everyone is concerned, Dayton school is the Wright Field civilian school. Think you should advise Wright, Morgan, Harold Talbott, and Kettering, so that they will not disclose anything inadvertently. The civilian school will continue, regardless of what is done with the other plan, and Ohio State will give the preliminary instruction in military tactics and all classroom work, while the Wright Field Co. will give the instruction in aviation. Harold Talbott should be the channel through which publicity is given out, and there is no objection using the last statement, if called upon.

E. A. D.

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[Telegram Deeds to Talbott, May 11, 1917.]

WASHINGTON, D. C., *May 11, 1917.*

H. E. TALBOTT,
Dayton, Ohio:

Think your whole plan ideal.

E. A. DEEDS.

—

[Telegram, Talbott to Deeds, May 11, 1917.]

MAY 11, 1917.

E. A. DEEDS,
Care New Willard, Washington, D. C.:

Contracts remaining secured to cover 2,500 acres will be closed by to-morrow evening. Will start Monday on immediate possession of land so the fields will be ready when buildings are finished. This applies to central 1,000 acres in front of building. Builders may retain use of buildings and barns for a few months, and in some cases until winter, but main fields must be prepared without delay if they are to be used

this fall. Think best to give no reason for immediate possession, and feel sure we can arrange it. We can arrange financial matters as suggested. Wire if you approve.

H. E. TALBOTT.

—

[Telegram, Deeds to Talbott, May 11, 1917.]

WASHINGTON, D. C., *May 11, 1917.*

H. E. TALBOTT,
City National Bank Building, Dayton, Ohio:

With few exceptions owners can, if necessary, continue to live in their houses for a year, thus avoiding necessity of moving this summer. Their teams will be employed, giving revenue to them. District wants to try out flying on a large scale, and wants to try experiment at once. This is only a suggestion. You doubtless may have a better one. May be necessary to exercise option at once, and if so, I will gladly go on district's note for full amount.

E. A. DEEDS.

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[Telegram, Deeds to Talbott, May 12, 1917.]

WASHINGTON, D. C., *May 12, 1917.*

H. E. TALBOTT,
City National Bank Building, Dayton, Ohio:

Suggest Kuhns, Emmett, Grant, and Brown be here Monday morning for conference on conservancy bringing description of entire 2,500. Tax value and tax rate of property under discussion. Will be helpful. Publicity can be delayed at this end without difficulty. Everything moving nicely.

E. A. DEEDS.

The partiality for this site does not appear to have been warranted by any advantages it can be said to possess. Indeed, no satisfactory reason appears for the securing of so large a tract, as apparently 1,400 or 1,500 acres would have answered the purpose.

Fields of about 650 acres were selected at Rantoul and Detroit for two-quadron fields and the field at Dayton was for four squadrons. Both the leasehold interest and the option to purchase are subject to a flood easement. The evidence is that in case of a flood, such as that of the year 1913, the impounded water—that is, after the completion of the dam, which it is understood will be completed in two or three years—would cover the lowland to a depth of about 40 feet; the lowest hangar would have 24 feet of water—that is, over the eaves—and the highest hangar would have 13 feet of water. The barracks and various buildings which stand on higher ground would not be seriously affected. The warehouse itself—a large structure—is in a dry place; and the suggestion that some of the property stored there during the past year has suffered from moisture is not supported. Aside from the consequences of flood in the Miami Valley and the use of the area as a detention basin, it should be added that a considerable part of the tract consists of swamp land which is unsuitable for the use for which it was leased.

* * * * * * *

THE CONTRACT FOR THE DEVELOPMENT OF THE WILBUR WRIGHT FIELD.

The next step was the placing of the contract for development. The contract was signed by Captain Edgar under the direction of the Chief Signal Officer and its terms were not unreasonable. It was on a cost-plus basis with a sliding scale, which as applied to the amount actually expended gives the contractor a commission of 7 per cent with a maximum limit of $140,000. The contractor, the Dayton Lumber & Manufacturing Co., was recommended by Deeds. This company had done nothing in an extensive way for several years, having been engaged since the year 1908 in selling material, and in operating a planing mill and a lumber yard. Its capital stock was $75,000. Prior to April, 1917, one S. S. King had owned 117 of the 750 shares. King's holdings were then increased to 417 shares, and in acquiring these 300 shares King was backed by H. E. Talbott, who as president of the City National Bank of Dayton arranged for a loan of $60,000 for the purpose. King wrote Talbott on April 25, 1917: "As to the ownership of the stock, if you see fit to back me up in it this can be determined in any manner that you see fit." It was not long after the control of the Dayton Lumber & Manufacturing Co. was thus acquired that the arrangement was made for giving to this company the contract to develop Wilbur Wright field. King's narrative of the circumstances in which this contract was obtained is very illuminating, and affords a notable contrast to the difficulties of many who unavailingly sought contracts with the Government.

King was sent for by Talbott and informed that he (King) had been "recommended down at Washington to assume the responsibility of putting up some buildings for Wilbur Wright field," and suggested that he immediately set about effecting an organization for the purpose. This was on Saturday, May 17, 1917, and on Sunday Talbott telephoned to King, asking him to leave immediately for Washington. Accordingly King went to Washington on Sunday afternoon, taking the same train with Deeds. It was arranged that King should call the next day at Deeds's office, which he was informed was on the same floor with that of the contracting officer, Captain Edgar. Accordingly on the following day, May 19, Deeds introduced King to Captain Edgar, and in two or three days, on May 23, the contract was signed. As Colonel Edgar testifies: "King was brought down here by Colonel Deeds and recommended to us as a proper contractor, the most available in Dayton for the work."

The following is a portion of the correspondence between Deeds and Talbott relating to this contract:

[Telegram, Deeds to Talbott, May 23, 1917.]

WASHINGTON, D. C., *May 23, 1917.*

H. E. TALBOTT,
City National Bank Building, Dayton, Ohio:

King probably returns to Dayton this evening. He is undertaking something which he alone is unable to get through with. It will be important that you give him a vision of this job and some very definite suggestions how to hit it in a big way. This is the biggest undertaking that has ever been put across in Dayton.

E. A. DEEDS.

—

[Telegram, Deeds to Talbott, May 23, 1917.]

WASHINGTON, D. C., *May 23, 1917.*

H. E. TALBOTT,
Dayton, Ohio:

Suggest you personally direct publicity regarding contract to be given soon, so that it will avoid criticism and at the same time tell the story. This is particularly vital because of Captain Waring to start work Friday and the visitors whom I am bringing, who may read the papers. Your good judgment is needed on this.

E. A. DEEDS.

—

[Telegram, Deeds to Talbott, May 24, 1917.]

WASHINGTON, D. C., *May 24, 1917.*

H. E. TALBOTT,
City National Bank Building, Dayton, Ohio:

In arranging for contract do not overlook a local contractor and lumberman in Osborne. Ezra Kuhns knows his name. He has been friendly to us and I promised him something to do on this job.

E. A. DEEDS.

—

[Telegram, Talbott to Deeds, May 28, 1917.]

MAY 28, 1917.

E. A. DEEDS,
Care New Willard, Washington, D. C.:

Just to remind you chartered accountants of Government selection, expense to be paid by contractor and charged to cost of work. Piecework for labor only on various unit sections in various classifications of work will do much toward speed and economy. Each individual transaction to have the approval of officer in charge before it is effected.

H. E. TALBOTT.

—

[Telegram, Deeds to Talbott, May 31, 1917.]

MAY 31, 1917.

H. E. TALBOTT, Sr.,
Dayton, Ohio:

Wire what progress has been made on Dayton field. This is for our report to the council. If foundations have been started, for instance, and how many men on the job. This only needs to be a rough estimate.

DEEDS,
Aircraft Production Board.

—

[Telegram, Talbott to Deeds, June 1, 1917.]

JUNE 1, 1917.

DEEDS,
Aircraft Production Board,
United States War Department, Washington, D. C.:

Steam shovel and large trench digging machine now in place. Three cutting gangs at work. Teams and tractors on ground. Carpenters finishing sheds and office for construction purposes. Foundation excavation in progress. Have plant and equipment for six concrete gangs which will be at work early in the week. Sidewalks progressing. Repairing highways to facilitate trucking operations from Dayton. Purchased five new Packard trucks to augment transportation over the existing available trucks. Next week will see everything booming along. All material, lumber, cement, planks, board roofing located and on the way. Wish you would think over method of authority which can be given me to rush transportation of railway cars. This looks like the main point of congestion. All departments of construction now organized with experienced and competent supervisors and foremen. All this in spite of the fact that it has rained every day since Waring has been here.

H. E. TALBOTT.

—

Despite the indications of these messages, and of his transactions with King, Mr. Talbott testifies positively that he had no interest in the enterprise, except as a citizen of Dayton, and got nothing out of it beyond 6 per cent interest received by the Dayton Metal Products Co. on money loaned.

King had no capital available for the enterprise, nor had the Dayton Lumber & Manufacturing Co. King's testimony is:

"Q. Did you have the capital to swing that?—A. Not without assistance.

"Q. Where did you expect to get the assistance?—A. When I talked to Mr. Talbott he told me on the Saturday afternoon, I said, 'Well, this will take a good deal of money.' He said, 'Yes, but,' he said, 'you need not worry about that. We will work out some way for that.' He said, 'I do not know how we will work it out, but we will work out some way for that.'"

The financial assistance that King needed was obtained upon the credit of the Dayton Metal Products Co., supported by the personal guaranties of H. E. Talbott and C. F. Kettering. Notes of the Dayton Lumber & Manufacturing Co. to the extent of $400,000 were discounted by the Dayton Metal Products Co. with the American Exchange National Bank of New York. It was originally contemplated that these notes should be indorsed by Deeds and Talbott, as is shown by the following extract of a letter to Mr. Talbott from W. H. Bennett, vice president of the American Exchange National Bank, under date of June 25, 1917:

"Referring to the conversation which the writer had with you on Thursday, I have conferred with Mr. Kenzel, assistant cashier of the Federal reserve bank, and upon your statement that the Dayton Lumber & Manufacturing Co. is under contract with the United States Government for the preparation of the aviation field at Dayton, and that said company is to receive payments on the 10th of each month on the presentation of receipted vouchers for work completed in the previous month; and that it is the intention of the Dayton Metal Products Co. to make advances to said Dayton Lumber & Manufacturing Co. of amounts necessary to carry on the work, he ruled that the paper executed by the Dayton Lumber & Manufacturing Co. and indorsed by the Dayton Metal Products Co. to cover funds so advanced will be eligible for rediscount with the Federal reserve bank.

"Therefore we feel that it will probably be of mutual advantage to provide for the advance of $400,000 requested from us by a three-months' note executed by the Dayton Lumber & Manufacturing Co. to the order of the Dayton Metal Products Co. and indorsed by Mr. H. E. Talbott and Mr. E. A. Deeds. If you so desire, the indorsement of the individuals can be secured by an assignment from the Dayton Metal Products Co. of certain securities now in safe-keeping with us to the individuals referred to."

It was subsequently arranged that the indorsements should be those of Talbott and Kettering, who also gave their separate agreement of guaranty. The avails of discounted paper were passed by the American Exchange Bank to the credit of the Dayton Metal Products Co. It appears from the accounts between the Dayton Lumber & Manufacturing

Co. and the Dayton Metal Products Co. that, while the latter company ultimately paid the notes, their proceeds were used in large part from time to time for the benefit of the Dayton Metal Products Co.

The credit to the Dayton Lumber & Manufacturing Co. thus extended to it upon its notes was furnished without security, or, as Mr. Talbott put it, with "no further security except in the man (King). I trusted the man; I knew his contract." After the contract had been obtained, King increased his stockholdings in the Dayton Lumber & Manufacturing Co. by the purchase of 104 additional shares, borrowing for the purpose $20,000 from the Dayton National Bank.

It appears that the total amount paid by the Government under the contract with the Dayton Lumber & Manufacturing Co. to August 14, 1918, amounted to $3,115,161.94. This represents the amount paid for the cost of the work—that is, for lumber, materials, etc. The commission or profits of the contractor, which had been paid to that date, amounted to $102,436.04. There has been considerable trouble in connection with the contract, and the accounts are far from being in satisfactory shape. An audit of the books of the company was made by Barrow, Wade, Guthrie & Co. to November 30, 1917. They reported that they found "the pay rolls very incomplete, full of errors, corrections, and erasures," and that there was "abundant evidence that great laxity and carelessness has been exhibited by the employees of the company, especially those in the paymaster's department." These statements are amply confirmed by the evidence in this investigation, and the accounts are in course of being reaudited by Government accountants. The consideration of the various irregularities in the accounts and of the questions to which they give rise must await the result of this examination. It will be observed that the Government has withheld a large part of the compensation of the contractor until a satisfactory adjustment has been made. Of the profits received from the Government, it would appear that the moneys have been retained in the business of the company, except to the extent of a dividend of $37,500—that is, 50 per cent on the capital stock. Of this dividend, King was entitled, on the 521 shares acquired in his name, to $26,050, and of this amount it appears that he had received 70 per cent, or $18,235, to July 1, 1918. He had paid $11,000 on account of his loan ($21,000) to the Dayton National Bank. He had paid nothing on the $60,000 loan from the City National Bank. No agreement has been proved for a division of profits on this contract, and there is no proof that Colonel Deeds has had an interest in the contract or in the Dayton Lumber & Manufacturing Co. Even if it appeared that the Dayton Metal Products Co. was interested in the contract (which would explain transactions otherwise difficult to understand), this fact would not affect Colonel Deeds unless he were found to be interested in that company. The question would thus come back to the transfer of his stock in the Dayton Metal Products Co., which has already been considered.

M'COOK FIELD (FORMERLY KNOWN AS NORTH FIELD).

This is a field of approximately 200 acres in and adjacent to Dayton, which was leased by the Government from the Dayton Metal Products Co. and has been used for the purpose of making various tests. Lieutenant Colonel Vincent first suggested another field (South Field, or Moraine Field) and brought the matter to the attention of Colonel Deeds, by whom that field was principally owned. On September 27, 1917, Colonel Deeds sent the following telegram to Mr. Talbott:

WASHINGTON, D. C., *September 27, 1917.*

Mr. H. E. TALBOTT,
City National Bank Building, Dayton, Ohio:

Colonel Clark takes letter regarding Moraine flying field with him to Dayton to-night. George McCann has another letter for Mr. Kettering. Government will lease land, put up buildings, and operate experimental field. Lease will be for three years without privilege of purchase, as that is not necessary. Have complete description of property prepared; also statement of cost of buildings already erected and suggested monthly rent arrangement, and have George McCann bring them to Washington to complete lease. Have him prepare deed for this property to Mr. Kettering, who, in turn, will lease it to the Government.

DEEDS, *Equipment Division.*

Other contracts relating to aviation fields are discussed in the Hughes report, and many pages are devoted to selection of contractors, profits, and other matters relating to aircraft that challenged the attention of the country during the war. No word comes from the legal department of the Government that these charges have been investigated, although the investigator and the head of the legal department now sit at the same Cabinet table.

Mr. Chairman, I believe I have shown the necessity of employing many investigators and many attorneys on these war fraud cases with a view of clearing them up in the immediate future. It is clear the present force in the Department of Justice is entirely inadequate to properly handle the situation. It seems strange to me that the department has not long ago asked of the Congress sufficient funds for this purpose. On April 7, 1922, when the Department of Justice appropriation bill was being read for amendment under the five-minute rule, the gentleman from South Dakota. Mr. ROYAL C. JOHNSON, with whom I have for some time been working on these matters, offered an amendment to appropriate $500,000 for the purpose of carrying on these investigations and prosecutions. That no request for funds for this purpose has been submitted to Congress by the Attorney General is clearly shown by the following, taken from the RECORD of April 7, 1922:

Mr. JOHNSON of South Dakota. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from South Dakota offers an amendment, which the Clerk will report:

The Clerk read as follows:

"Amendment offered by Mr. JOHNSON of South Dakota: Page 27, line 15, insert: 'For attorneys, accountants, and clerical assistance in the investigation and prosecution of fraudulent war claims against the Government and investigation of settlements made on war contracts and prosecution in such cases as the Attorney General shall deem necessary, $500,000.'"

Mr. JOHNSON of South Dakota. Mr. Chairman, in this bill providing for the entire legal department of the Government I find no provision for the necessary clerical assistance and accountants that will be required if we are going to see that those men who grafted upon the Government during the war are prosecuted. Everyone who is at all familiar with the situation recognizes the fact that the Attorney General and some individuals in the War Department have had for some time under investigation many of these claims, and in at least one case with which we are familiar—a recent case—have taken legal action.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. JOHNSON of South Dakota. Yes.

Mr. GARRETT of Tennessee. Was there an estimate sent in for an item of this sort?

Mr. JOHNSON of South Dakota. Not so far as this is concerned.

Mr. GARRETT of Tennessee. The Department of Justice has not asked for anything.

Mr. JOHNSON of South Dakota. So far as I know the Department of Justice has not asked for it; but I will say that I want to anticipate, because it will not be a very great length of time before they will ask for such an appropriation, and I want to get it in in time; that is the reason I am offering this amendment. I had no idea that gentlemen would oppose it. We know in a recent case prosecution has begun, and I know that the entire department which has charge of the prosecution in this great class of cases is now in the hands of one clerk, who a few years ago was drawing a salary of $1,200, and in the hands of a few investigators, none of whom are receiving an adequate salary. These men are being opposed to-day by the best lawyers in the United States. In any one of these cases the Government would not be more than adequately represented if it had two of the finest and highest-priced lawyers in the United States.

I say without any hesitancy and without any reservations that these claims ought to be prosecuted, and if they are not prosecuted within a reasonable time the statute of limitations will expire and the men who have been guilty of these colossal war frauds will not be punished. After a thorough investigation, which lasted all of last year, I am thoroughly convinced of the necessity of an appropriation, so that the legal department of the Government will function in these prosecutions during the next two years.

Mr. MANN. Will the gentleman yield for a question?

Mr. JOHNSON of South Dakota. I will.

Mr. MANN. As to the amount involved, has the gentleman made any estimate?

Mr. JOHNSON of South Dakota. I have made somewhat of an estimate, that I do not have with me to-day, but I might present it to the House on another occasion. I do not know that I would be within a hundred thousand dollars of the necessary amount, and I make no pretension at this time as to the accuracy of the estimate or how much the Attorney General would need; it is a matter for him to determine, and I have such confidence in him that I feel he would not expend any more or any greater amount than is absolutely necessary.

Mr. MANN. Has the gentleman consulted the Attorney General or anybody in the department?

Mr. JOHNSON of South Dakota. I will say that I have not consulted the Attorney General.

Mr. HUSTED. Mr. Chairman, I think I can say to the gentleman from South Dakota that he is out in his estimate just the amount carried in his amendment. The Department of Justice has not asked for this item, but the Department of Justice is engaged in this work, and has ample funds to carry it on at the present time. It does not need an additional dollar for this purpose, and if this money was appropriated it simply adds $500,000 to the amount carried in the bill which we would have to raise by taxation and which the department could put to no good purpose.

Mr. COOPER of Wisconsin. Will the gentleman yield?

Mr. HUSTED. Yes.

Mr. COOPER of Wisconsin. Inasmuch as the gentleman has just informed us that the Attorney General is engaged in the work of prosecution, will the gentleman state what prosecutions have been begun?

Mr. HUSTED. Well, the prosecution of Charles W. Morse is one which has had great attention in the public press.

Mr. COOPER of Wisconsin. Can the gentleman name any other?

Mr. HUSTED. I do not know what particular prosecutions have been carried on, but I know that they are engaged in investigating these cases. I know that is a large part of the work carried on by the bureau for the detection and prosecution of crime. These cases are in the hands of the attorneys for the department, and if prosecutions have not been instituted they soon will be.

Now, Mr. Chairman, if the Attorney General needs money with which to employ additional help in clearing up these cases, why has he not asked the Congress for the money? If he does not need additional funds, if he has all the assistants necessary to do this work, why have not some definite results been secured? Why have not suits, both criminal and civil, been prosecuted? The information upon which to base these suits have, in many cases, been in the files of his department for many months.

In view of the facts, one must conclude one of two things: Either the Attorney General does not propose to do the thing he was sworn to do when taking his oath of office—prosecute all criminals, big or little—or he does not know the facts as they exist. It pleases me to believe he does not know, because the head of a large department of this character must be there very largely in the capacity of an administrator. He can not know all the details, and such of those as do reach him must necessarily come to him through the medium of some subordinate.

LINCOLN MOTOR CO.

Following is a statement of the case as prepared by the Department of Justice for filing in the United States District Court at Detroit:

In the District Court of the United States for the Eastern District of Michigan, southern division, in equity.

In the matter of the receivership of the Lincoln Motor Co., Detroit Trust Co., receiver.

CLAIM.

The Lincoln Motor Co., Dr. to the United States of America.

1918–19.

To erroneous, wrongful, and unlawful payment of so-called profits on motors and spares under contract 1647 and supplements $4,963,361.98

To erroneous, wrongful, and unlawful payment of so-called special depreciation and amortization under contract 1647 and supplements	$3,225,200.00
To erroneous, wrongful, and unlawful payment of so-called anticipated or unearned profit on uncompleted portion of contract 1647 and supplements	1,000,000.00
Total	9,188,561.98

All as shown by contracts, audit, and report of War Department herewith filed and prayed to be considered as a part of this claim.

DISTRICT OF COLUMBIA, *United States of America, ss:*

Thomas F. Lane, who being first duly sworn, makes oath and states that he makes this affidavit of claim against the Lincoln Motor Co., a corporation, as an agent of the War Department of the United States of America; that he is cognizant of the facts supporting said claim; that the Lincoln Motor Co. is justly indebted to the United States of America, after allowing all just credits and set-offs, in the sum of $9,188,561.98.

THOMAS F. LANE.

Subscribed and sworn to before me this 27th day of March, A. D. 1922.

[SEAL.] THOMAS L. BIGHAM,
Notary Public, District of Columbia.

My commission expires 12th day of August, 1923.

Mr. Chairman, the Lincoln Motor Co., which during the war received large contracts for the Air Service, has been shown by the Government audit to have been overpaid to the extent of $9,188,561.96. This concern some time ago was thrown into the hands of a receiver. The receiver has sold this property to Henry Ford for $8,000,000 cash, which the receiver now holds. This case had been turned over to the Department of Justice and by it referred to the district attorney at Detroit for necessary action. The claim of the Government constitutes a first lien against the money now in the hands of the receivers.

We find the policy pursued in the past in some other cases now being pursued by the Department of Justice in the case of the Lincoln Motor Co. This case has been taken out of the hands of the district attorney at Detroit and has been returned to the department here; and there is to be another hearing given the attorneys for the receivers here in Washington to-morrow, April 12.

Inasmuch as an unbiased Government audit, conducted by men who have no personal interest in the case whatsoever, has shown this indebtedness to the Government, and inasmuch as hearings and rehearings had already been granted in this case, I wish to inform the House and the country that if history repeats itself in the case of the Lincoln Motor Co., and the Attorney General does not look fully to the interests of the Government in this case and allow the courts of the Nation to determine to what extent this company is indebted to this Government, I shall consider him guilty of misfeasance in office and shall move his impeachment upon these grounds. I appreciate the fact, Mr. Chairman, that it is impossible for the Attorney General to have the details of all these cases in mind, but I believe this case to be of such magnitude as to warrant the personal attention of the Attorney General himself.

Mr. Chairman, what I have said has been said in behalf of decency and fairness in government. It has been said in behalf of the four and one-half million ex-service men of the Nation. It has been said in behalf of everyone who wishes to see the laws enforced against the rich as well as the poor. [Applause.] Everything here presented is subject to proof, and much else besides. I have touched upon only the more flagrant cases. There are many others. The Federal prisons are full of petty thieves and grafters. They are filled with the small bootleggers, but I know of no instance where the big men, the men of wealth or political power who finance and direct bootlegging in a big way, have been prosecuted, although I do know that information upon which to base such prosecution is in the hands of the Department of Justice.

I have laid sufficient facts before Congress to-day to startle the Nation, and I believe if there is an unwillingness or inability on the part of the Department of Justice to function in the manner in which it should function that public sentiment should and will compel a change. It is incomprehensible that the President should be aware of these facts. I do not believe President Wilson was aware of the conditions that existed during his administration; I do not believe that President Harding is aware of the conditions as they exist to-day.

I most sincerely trust, Mr. Chairman, that the Congress will take immediate action upon the resolution I have introduced. I believe if the committee is appointed under this resolution its powers will be great enough to enable it to thoroughly investigate the conditions in every department of the Government in any way touching these war frauds. I believe the Congress will take this action. [Applause; Members rising.]

The CHAIRMAN. The gentleman's time has again expired.

Mr. WOODRUFF. Mr. Chairman, the country is asking what Congress has done to stop maladministration and waste of public funds.

The people are asking what has been done since April 12, 1920, when the House adopted the Republican resolution instructing the Attorney General to—

institute investigations before grand juries for the purpose of indicting and prosecuting such persons as are guilty of criminal conduct, and to institute civil suits for the recovery of any Government funds which have been fraudulently or illegally paid. * * *

This resolution was adopted two years ago. Has anything been done? Were these evils stopped? Was the plundering of aircraft appropriations stopped? The answer, in the negative, can be found in thousands of newspaper articles printed by the American press during the past 12 months giving the unchallenged charges and testimony of the highest experts.

The answer can also be found in numerous reports of investigations of Air Service scandals and Air Service tragedies—the numerous tragedies that have taken place because our Air Service was prevented by the Air Trust from getting the best airplanes available which, experts testify, could be had by the Air Service at far less than was charged by the members of the Air Trust for inferior, dangerous aircraft.

Recognized authorities like Henry Woodhouse, the president of the Aerial League of America, who for 12 years has been recognized the world over as one of the foremost leaders in aeronautics and related sciences and national affairs; Gutzon Borglum, a pioneer in aeronautics, who was asked by President Wilson to and did investigate the aircraft scandals during the war; H. L. Scaife, who has had charge of preparing the cases for the war fraud section at the Department of Justice—these and scores of other authorities and leading organizations, like the Aerial League of America, representing thousands of Air Service officers and people identified with the aeronautic movement, have presented conclusive reports to Members of Congress and to the press.

Their charges, their facts, their reports telling the causes of the Air Service tragedies and exposing recent evils have been carried to the thousands of American newspapers by the Associated Press, the Universal Service, the International News Service, the Newspaper Enterprise Association, the United Press, and other reliable newspaper associations. The charges have not been denied.

Members of Congress have been at loss to find answers to the questions asked by the newspapers that are asking what has been done and what is being done to stop these evils, to end this wanton waste of taxpayers' money. We have been at a loss to find answers to such letters as the following, addressed by Mr. Borglum to Mr. Scaife and by Mr. Scaife to Members of Congress, asking whether anything is being done. Mr. Borglum's letter follows:

GUTZON BORGLUM STUDIOS,
Stamford, Conn., September 24, 1921.

H. L. SCAIFE, Esq.,
5419 Forty-first Street NW., Washington, D. C.

MY DEAR MR. SCAIFE: Thank you for your letter of September 14. I have received all your letters, I think, and have lost no interest whatever in the work that you are doing nor in the prosecution of the men now in the Government and out who were treacherous both to it and to the Nation, in the aircraft department, during the war and since; but I have been so busy with heavy work that requires every bit of my time, and on the other hand I have pressed the charges as far as dignity permits. The Government's criminal incompetence in the aircraft swindle is a matter of Government record, made in spite of both parties. I am satisfied with my services in this to date. So far, the Democrats, even of the Wilson administration, have acted with the finer political conscience. I shall neither do nor say more at present of my own motion. Certain promises have been made to me and to the overburdened, overtaxed voter; in the meantime, we must wait till this Congress goes to the country for reelection. I shall then know who to trust and just what to do.

However, I believe—I know, as much as one can—that there will be no convictions, and that we will get nothing but a political burial of a crime of which Republicans and Democrats are equally guilty. If there is a man holding a prominent official position in the United States Government to-day who is prepared to prosecute, say, one of the biggest banks in America, that fairly glutted itself on the proceeds of aeronautic engines, which in turn it used to inflate prices on unnecessary quantities of war material for our Army—if there is a man in authority at Washington who is prepared to prosecute or even mention the name of this bank publicly, I should like to know his name. I do not believe there is such a man. But I can name you several men, high in the Government's confidence, who will not let this institution be mentioned nor let anything be done which may embarrass powerful partisan supporters.

I am interested to some extent in what you say about the fight that was made upon me; some time you will tell me. I know the men who made the fight; they have since explained, after admitting the frightful conditions that existed, that partisan political reasons made it impossible for them to make admission at the time. Will you show me one man high in political preferment to-day who will not make the same answer and in making it practically say, "To hell with America, if her welfare affects 'the party'"? I am not pessimistic nor have I lost my belief in the sweetness of life, but the power to tax the people of the United States and pass its legislation is bigger game than Standard Oil, Steel, or the railroads, combined. Under Wilson its control slipped to a great group of bipartisan interests. Call America what you will, they are our Government. You say you will begin to believe there are not five or six men in America who care or

who would do anything to prosecute investigation? There are not five or six public men who have the character to do it, in or out of the Army, in or out of political life, and there are none in commercial life. I do not know any who will sacrifice his job or his chance for preferment to speak the truth, be it what it may.

* * * * * * *

* * * At this time we have thousands upon thousands of airplane engines of various kinds, mainly Liberty motors. They kill our boys, that is true, but the Government does not care anything about that. They are, as they were, worthless, that is true, but the Government never cared nor does it care now about that. They killed people at the time they were ordered, and they still do; but the Government neither cared then nor cares now for that. And they have been packed in grease and are strewn about the land; within a month one of the last and "best" delivered from our Government was found with sand in the grease, put there by whom? By Government officials or by consent of Government officials. Of course, the Government cares nothing about that. What engines do they now propose to buy? Who is it in the Government that is so powerful, or who is it outside the Government that is more powerful, who can compel the Government to oblige every aviation company to use these damnable motors in every airplane they may build or import? That question should be asked, and it should be answered, for that is the case. I will tell you of this when I see you.

The airplane industry can not live in America unless it uses Liberty motors; and it can not fly if it uses them without killing, and as long as flying in America kills it will stagnate.

There is something profoundly rotten in the whole business. It was conceived and carried out with such intent to defraud—it was so bad in its conception and in its building, and finally in its production—so vast was the machinery of evil—that I doubt if we shall be able to do anything in aeronautics during this present generation because of what you now fear—there are not in all America the five or six men of power, or position, you seek, who care. There are not two. The Government must completely overhaul its aeronautical salvage, discard practically all the men heretofore connected with it, and put the entire department in the hands of new people, utterly free of all connection with it during or since the war. It would not be difficult to forgive much (and many) if there was a genuine plan of this sort adopted. The Government is choked with material, yet asking for more money. Note who is asking, who is recommending. Note that we are without safe landing fields across the country and that we have no system of night lighting at all.

You speak in your letter of my writing you personnally or marking as personal and confidential things I might not want to say to others. I shall remember that. But I have no objection to your using anything I say; and I shall send Mr. Harding a copy of this. I do not approve of many commissions and omissions in the Harding administration, but I have known and had the confidence of two such diverse characters as Roosevelt and Wilson as Presidents, and I have learned not to hold Presidents responsible for all of the Government all of the time.

I hope to be in Washington for a day and a night next week and shall make a point of seeing you. You say you have not heard from me since June 24. It seems hardly possible; but I beg you to be lenient with me, because I am so engrossed in work which I must finish. It does not mean that I have lost a particle of interest in the great question itself or the great service you have rendered it. You are the only man I have found who feels the personal responsibility toward a task assumed (as I felt it) and who has shown any of the patriotism in connection with it that I believe one must feel to serve a nation properly.

Sincerely yours, GUTZON BORGLUM.

As the evils continued, such leaders of clean aeronautics as Henry Woodhouse, whose reports and statements regarding national questions have been accepted by the United States Army and Navy and made part of the records of Congress for over 10 years, brought the evidence to Congress, and to the press the evidence of existing conditions. Here are a few of the thousands of articles printed in several thousand newspapers served by the Associated Press, the Universal Service, the Newspaper Enterprise Association, the United Press, and other leading newspaper associations.

The facts given in these articles have not been refuted; the charges have not been denied.

What can we answer to these newspapers and to the millions of readers—our constituents—who have read these charges, these uncontradicted facts, and ask what we have done to stop these evils, to prevent this continuous waste of taxpayers' funds?

[From the Times, Washington, D. C., October 23, 1921.]

"BY JUGGLING AND CONCEALMENT OF FACTS AND FIGURES, THE AIR TRUST HAS PREVENTED AN ACCOUNTING OF $1,740,915,758 APPROPRIATED BY CONGRESS, THE SCHEME BEING TO PREVENT INVESTIGATION UNTIL END OF 1921, AND THEN CLAIM IMMUNITY ON PLEA THESE ARE OUTLAWED WAR MATTERS."

(By Henry Woodhouse, president Aerial League of America, chairman of committee cooperating with Government in air investigations.)

(Written for Universal Service.)

Taxpayers will read here for the first time the records showing that the aeronautic appropriations made by Congress in the past four years have amounted to over two thousand million dollars.

By devious schemes, juggling and concealment of facts and figures and circulating of misinformation, the Air Trust has heretofore succeeded in suppressing part of these records and preventing an accounting of aeronautic appropriations aggregating the enormous sum of $1,740,915,758, made available at various times.

The appropriations made available by Congress for Army aeronautics were as follows:

Appropriations for fiscal year ending June 30, 1917	$13, 861, 000
Appropriated by—	
Act of May 12, 1917	10, 800, 000
Act of June 12, 1917	500, 000
Act of June 15, 1917	43, 450, 000
Act of July 24, 1917	640, 000, 000
Act of Oct. 6, 1917	40, 000, 000
Act of July 8, 1918	8, 000, 000
Appropriated by—	
Act of July 9, 1918	$760, 000, 000
Act of July 9, 1918	124, 304, 758
Act of Nov. 4, 1918	60, 000, 000
Act of July 11, 1919	25, 000, 000
Appropriation for year ended June 30, 1921	15, 000, 000
Total Army air appropriations	1, 740, 915, 758

For the Naval Air Service, Congress appropriated $362,592,197, as follows:

For the year ending—	
June 30, 1917	$3, 500, 000
June 30, 1918	61, 133, 000
June 30, 1919	252, 959, 197
June 30, 1920	25, 000, 000
June 30, 1921	20, 000, 000
Total naval air appropriations	362, 592, 197

Thus the figures reveal Air Service appropriations aggregating the huge sum of $2,103,507,955, allowed by Congress for the fiscal years 1917 to 1921. Still these figures do not comprise many appropriations, such as officers and enlisted men's pay and subsistence and purchases of land for air stations, transportation of aircraft and aeronautic equipment, experimentations conducted by various Army and Navy bureaus to develop aircraft bombs, aircraft guns, radio and navigating instruments and other equipment, and the $1,000,000 for the purchase of aeroplane patents revoked.

Neither Congress nor taxpayers have been able to get an accounting showing exactly how much of these appropriations were actually spent and what it was spent for and what has happened to the aircraft motors and equipment for which hundreds of millions of dollars were paid to the members of the Manufacturers' Aircraft Association, who monopolized the aeronautic appropriations and charged exorbitant prices for inefficient and defective aircraft.

The Air Trust has a body of professional mourners in its pay, whose job is to delay the full accounting of the $2,000,000,000 air appropriations made by Congress in four years and circulate sob stories and make the public and Congress believe that the Air Service is in a pitiful state of destitution and must have additional large appropriations.

I have before me minutes of meetings of the Manufacturers' Aircraft Association showing appropriations of from $1,000 to $25,000 each made by the association for the purpose of conducting propaganda designed to mislead the public and Congress and cause further large appropriations to be made.

The evidence collected by the committee assisting the Government in aircraft investigations shows that not only the American public has been robbed on a gigantic scale in aircraft contracts, but it has been and is being prevented from learning the exact amount of Air Service expenditures and what has happened to the aircraft, motors, and equipment bought and paid for by the Government, the scheme being to delay investigations until the end of 1921 and then claim immunity under the plea that these were war matters and are outlawed by the three-year statute of limitations.

Many of the crimes committed are recent and do not come under the statute of limitation this year, but the Air Trust hopes to prevent any Federal action from being taken on these until they are outlawed by the statute of limitation next year and the year after.

The funds for continuing these schemes are coming from the recent contracts for inferior aircraft and motors placed with members of the Manufacturers' Aircraft Association by the Air Service, which amount to close to $10,000,000, on which they make huge profits.

As these aircraft are inferior, defective, and not needed by the Air Service they should be canceled immediately, not only to save the taxpayers from being robbed of additional $10,000,000, but also to prevent the continuance of these evils.

The only hope of ending these evils and safeguarding the lives of Air Service pilots rests on prompt action in canceling pending aircraft contracts and carrying into effect the recently announced intention of United States Attorney General Daugherty to submit such matters promptly to Federal grand juries.

Our experience in investigating aircraft scandals and preparing special reports on the aircraft situation for ex-President Wilson, Secretary Baker, and Congress, and for the present administration has convinced us that these evils would not exist to-day if the aircraft scandals of 1917–18 had been submitted to a Federal grand jury for action, and we estimate that by ending those evils then the United States Government would have saved at least $300,000,000 and would have received more and better aircraft in return, and the lives of hundreds of Air Service men who were killed by defective and inefficient aircraft would have been saved.

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[Published by the newspapers served by the Universal Service, September 6, 1921.]

200 MEN KILLED IN AIR SERVICE IN PAST 2 YEARS—WOODHOUSE SAYS FEW DEATHS WERE DUE TO NATURAL HAZARDS, BUT MANY TO PREVENTABLE ACCIDENTS—DEMANDS FEDERAL INQUIRY—DECLARES GOVERNMENT IS FACING LOSS OF $50,000,000 ON ORDERS ALREADY ISSUED FOR NEW AIRCRAFT.

[Henry Woodhouse, president of the Aerial League of America and chairman of the committee cooperating with the Government in investigating the postwar aeronautical situation, has written a series of seven articles exclusively for Universal Service.

In these articles Mr. Woodhouse scathingly attacks the "Air Trust," which he declares made $1,000,000,000 in graft on Government aircraft contracts, and exposes various phases of the present situation, bares the causes of several recent air tragedies, and shows how this air combine is unloading millions of dollars in dangerous and obsolete aircraft on the Government.]

(By Henry Woodhouse, president Aerial League of America and noted aeronautical writer.)

(Written expressly for Universal Service.)

In the past two years about 200 Air Service men, including a dozen ranking officers, have been killed. Investigation shows the natural hazard of flying caused few of these deaths. The majority were due to preventable accidents.

Training of these men cost an average of $50,000 per man. Their deaths cost almost as much, as each death involved the destruction of airplanes, motors, and other equipment. These avoidable tragedies therefore cost the American public at least $20,000,000, in addition to the inestimable loss of life.

PREVENTABLE ACCIDENTS.

An investigation shows that the causes of many of these preventable tragedies still exist. Unless immediate steps are taken to institute sweeping Federal grand jury investigations, the Air Service death roll will continue to increase and the public be forced to pay more millions for aircraft destroyed.

The Air Service during the past few months has placed contracts for inferior, mechanically faulty, dangerous aircraft. These aircraft are absolutely unnecessary. Unless these contracts are immediately canceled a waste of $50,000,000 of Government funds will result.

The bare construction costs of these contracts will total $10,000,000, while motors, instruments, gun mounts, bomb racks, packing, transportation, and assembly, together with cost of housing, will bring the total over $50,000,000.

More than 200 single-motored Thomas-Morse biplanes are among those contracted for. These are erroneously classed as "pursuit planes." American aviators who might attempt to pursue enemy fliers in such planes would soon be at the mercy of the faster and better equipped enemy machines. There are hundreds of better planes than this type stored away in Government warehouses, unused.

DOZEN DIRIGIBLES IDLE.

Another order is for 35 bombing planes of the type that have caused the deaths of a score of persons since May 27, 1921. Machines of this type have been seen rotting away at Air Service fields.

Three dirigibles identical to the two dirigibles destroyed August 31 at Far Rockaway and the *C–10*, which exploded over Chicago, have been ordered. Dirigibles of this type have been proved unsafe and unsatisfactory. Their destruction has cost millions of dollars and several lives since the signing of the armistice. A dozen dirigibles of this type, which cost millions, are now stored away idle, unused.

And here is a real joker: Contracts have been let by the Army for 43 observation balloons at a total cost, equipped, of more than $10,000 each. These contracts have been let despite the fact that the Navy Department has so many of this same balloon on hand, unused, that they have recently been offered for public sale, brand new, at $2,500. Something seems to be wrong there.

As a matter of fact, the Army has made little use of lighter-than-air craft. An investment of $50,000,000 is represented in housing facilities, hydrogen generating plants, and equipment for these balloons, however.

NEW MACHINES DANGEROUS.

The Roma, a monstrous Italian semidirigible, bought by the Army Air Service, arrived at Langley Field recently in crates. At the present rate of assembly it will not be ready for its maiden cruise for many months.

The 235 airplanes, 3 dirigibles, and 38 observation balloons ordered recently are inferior, dangerous, and not needed. There are better, or equally as good ones, idle and unused, on which the American public is paying storage charges.

Contracts for these aircraft were not placed in accordance with the requirements of the law, investigation discloses. The law provides that bona fide bids be invited for aircraft and equipment needed and that contracts be placed at the lowest price for the best article.

Immediate cancellation of these contracts will save the American public $50,000,000.

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[Published by Universal Service newspapers, September 7, 1921.]

UNSAFE PLANES SOLD UNITED STATES, SAYS WOODHOUSE—GOVERNMENT ROBBED OF MILLIONS, MANY LIVES IMPERILED BY GREED, HE CHARGES.

(By Henry Woodhouse, president Aerial League of America and noted aeronautical writer.)

SECOND ARTICLE.

About two years ago an aircraft construction company built a huge fantastic airplane. It is as big as a barn and as clumsy and impossible to fly. It was built with war profits. In design it was fully four years behind the times. Aviators who examined it declared they would sooner jump off the Brooklyn Bridge than attempt to fly it. Their chances of surviving were about even in either case.

Subsequently the plane was flown. On its test flight it came to grief. The pilot luckily escaped with his life. Aeronautical officials, however, sighed with relief, believing that would be the last of the dangerous contraption.

It was not. Following hasty repairs, the machine, to the amazement of those who knew, was bought by the Army Air Service at a fabulous price. It now stands useless at an Army flying field in Virginia. No one is willing to attempt to fly it. It has cost and is costing thousands of dollars for housing and upkeep.

SHOULD CANCEL PURCHASE.

How and why it was bought no one can explain. Army officials know the money was wasted. The contraption was not ordered in accordance with law, which requires that bids be invited and contracts placed for the "best aircraft available." Its purchase should be immediately canceled and the manufacturer compelled to refund the amount paid by the Government.

Action should be taken immediately before some senseless Air Service officer orders some pilot to fly the machine, with or without a load of passengers, as was done with the Curtiss Eagle ambulance, a much similar case.

The "Eagle ambulance" was an airplane designed for three motors. To cheapen its construction and cost of operation the manufacturers, however, replaced the three motors with a single Liberty motor.

When the "Eagle" was tested at Garden City it was found logy and unable to climb rapidly. It was generally conceded to be an experimental "dud," and it was taken for granted that radical improvements and changes would be made, meanwhile the plane remaining a shop experiment, not sold or used.

Some weeks passed, when aeronautical officials were dismayed to find this same faulty experimental airplane at Mitchel Field, the Army Air Service station on Long Island. It proved most attractive in its new coat of white paint, with a great red cross painted on the fuselage and the Air Medical Service insignia and serial number "A. S. 64243" on the tail.

This plane was not needed by the Air Medical Service. Better aerial ambulances had been evolved by the Engineering Division of the Army Air Service by converting surplus De Haviland planes. In fact, the Army officials were so pleased with the success of these converted ambulance planes that they issued for publication announcements of their construction.

These announcements were part of the official "Air Service News Letter," issued by the Director of Air Service. Copies are before me, and the Air Service Director can doubtless supply extra copies to the Secretary of War, General Pershing, and General Harbord, who have been asked to investigate the "Eagle ambulance" tragedy.

SEVEN CARRIED TO DEATHS.

As this plane was not needed as an ambulance it was stripped of its hospital equipment and hastily turned into a joy-riding limousine. A most dangerous arrangement of camp stools replaced the permanent seating arrangement. On these the passengers were seated on the fatal afternoon of May 28, 1921, when a flight was started despite storm warnings from the Government Weather Bureau. When the big, unwieldy plane went into its fatal nose dive the passengers and their flimsy camp stools piled up on the back of the pilot, pinning him powerless against the controls.

Utterly helpless, the seven passengers were instantly killed in a horrible manner. News of the crash was withheld from Government officials and the press while the evidence was burned. Later a report was made to the Secretary of War characterizing the tragedy as an "act of God."

It was asserted that the tragedy was due to lack of an air weather service. Air Service officers issued statements warning Congress to appropriate $50,000,000 to $80,000,000, in addition to the $50,000,000 already given the Air Service since June 30, 1919, for a weather bureau to prevent repetition of such accidents.

These are but two instances of many cases in which the American Government has been victimized by making the Air Service a dumping place for faulty, dangerous aircraft at exorbitant prices by a small group of manufacturers who monopolize Government business.

The official Air Service audits show that these manufacturers have gotten close to $150,000,000 in public funds for construction of aircraft without motors or equipment for the Army alone since April 6, 1917.

General Pershing's report shows that only 213 airplanes reached the American Expeditionary Forces up to November 11, 1921. To-day all that the public sees for its $150,000,000 paid for airplanes and an extra $500,000,000 paid for motors, dirigibles, and other equipment is a ghastly record of death and destruction.

A sweeping grand jury investigation is necessary to halt this evil and to save further loss of life and public funds.

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[Published by New York American and Universal Service newspapers, September 8, 1921.]

COSTLY AIRSHIP FLEET CALLED A HUGE WASTE.

(By Henry Woodhouse, president Aerial League of America, and noted aeronautical writer.)

Where is America's costly airship fleet?

Where are the 30 dirigibles purchased by the Air Service since the signing of the armistice, which, with their costly accessories, hangars, and other equipment, cost taxpayers more than $50,000,000?

The recent tragic end of the *ZR–2* and the destruction of three naval blimps at the Far Rockaway air station account for four. Where are the rest?

Where are the 917 observation balloons bought by the Army Air Service; the 162 observation balloons purchased by the Navy?

Why is the Air Service selling brand new observation balloons at less than a fourth of their cost and buying 38 similar ones at exorbitant war-time prices?

FACTS HIDDEN FROM PUBLIC.

The public has not yet been told that the proposed rigid dirigible construction and operating station is to cost $6,264,000. This stupendous expenditure is planned in addition to the millions already spent for dirigibles, though there is nothing to show for the money excepting the lamentable *ZR–2* tragedy.

Why is the American public told of but a tenth of the total cost of dirigible and observation balloons?

As a citizen you are entitled to know. It is you who dig down in your pockets to foot these bills.

Do you as a taxpayer know that new, undeveloped motors for airships and airplanes are constantly being ordered, though the Army and Navy Air Services have more than 30,000 brand new engines stored away which have cost more than $300,000,000?

Why are steps not taken to stop this orgy of spending and waste?

Why is the Manufacturers' Aircraft Association consulted and permitted to decide who shall get the Air Service contracts? Why is the Air Service permitted to pay the exorbitant prices fixed by the "Air Trust"?

$100,000,000 EXPENDED.

These questions all deal with the lighter-than-air branch of the Air Service. This aerial arm has cost about $100,000,000 to date—about one-tenth of total aircraft expenditures.

The heavier-than-air branch, including all seaplanes, has cost more than $900,000,000 and shows a greater proportion of waste, favoritism, graft, and maladministration.

These questions are especially timely, due to efforts of the Manufacturers' Aircraft Association to create the impression that we have but one dirigible and to obtain contracts for more defective airships absolutely not needed.

Secretaries of War and the Navy and General Dawes, Budget Director, on referring to page 677 of the Navy's annual report for 1920, will find the actual dates of placing of contracts up to June, 1920, for 31 large dirigibles and envelopes.

The schedule of contracts for 15,000 airplanes, 45,000 motors, 30 dirigibles, 1,180 observation balloons, and other equipment bought and received by the War and Navy Departments will be found in the report transmitted to Congress by the Secretaries of War and Navy for the fiscal year ending June 30, 1920.

While these figures do not represent the entire Air Service expenditures, cost of instruments, raw materials, operation, and salaries being omitted, they show graphically how approximately $600,000,000 of the appropriations for aeronautics was expended.

A LETTER BY DANIELS.

In 1919–20, when the Air Trust circulated false reports to propagate a bigger dirigible program, wherein they sought to show that the Navy had but one dirigible and the Army none, Secretary Daniels wrote to Congress and to Secretary Baker protesting against such statements. His letter follows:

"The Navy, previous to the entrance of the United States into the war, had pushed the design of the small blimp which had been successful in submarine patrol, and soon after war was declared Navy personnel was flying these blimps. These were sent abroad, but they did excellent work along our coasts.

"During the war a very successful twin-motored airship was designed by the Navy and made its appearance soon after the armistice. This ship, the C class, is one of the fastest of its size in the world, and the trip of the *C-5* from Montauk to St. Johns is proof enough of its cruising radius. The Navy has at the present time 12 single-motored airships, some of which are old in service; 7 twin-motored airships built and 3 building.

"The Navy has also the following foreign ships: One new Italian, semirigid; 1 old British Zero; 1 new British North Sea; 1 new French Zodiac gun carrier; 1 new French Chalais Meudon building. The following ships which have been used by the Navy in actual war operations: Two Zodiac Vedettes; 1 Astra Torres gun carrier; 1 Chalais Meudon, and 1 Astra Torres. The Navy has turned over to the Army 1 new French Zodiac gun carrier; 1 new Astra Torres gun carrier, and 1 C class, and has guaranteed delivery of two Navy D class."

What has become of these airships?

If these are still in existence, together with the hundreds of observation balloons and the *Roma*, they are more than sufficient to meet the needs of the Army and Navy. If these ships still exist, then 38 more observation balloons are absolutely unnecessary, and the contracts for them represent a reckless waste of taxpayers' money and should be canceled.

[Published by the Brooklyn (N. Y.) Eagle and hundreds of newspapers throughout the United States September 28, 1921.]

SEVEN DEATHS IN ARMY PLANE NOW LAID TO "JOY RIDE"—LIQUOR AND LOOSE CAMP STOOLS IN AIRCRAFT LED TO TRAGEDY—WOODHOUSE.

That the fall of the Army Curtiss Eagle ambulance plane near Morgantown, Md., on May 28, resulting in the death of Lieut. Col. Archie Miller and six other American officers, was a mere joy ride in an unbalanced plane, equipped with loose camp stools, and arranged by agents of airplane manufacturers as "propaganda," is charged by Henry Woodhouse, president of the Aerial League of America, in a statement filed with the Department of Justice yesterday.

The statement gives the finding of the league's committee which investigated that and other fatal flying accidents, and is in response to the department's request for information from the league.

Attorney General Daugherty was told in the report that the plane was designed for three motors and equipped with but one, "illegally purchased for the double purpose of causing payments of public funds to those who sold it and to supply an aerial limousine for joy riding and propaganda." The Air Service did not need this ambulance, the report continues, and points out just what was done elsewhere at that time in the way of improving the air ambulance service. The report goes on:

"The flights which ended in the tragedy were not legitimate but propaganda flights arranged by agents of a clique of aircraft manufacturers at Government expense to obtain support of Congressmen for large appropriations and retard grand jury investigations of apparent frauds in Army aircraft contracts.

"PLANE FITTED WITH CAMP STOOLS.

"To carry out these unlawful purposes the interior of the 'ambulance' was hurriedly stripped and, by what may be characterized as criminal disregard of the requirements of safety, there were placed in this unbalanced experimental airplane loose camp stools, on which the victims of this horrible tragedy sat in the eventful flight which ended with their death. In the morning flight from Washington to Langley Field the passengers included two Members of the House of Representatives, PHILIP P. CAMPBELL, of Kansas, and JOSEPH WALSH, of Massachusetts, who were invited as 'guests.'

"It appears that this flight was arranged especially for the purpose of securing the good will of congressional measures and resolutions, but Congressman WALSH was not aware of the motives back of the invitation.

"The flight was undertaken despite the warnings of the impending storm transmitted to the Air Service and to the Langley Field and other aviation fields by the United States Weather Bureau. The morning flight from Washington to Langley Field proved that the airplane was unbalanced and the air 'bumpy,' and the loose camp stools used as seats were wabbly, and the Congressmen and the French air attaché, Capt. Guy de Lavergne, wisely declined flying back to Washington that afternoon.

"RECEIVED WEATHER WARNING.

"It is not true that there were no warnings or means of finding what the weather conditions were. The records show that the Air Service has been supplied with daily reports and forecasts of weather conditions and, following the daily practice, the Weather Bureau had telegraphed to Bolling Field and Langley Field the following information:

"'Partly cloudy sky. Some risk of thunderstorms this afternoon. Moderate to fresh south to southwest winds surface and aloft.'

"This evidence disposed entirely of the unfounded claims that the accident was due to lack of warning of the impending storm and shows the deliberate misrepresentations resorted to by those responsible to conceal the facts and mislead Government officials and the public and newspapers.

"PARTY 'UNDER INFLUENCE.'

"It appears that the 'return party' was somewhat under the influence of alcoholic drinks taken to the Langley Field by agents of aircraft manufacturers. It has been a regular practice of these paid agents to supply Air Service officers from whom they seek favors with alcoholic drinks and other forms of entertainment.

"The only obvious deductions possible regarding the material causes of the tragedy are that when the aerial ambulance ran into the wind storm, before it crashed to the ground near Morgantown, Md., the pilot flew low and circled about seeking a landing place, and as the airplane tipped and nosed down the loose camp stools slid forward, throwing the passengers forward in a heap on the pilot, and the plane was plunged downward by their weight and struck the ground.

"Nothing else can explain the failure of the pilot to shut off the engine, which is the mechanical cause of the actual killing of the seven men.

"The pilot's inability to shut off the power turned the airplane's power plant into a murderous machine which pounded, tore, and ground the bodies of the pilot and passengers in such a horrible manner that, we are told, when the rescue party and Army officers arrived the bodies were only a mass of broken flesh and bones mixed with the broken camp stools, and the rescue party, who thought there were only three or four people in the plane, only found the actual number of victims from the number of limbs discovered in the horrible mass.

"QUOTES THE EAGLE'S REPORT.

"One of the many mysteries surrounding this tragedy was the suppression of the report of the tragedy for the Government officials and everybody else until after the airplane and other material evidence had been burned. The Brooklyn Daily Eagle for May 31 printed the following statement from their Washington correspondent, which appears to be correct, regarding the suppression of the news of the tragedy even from Government officials:

"'One somewhat extraordinary feature of the accident is the fact that the news was delayed so many hours in reaching Washington. The first news that was received here was at 11 o'clock Sunday morning, when a local newspaper received a tip by way of New York. The plane crashed near Morgantown, Md., not many miles from the Capital, at about 6.25 o'clock Saturday evening. It was seen to crash by Lieutenant Honeywell, of the Army Air Service, and also by persons aboard the Navy dispatch boat *Dolphin*, which was in the Potomac River off Indianhead. But apparently no word was sent either to the War Department or to Bolling Field, where the plane was awaited and where non-arrival obviously indicated trouble.'

"There is also evidence that extraordinary influence has been brought to bear on Air Service officers and others who were in a position to clear many of the mysterious aspects of this horrible tragedy, and that unlawful practice has been resorted to as a means of hushing and suppressing the facts and evidence. This in itself has had a profound demoralizing effect on the Air Service as a whole.

"WAR SECRETARY 'DECEIVED.'

"The Secretary of War himself has been deceived. Advantage was taken of the fact that he was very busy with the plans for the reorganization of the Army, and the reports presented to him misrepresented the facts, suppressed the evidence, and presented the tragedy as 'an act of God.'

"Thus even God is libeled and made responsible for this ghastly tragedy by those responsible.

"The committee has completed and will transmit to you within a few days the report of the investigation of the causes of the series of Air Service tragedies which have resulted in the death of over 150 Air Service officers and others between August 15, 1919, and August 15, 1921, and in the destruction of over 1,000 airplanes, motors, and other equipment which had cost over $50,000,000."

[Published by the approximately 500 newspapers served by the Newspaper Enterprise Association.]

UNITED STATES AIR SERVICE LESS EFFICIENT THAN MEXICAN—COST CLOSE TO BILLION DOLLARS, BUT CAN'T COPE WITH 25 PLANES OF SOUTHERN REPUBLIC, SAYS PRESIDENT OF AERIAL LEAGUE—AIR TRAGEDIES PREVENTABLE.

[Henry Woodhouse, the president of the Aerial League of America, has just completed an exhaustive investigation of the United States Air Service. Woodhouse is the author of a textbook on military aeronautics, a textbook on aerial laws, a textbook on naval aeronautics, and other works which stamp him as an authority. He has written several articles especially for the Gazette, telling what he found to be the matter with our Air Service. This is the first.]

(By Henry Woodhouse.)

WASHINGTON, September 6.—What is the matter with the United States Air Service?

Why are there so many Air Service tragedies?

Why are we told that our Air Service, which has cost close to $1,000,000,000, can't cope with Mexico's air service, which has only about 25 airplanes?

What has happened to the 13,000 airplanes and 40,000 motors for which the American public paid close to $500,000,000?

These are a few of the questions being asked by the American public.

The situation, in brief, is as follows:

General Pershing reported two years ago that the total number of American-made airplanes delivered in France by November 11, 1918, the day of the signing of the armistice, was only 984, of which only 213 actually were at the front in squadrons on that date, although $500,000,000 had actually been spent.

The public was told that there were on hand over 20,000 motors, millions of feet of airplane spruce, millions of yards of airplane cloth, tens of thousands of propellers, airplane wheels, turnbuckles, wing beams, wing ribs, and other materials.

The country was told that these raw materials and accessories do not deteriorate with time and could be utilized for years hence in the production of airplanes of improved types.

PRODUCTION CONTINUED.

The production of Air Service airplanes and motors was not stopped immediately following the signing of the armistice.

By November 1, 1919, according to the official reports transmitted to Congress by Secretary of War Baker on December 17, 1919, giving the number of airplanes, engines, balloons, and dirigibles accepted by the Air Service between April 6, 1917, and November 1, 1919, the Air Service had received a total of 13,511 airplanes, on which had already been paid $113,720,043.39, and 41,673 airplanes on which had already been paid $244,838,162.80—and many contracts were still under liquidation; therefore additional payments were possible.

In addition, the Government had ordered and received 5,181 airplanes from France, Great Britain, and Italy, and over 500 of these latest European airplanes had been received in the United States in 1919, with a large number of best European motors.

Having this enormous number of airplanes and motors and practically an unlimited amount of raw materials for constructing additional airplanes of any type, and an appropriation of $25,000,000 for the year ending June 30, 1920, and other appropriations since which bring the total expenditures of the Air Service since June 30, 1919, to over $50,000,000, it was felt that the Air Service would not require large appropriations for years to come.

Also, it was believed the Air Service could sell thousands of airplanes and motors to the hundreds of ex-United States Army and Navy Air Service officers who were anxious to buy airplanes to use for commercial and scientific purposes.

HOW PLANES WERE SOLD.

But the Air Service refused to sell any of the airplanes to aviators during 1919. According to the report made by the congressional investigations—

"We spent $20,000,000 for 4,608 Curtis motors, 1,616 Curtis-type airplanes, and 100 Standard JN-1 airplanes, which we purchased from

the Curtis Aeroplane & Motor Corporation, then sold them back to this company for $2,730,000.

"The War Department refused to sell these machines to aviators for less than $3,600 each, and provided in the contract by which they were sold to the Curtis company that the Curtis company should have the first opportunity to buy any other airplane which the War Department might thereafter declare surplus."

Statements have been made and circulated by Air Service officers and agents of manufacturers to the effect that unless Congress allows close to $100,000,000 additional aeronautic appropriations, in addition to the $25,000,000 allowed for 1919, the Air Service would not have sufficient airplanes to cope with Mexican air service.

Both Congress and the General Staff conducted investigations and found that the Mexican air service consisted of less than 25 low-powered scouting-type airplanes.

Apparently all that the Air Service has to show for the expenditure of over $500,000,000 during the war and over $50,000,000 since June 31, 1919, is a ghastly list of tragedies in which were killed over 150 Air Service men, including high officers, and were destroyed over 1,000 airplanes, motors, and equipment that had cost over $50,000,000. An investigation has shown that most of these tragedies were due to preventable causes and not to the natural hazards of flying.

[Published by the Hearst newspapers and Universal Service, October 16, 1921.]

PLUNDERING OF APPROPRIATIONS HINDERS WORK—PRESIDENT OF AERIAL LEAGUE OF AMERICA WOULD CALL HALT ON WHOLESALE GRAFTING.

(By Henry Woodhouse, president Aerial League of America, chairman of committee cooperating with Government in air investigations, author of textbook of military aeronautics, textbook of naval aeronautics, textbook of aerial laws, etc.)

NEW YORK, October 15.—What can we do to save part of the billion-dollar Air Service investment?

How can we organize an efficient air service with available resources?

How can we stop the continuous plundering of Air Service appropriations by the Air Trust if the congressional investigators have failed to stop the plundering?

For the thousand millions spent in aeronautics during the war the taxpayers have only seen a disgusting exhibition of inefficiency, graft, and killing of hundreds of Air Service officers by inferior airplanes; for the two hundred millions spent in aeronautics since the signing of the armistice we have little more than a ghastly record of over 200 Air Service men killed and hundreds of aircraft, motors, and other aeronautic equipment destroyed. Can anything be done to improve conditions—and how soon?

These are some of the most pertinent questions asked by Members of Congress, Government officials, and taxpayers.

All these questions can be answered in the affirmative. All these results can be accomplished by taking the following steps:

(1) Let General Dawes, the Director of the Budget, cause the immediate cancellation of all the contracts for airplanes, dirigibles, observation balloons, motors, and equipment placed by the Air Service since December, 1920. This will prevent the further dumping of obsolete, defective, and unnecessary aircraft and equipment on the Government by the Air Trust and will save about $50,000,000 of taxpayers' money this year, because, besides the exorbitant prices of the aircraft ordered, the present contracts involve the cost of housing and operating these unnecessary aircraft and other waste of motors, instruments, accessories, and aircraft supplies.

APPOINT DIRECTORS.

(2) Appoint two of the best men available to act as director of Army utilization and director of Navy aircraft utilization, the duty of these directors to be to take inventories to determine the exact number and condition and figure out the possible utilization of the thousands of Air Service airplanes and motors, hundreds of observation balloons, and the thirty-odd dirigibles; the tens of thousands of propellors, instruments, and accessories, and the millions of feet of spruce, millions of yards of airplane cloth, and other material stored away.

(3) Issue orders to Army and Navy Air Service to not approve for payment any of the pending claims for alleged aircraft contracts until these contracts can be reviewed and their validity and the efficiency and value of the aircraft and articles supplied are passed upon by a competent board.

(4) Remove the Air Service officers who have connived with the Manufacturers' Aircraft Association in preventing independent manufacturers and inventors from bidding for Air Service contracts; and institute a system of open examination and public review of bids, so that it may not again be possible for the Air Trust to charge exorbitant prices for inferior aircraft and to again prevent the Air Service from obtaining the improved aircraft submitted by independent bidders.

(5) Institute court-martial proceedings with a view of removing and punishing every officer of the Air Service who has accepted bribes, loans, presents, entertainments, and other favors or remunerations from aircraft manufacturers or their agents, or has assisted or connived with the Air Trust.

(6) Order the delivery or return to the Government of all airplanes, motors, propellers, metal parts, instruments, accessories, machinery, jigs, tools, hangars, and other equipment belonging to the Government but retained or borrowed by aircraft manufacturers or individuals.

(7) Limit Air Service flying to strictly legitimate Air Service purposes.

SOLVE PATENT PROBLEMS.

(8) To solve the problem of airplane patents steps should be taken to carry into effect the act of 1917.

In view of the fact that under the cloak of war secrecy the Manufacturers' Aircraft Association and its members and agents by misrepresentation and other unlawful practice and unlawful combine violated the above act and caused payment to themselves of sums aggregating over $5,000,000 for alleged royalties for the use of alleged airplane patents in the construction of airplanes on alleged contracts which they obtained by unlawful combination, restraint of trade, and other unlawful practice; and, further, in view of the fact that said alleged patents were not legally adjudged valid and had been sold to the British Government in 1914–1916 for less than $100,000 and had been offered for sale to the United States Government by the owners for less than $400,000, the United States Government may do one of two things, as follows:

(a) The Government may proceed with the purchase of the airplane patents as provided by the act of 1917 and sue the Manufacturers' Aircraft Association and its members to obtain reimbursements of the millions obtained by them for alleged royalties on said alleged patents; or

(b) The Government may assume that the payments made for alleged royalties on said alleged patents have amply paid for said patents and may, therefore, declare said patents public property, open for public use hereafter without further payments.

The latter would be the simplest way, and the Manufacturers' Aircraft Association and their members would no doubt prefer to agree to the latter than to face the penalties involved in the first proposition.

(9) In view of the fact that the continuous defrauding of the Government by the Air Trust is due mainly to the delay on the part of the Department of Justice to take steps to prosecute the malefactors, as ordered by Congress, action should now be taken at once by the Department of Justice to carry out the instructions provided in the congressional resolutions of April, 1920.

INVITE SUGGESTIONS.

(10) Let a circular be issued to the commanding officers and chiefs of branches and sections and boards of the Army and Navy air service, inviting their suggestions and cooperation in the matter of establishing economic management of air stations and branches and placing a premium for economic management of air service as a whole.

(11) To rebuild the whole of the Air Service and establish a line of demarcation between right and wrong, it should be made known that henceforth conduct will be judged by the West Point code of honor and moral code, and such practice as aerial joy riding, causing the destruction of aircraft and motors so as to reduce the stock in hand, and favoring manufacturers against other manufacturers or against the best interests of the Government, will no longer be tolerated but will be severely punished, as is provided by the West Point code of honor in the case of cadets who utter falsehoods or commit other ungentlemanly acts.

(12) Let the motto of the Army, Navy, and postal air services be, "Cooperation, coordination, concentration," each service working separately in friendly competition to achieve maximum efficiency at a minimum cost.

These 12 provisions can be put into effect immediately, without additional expense or additional laws, and if put into effect the evils that have ruined the Air Service heretofore will come to an end and the United States will have an efficient and economic air service in the Army, Navy, and Post Office.

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AERIAL WEATHER BUREAU SCHEME CALLED OUTRAGE—WOODHOUSE SAYS MOVEMENT IN CONGRESS TO SPEND $80,000,000 FOR STATION IS PURE ROBBERY—IS NOT NEEDED, HE AVERS—DECLARES DAILY WARNINGS ISSUED NOW ARE ENTIRELY SATISFACTORY AND THE SYSTEM IS EFFICIENT.

[By Henry Woodhouse, president Aerial League of America and noted aeronautical writer.]

Of all the pernicious propaganda intended to rob the American public under the guise of aeronautical appropriations, the most brazen is the movement to induce Congress to appropriate $80,000,000 for establishing an "aerial weather bureau."

Having successfully deceived and robbed the American public of millions under the cloak of war secrecy, the Air Trust thinks it can continue to do so.

As quickly as deceptions are discovered, new ones are advanced. The aerial weather bureau is the latest.

DECEPTION A BOOMERANG.

But the deception proved a boomerang when the Air Trust alleged that lack of weather warnings was to blame for the "Eagle ambulance" tragedy at Morgantown, Md., May 28, when seven men were killed.

Here are a few facts which prove the claims of alleged absence of weather warnings were false:

(1) The records of the Weather Bureau transmitted to our committee state that on the morning of May 28 the United States Weather Bureau sent to Bolling and Langley Fields the following warning:

"Partly cloudy sky. Some risk of thunderstorms this afternoon. Moderate to fresh south to southwest winds, surface and aloft."

(2) Records of the Weather Bureau show further that the Weather Bureau has supplied a daily forecast to the Air Service for a number of years, including general forecasts as well as special telephone service of weather conditions prevailing in any part of the United States at any time of the day.

BOARD OF METEOROLOGY.

An interdepartmental Board of Meteorology was created September 22, 1919, by President Wilson, to bring close cooperation between the meteorological services of the Army, Navy, and Weather Bureau. The Navy wisely took advantage of the facilities offered by the Weather Bureau and now has a number of air officers trained in meteorology and aerology, who supervise aerologic affairs at naval air stations.

An Air Service letter issued by the Director of the Air Service July 27, 1919, after describing flights of various officers, prints the following statement indicating that the Air Service has received aerial weather forecasts for years:

"Before starting on this flight of 579 miles the aviators wired for the Aerial Weather Bulletin forecast and were assured fine weather for the trip, with moderate westerly winds. These forecasts will prevent aviators starting in apparently fine weather and running into a storm 100 miles from the starting point, with possible disastrous results."

Pioneer fliers have been using the Weather Bureau service since 1906, when the first balloon ascensions took place in the United States.

WEATHER BUREAU OPENED.

Three years ago it was decided that the Air Service should have its own weather-bureau service at the Washington headquarters. Eventually such a bureau was established and placed in active operation.

I called on the officer in charge and personally saw it satisfactorily functioning. The weather bureau was operated from the offices of the information group under direction of Maj. Gen. Charles T. Menoher, Director of Aeronautics.

In cooperation with the Government Weather Bureau the officer in charge had prepared a geographic chart which divided the United States into sections. The Weather Bureau collected information from each section and transmitted it to this Air Service officer, who in turn sent the information to the commanders of the Air Service aviation fields throughout the United States.

Reviewing the system in operation for two consecutive days I timed the officers and found it required less than half an hour in the morning and evening to transmit the weather information to all of the aviation fields. The only cost involved was that of the necessary telegrams.

WILL NOT STOP ACCIDENTS.

In face of the efficiency of the present Government and Air Service Weather Bureau requests for further facilities seem farcical.

Statements of Air Service officers and agents of the Manufacturers' Aircraft Association, made after each of the ghastly Air Service tragedies, that the Air Service needs from $50,000,000 to $80,000,000 for the establishment of a weather-bureau service are absurd. An $80,000,000 weather bureau will not stop Air Service accidents.

Aerial tragedies can be brought to an end by instituting Federal grand jury investigations. Witnesses and Air Service officers must be placed on the stand and be made to tell, under oath, what they know of the tragedies which have taken the lives of more than 150 Air Service men since August 15, 1919.

Arguments have not halted fatal aerial accidents and destruction of expensive airplanes, motors, and equipment. Talk will not bring our dead fliers back to life or return to the public pocketbook $50,000,000 represented by the thousand airplanes destroyed in crashes since August 15, 1919.

A Federal grand jury investigation is the solution. Such a probe will promptly halt the tragic deaths of our fliers, stop the drain of the Treasury by the Air Trust, and prove the first step toward making America supreme in the air.

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[Published by the Universal Service newspapers.]

WOODHOUSE EXPOSES AIR SERVICE THAT BALKED ALL IMPROVEMENTS IN PLANES NOT OFFERED BY MANUFACTURERS' CROWD—TELLS OF MORE DEATHS.

[By Henry Woodhouse, president Aerial League of America and noted aeronautical writer.]

The Senate investigating committee was prophetic when it stated in its report in August, 1918, that the schemes of the Manufacturers' Aircraft Association were designed to cause "discouragement of invention and the inevitable control of the aircraft industry by that association or some other interest through its agency."

It has happened, but in a horrible manner, attended by scores of ghastly deaths and destruction of aircraft for which the American public has paid hundreds of millions.

COULD SELL MAN-KILLERS.

As amazing as it may seem, it is a fact that the Air Service would not buy the most perfect and safest airplane made for even a single dollar unless the manufacturer is a member of the Manufacturers' Aircraft Association. But if you were a member of the trust you could sell the Air Service a man-killing, broken-down machine for a fabulous sum.

The Senate committee's report contains scores of pitiful tales of inventors and manufacturers who were not permitted to assist the Government during the war because they were not in the Air Trust.

Since the war the number of such cases has increased. Here is a typical instance:

There is conclusive evidence that the cause of the airplane bomb tragedy which killed several officers and men at the Aberdeen, Md., Army proving grounds and destroyed close to $100,000 in Government property was the absence of a safe chassis for a bombing plane.

CHASSIS WERE REJECTED.

Such a chassis had been deliberately refused and suppressed by certain Air Service officers. Evidence shows that several Army officers and favored manufacturers, who entertain them, caused the refusal and suppression of an ideal landing gear because it had been developed by a pioneer aeronautical engineer not a member of the Air Trust.

I can supply considerable first-hand information in this case as I was a member of the committee which investigated the deaths of Lieuts. C. K. Bronson and Luther Walsh, two naval officers killed while testing the ill-fated bombing device at Indianhead, Md., November 7, 1916. Having found, after investigation, that the chassis axle was an obstruction which caused the tragedy, our committee urged various aeronautic engineers to devise a chassis without an axle.

MARTIN'S PLANS REFUSED.

Some months later James V. Martin, pioneer among American aeronautical engineers, notified us he had evolved a chassis without an axle. Finally in September, 1920, he advised us that he had sold a number of important airplane patents to the Government for $1. Copies of letters were received by him from the executive Air Service officers who signed the purchase vouchers as provided by law. Copies of letters thanking Mr. Martin for his generosity in contributing his patents were also sent to us.

Subsequently, in February, 1921, we were advised that the Air Trust and Air Service officers who apparently connive with them, figuring the sale of such valuable patents to the Government would undermine their monopoly, had, incredible as it may seem, caused the signed agreement of sale to be rescinded. Despite the fact that the patents were the property of the Government, the transaction having been completed, Government officials caused the vouchers and other papers in the case to be taken out of the official files and returned to Mr. Martin.

TOLD PATENTS ARE WORTHLESS.

A letter accompanying them advised the inventor in effect that his patents were worthless.

Subsequently these officers awarded contracts to favored manufacturers embodying some of the features covered by the Martin patents. In the new contracts was a clause which provides that the Government shall bear the legal expense and burden of fighting any patent infringement suit which Mr. Martin might institute against the Air Trust.

An extraordinary feature of the case is that the Army General Staff investigated the matter and found the Army was being victimized. The contract section was immediately instructed to refrain from incorporating such an obviously dishonest clause in airplane contracts.

Nevertheless, it appears that the contracts secretly awarded during the past 60 days to the Air Trust contain clauses which obligate the Government to defend these favored manufacturers in patent-infringement suits.

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WOODHOUSE TELLS MORE OF AIR "GRAFT" WORKED ON AMERICAN TAXPAYERS; ALSO EXPOSES BIG FIRE IN FRANCE THAT WRECKED PLANES BY THE SCORES.

[By Henry Woodhouse, president Aerial League of America and noted aeronautical writer.]

RECORDS MISSING FROM UNITED STATES FILES.

WASHINGTON, September 10.—Department of Justice officials are without a clue regarding the mysterious disappearance from the official files of a 105-page report on the aircraft investigation.

This report, which was prepared for the department by Henry Woodhouse, president of the Aerial League of America, and sent by him under registered mail, was received in Washington, the postal receipts show.

When the officials of the bureau investigating war cases came to make use of the report it could not be found, although a searching survey of the files was made.

The report covered in detail the destruction of 5,000 Air Service airplanes, motors, and other aircraft equipment.

While the American public was rejoicing over the signing of the armistice the Aircraft Trust was worrying over what appeared to be the end of the period during which they had obtained contracts for over $1,000,000,000 by schemes perpetrated under the cloak of war secrecy.

With the signing of the armistice the Manufacturers' Aircraft Association feared they might not be able to force the Government to continue the billion-dollar contracts their agents, acting in Air Service high positions, had awarded them.

RUSH THROUGH CONTRACTS.

Some of these contracts were but a few days old. They had been rushed through when agents of the aircraft manufacturers serving overseas and in Washington for a dollar a year, learned of the impending cessation of hostilities. Later these contracts were liquidated for huge sums, although they had done nothing toward fulfilling them.

Immediately after the signing of the armistice I received a visit from an official of the Manufacturers' Aircraft Association, whom I had known for some years as a small aircraft manufacturer.

He called on me because I was an active director of the Aero Club of America and vice president of the Aerial League of America, and because I owned the three leading aeronautical publications.

He told me frankly that he and other manufacturers had gotten together and figured out that in effect there would be lean days ahead for them unless steps were taken to destroy the American airplanes constructed for the war. He had been sent to attempt to induce me to have the Aero Club and Aerial League, as well as my magazines, urge the Government to destroy the stock of military and naval planes. This could be done, he stated, by claiming these airplanes were unsafe for civilian use.

MOLDING PUBLIC OPINION.

He declared it would be easy to create public opinion in favor of destroying the airplanes.

In answer, I stated if they could prove these machines, produced for training American aviators in this country and for our fliers overseas, as well as for the protection of 2,000,000 American soldiers, were unsafe, that I would certainly urge that the aircraft be burned, but would also urge that those guilty of unloading such machines be hanged as traitors.

He took the matter good-naturedly and came again. Other agents of the Manufacturers' Aircraft Association also approched me, as well as other directors of the Aero Club and Aerial League. We were invited to a sumptuous entertainment, where champagne and the best of wines and liquors flowed freely. This fête was attended by leading Air Service officers, many of whom became so highly intoxicated they could not stand.

PLANE BLAZE IN FRANCE.

Subsequently the three leading members of the Air Trust and Howard E. Coffin, ex-chairman of the Aircraft Production Board, and Benedict Crowell, Assistant Secretary of War, went to Europe as the official American aviation mission. While they were there the destruction of thousands of airplanes, motors, and equipment, which had been rushed overseas after the signing of the armistice, was ordered.

While this "aviation commission" was in France many aircraft contracts were canceled in this country, despite the heated protests of agents of the Manufacturers' Association. When the commission returned they found the country incensed by the reports of the great airplane bonfires abroad.

NEW METHODS ADOPTED.

New methods had to be found to cause destruction of the thousands of Air Service planes in the United States. Here is one method adopted:

"The hundreds of so-called 'aerial recruiting expeditions' sent out during the past two years, which cost many lives and millions of dollars in airplanes and equipment, were all faked excuses to take Army airplanes out of storage and cause their destruction to reduce stocks on hand and to create talking points for larger appropriations.

"When this so-called aerial recruiting campaign for noncommissioned personnel by the Air Service was announced the Aero Club of America and the Aerial League of America had on file approximately 10,000 applications from men who were anxious to join the Air Service. As there had been many Air Service officers and men killed in indiscriminate flying, and the cost of Army flying was—and still is—abnormally high, more than $50 a minute, the officials of the Aero Club and the league thought they could assist the Government to save lives and money by turning over a list of such applicants.

OFFICER CRIES FOR MERCY.

I was one of the officials of these organizations who called on the Air Service officer in charge of recruiting in Washington on this mission. The recruiting officer was told that our organizations were prepared to pay the expenses of notifying these 10,000 recruits. We asked whether they should be notified to apply direct to the Air Service or at general Army recruiting offices in different cities.

"For God's sake, don't do either," exclaimed the recruiting officer. "We have more recruits than are allowed by law."

He explained guardedly that the so-called "recruiting parties" were really sent out for "general propaganda." Between June, 1919, and August, 1921, 150 Air Service officers and noncommissioned officers, whose training had cost more than $5,000,000, were killed. Most of these deaths, investigation revealed, were attributable to unlawful propaganda campaigns.

It costs $50,000 to train an Air Service pilot, and there were wrecked and in other ways put out of commission during this period not less than 1,000 airplanes and motors and other aeronautic equipment that had cost not less than $50,000,000, and there was spent not less than $5,000,000 in additional general running expenses.

HUGE SUMS FOR FEASTS.

I have personally seen copies of the minutes of meetings of these aircraft manufacturers, showing appropriations and expenditures made by them ranging from $1,000 to $25,000 each, stated in the minutes to be for the purpose of entertaining executive Air Service officers—whose names are mentioned in the minutes—and to be spent by their agents in

lobbying in Washington and elsewhere for the purpose of securing control of aeronautics, for the printing of propaganda, and for other unlawful purposes. I have also seen and have copies of the records of bank accounts from which these moneys were drawn. The evidence shows that these were funds obtained from the United States Treasury by misrepresentation, frauds, and conspiracies, and collusion with certain Air Service officers.

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"THERE IS NO VALID EXCUSE FOR THE FOUR DEATHS IN THE TRAGEDY OF THE $100,000 MARTIN BOMBER NO. 5—SAFER TWIN-MOTORED PLANES HAVE BEEN OFFERED TO THE AIR SERVICE THAT WILL FLY WITH ONLY ONE MOTOR GOING, BUT THEY WERE REJECTED."

(By Henry Woodhouse, president Aerial League of America, chairman of committee cooperating with Government in air investigations and author of aviation textbooks.)

(Written for Universal Service.)

Four more Air Service men lie dead and one is dying, and another twin-motored Army bomber costing over $100,000 has been destroyed.

We are told that while Martin bomber *No. 5* was flying over Nicholas County, W. Va., recently one of the two motors stepped and the plane plunged down, crashed to the ground near Summersville, killing four of the five airmen on board. The mechanical cause of the accident is that one motor stopped and the plane could not fly on one motor, being one of the inefficient planes of that type forced on the Air Service by the unscrupulous Air Trust.

There is no valid excuse for these deaths, nor for the excessive cost of the bombers. The tragedy could not have happened if the Air Service had ordered the best airplanes offered by bidders.

SAFE PLANES REJECTED.

Twin-motored airplanes have been offered to the Air Service that will fly safely with only one motor going, even in a high wind, and the Air Service could have had these superior planes at less than half the price charged for the dangerous ones.

The better, safer, and cheaper airplanes were rejected because the bidders were not members of or contributors to the Manufacturers' Aircraft Association, the monopolistic organization that controlled the Air Service expenditures since 1917 and have made the Air Service the dumping ground for defective aircraft, for which they have charged and charge such exorbitant prices that it is clear that the graft and waste amounted to over $100,000,000 out of the approximate sum of $200,000,000 paid for the bare construction of airplanes, without motors, accessories, or equipment.

Had the airplanes been as good as could be made or bought, the indulgent American public would probably have taken its loss good-naturedly, as it usually does.

COULD HAVE SAVED LIVES.

There was hardly a question asked either when the War Department announced that 296 American Air Service officers had been killed in accidents during the war, besides the 236 who were reported as having been killed in action, although it was felt that many of these deaths could have been prevented if American manufacturers had supplied better airplanes for training and good ones for fighting.

The American public was extremely generous in its attitude toward war aircraft evils. It paid close to one thousand million dollars for the Army and Navy aeronautic programs and since the signing of the armistice has given close to $200,000,000 more for Army and Navy aeronautics. For these huge expenditures there is little more to show than a ghastly record of killing of hundreds of Air Service men due to the faulty aircraft supplied by the members of the Manufacturers' Aircraft Association at exorbitant prices.

These dangerous Martin bombers that have killed so many people and have been wrecked so fast cost the taxpayers over $100,000 each, or over four times their value.

These bombers were widely advertised as being capable of flying without danger with only one of the two motors going. The ghastly records of crashes and deaths have proven that these bombers can not fly safely with only one motor going, so stated by the pernicious propaganda circulated by the Air Trust to mislead the public while the Air Trust was arranging for more Air Service contracts for these dangerous planes at exorbitant prices. The last contract is for 35 of these dangerous planes, which should be canceled forthwith to save further waste of funds and further killing of Air Service men.

FRUITLESS EFFORTS.

The West Virginia tragedy is typically pathetic. It reveals through the lips of a dying victim the brave but fruitless efforts of the pilot to control a type of plane antiquated in design and dangerous in operation, which would long ago have been replaced by more efficient and dependable types had it not been for the Manufacturers' Aircraft Association's conspiracy to control the Air Service for the private benefit of its members and agents, who support luxurious yachts and most expensive automobiles and entertain executive Air Service officers at sumptuous parties with their ill-gotten gains.

One of the basic mechanical defects of Martin bombers is that they are inefficient and have the two motors located out in the wing and not connected, and when one motor stops they will not fly and control dependably on one motor.

Much has been said about this plane's ability to fly and control on one motor, but the truth, as the records show, is that only under perfect conditions can this plane be flown at all on one motor, and that in windy weather it is most dangerous to attempt flight with one motor, the plane tending strongly to swing into a tail spin, as it did in the West Virginia tragedy.

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[Editorial from Press, Pittsburgh, Pa., September 9, 1921.]

TREASURY LOOTERS MUST BE PUNISHED.

The fact that it is not possible to secure the restitution of any worthwhile amount of the billions of public money which were grafted and stolen during the war and afterwards is all the more reason why Congress should consent to enact Attorney General Daugherty's proposed amendment of the statute of limitations to enable the Department of Justice to proceed with criminal charges against numerous profiteers and grafters whose prosecution will otherwise be barred.

It is not alone in the operations of the Shipping Board, by which presumably not less than a cool billion of the people's money was crookedly disposed of, that there is occasion for indictments. In the Air Service and other governmental war-time activities there was also amazing imposition upon Government and people, if we may believe testimony of apparently the most credible sort.

For instance, here is Henry Woodhouse, president of the Aerial League of America, expressly charging that not only money but human lives have been wasted in what he calls the most "ghastly" manner in order that unreasonable and inordinate profits might accrue to certain favorite contractors. After referring at length to two particularly shocking transactions, Mr. Woodhouse goes on to say:

"These are but two instances of many cases in which the Government has been victimized by making the Air Service a dumping place for faulty, dangerous aircraft at exorbitant prices by a small group of manufacturers who monopolize Government business. The official Air Service audits show that these manufacturers have gotten close to $150,000,000 in public funds for construction of aircraft without motors or equipment for the Army alone since April 6, 1917. General Pershing's report shows that only 212 airplanes reached the American Expeditionary Forces up to November 11, 1921. To-day all that the public sees for the $150,000,000 paid for airplanes and an extra $500,000,000 paid for motors, dirigibles, and other equipment is a ghastly record of death and destruction. A sweeping grand jury investigation is necessary to halt this evil and to save further loss of life and public funds."

It is inconceivable that Congress should continue to lay staggering tax burdens upon the country without at the same time aiding the Attorney General in every possible way to bring the Treasury looters to the bar of justice.

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[Editorial in the Post Express, Rochester, N. Y., September 13, 1921.]

THE AIRCRAFT TRUST.

A condition of affairs both startling and shocking is revealed by Henry Woodhouse, president of the Aerial League of America, and publisher of the leading aeronautical periodicals. At the request of the Department of Justice he prepared a 105-page report covering the deliberate destruction, here and abroad, where bonfires were made of 5,000 Air Service planes, motors, and other equipment. This report was stolen from the department files in Washington, and Mr. Woodhouse was asked to send on a duplicate report, which he has done.

He asserts that the Manufacturers' Aircraft Association, known in popular parlance as the Aircraft Trust, engineered the destruction of the airplanes and equipment destroyed, and in collusion with certain Air Service officers were and are conspiring to have the Government destroy its entire stock of military and naval planes. To this end the trust repeatedly invited and sumptuously entertained leading Air Service officers, financed a costly lobby in Washington, and set on foot a propaganda to convince the people that the airplanes were unsafe for use and should be destroyed. Mr. Woodhouse alleges that the trust sought to enlist his aid, and gave him to understand that their object was contracts with the Government for new machines.

Between June, 1919, and August, 1921, declares Mr. Woodhouse, 150 Air Service officers, whose training has cost $5,000,000, were killed, and aeronautic equipment costing $50,000,000 was destroyed. Investigation is said to reveal that "most of these deaths were attributed to unlawful propaganda campaigns." Nothing more criminal and odious than these offenses charged has come to general attention, and the fact of the matter seems to be that interests which mulcted the Government out of $1,000,000,000 in airplane manufacture during the war have conspired to mulct it out $1,000,000,000 more. They are directly responsible for the destruction of property for which the American people paid hundreds of millions of dollars; and the shameful existing conditions can be remedied only if the Attorney General institutes without delay the Federal grand jury investigations ordered by congressional resolutions in April a year ago.

The Aircraft Trust is now behind a bill to create a bureau of civil aeronautics in the Department of Commerce, and to regulate the operation of civil aircraft, and is flooding the land with literature in its support. The bill is now in the Senate Committee on Commerce, and considering the interests behind it and the fight they are making for its passage, it is to be viewed with deep distrust. What the trust wants is probably what the people do not want. They are beginning now to dimly see why Air Service in America has been arrested in its infantile stage of development, why we have only colossal waste and a series of horrible fatalities to show for all our costly experimentation; and it seems not unreasonable to assume that similar base and greedy interests have been and are at work to foist costly, useless, dangerous gas-bag aircraft on the Government.

Mr. KELLEY of Michigan. I will yield the gentleman from Wyoming one minute.

Mr. MONDELL. Mr. Chairman, the gentleman who has just spoken has occupied nearly an hour presenting some very serious charges. I had hoped to be able to ask him if he had called the attention of the Attorney General to these matters that he has been discussing. My understanding is that he has not. The gentleman declining to yield, I was unable to ask him the question.

Mr. WOODRUFF. Will the gentleman permit me to make a statement?

Mr. BYRNES of South Carolina. I will yield three minutes to the gentleman from Michigan.

Mr. WOODRUFF. I do not require three minutes, although I thank the gentleman from South Carolina. But I will say this, Mr. Chairman, that while I made an attempt to secure an interview with the Attorney General I have not been successful, and I will say further that some of the things I shall put in the RECORD and which I discussed at length have been called to the attention of the Attorney General, as the record itself will show. I yield back the balance of my time. [Applause.]

The CHAIRMAN. The gentleman yields back one minute.

Mr. BYRNES of South Carolina. I yield to the gentleman from Texas [Mr. MANSFIELD]. [Applause.]

Mr. MANSFIELD. Mr. Chairman, the capital of this Nation was recently the scene of what we then considered and what we yet hope will prove to have been the most important diplomatic conference ever participated in by civilized nations. The great World War, which was the direct and proximate result of a

race in armaments, had but recently been brought to a termination, and the whole world was groaning under the burdens of taxation due to that great conflict. At the termination of hostilities all the nations that participated in the war, except ours, found themselves financially broke, while we were badly bent, financially speaking.

To the Congress of the United States is due the honor of initiating a movement for the relief of a tax-burdened world. A resolution was adopted, almost unanimously, requesting the President to call a conference for the limitation of armaments by the three great naval powers of the world—the United States, England, and Japan—the relative strength of whose navies was, in my judgment, in the order named.

The President in his wisdom saw proper to add other nations to the list and to extend the scope of the conference to include additional questions pertaining to the Orient, which, on account of their far-reaching possibilities, were deemed necessary of settlement at the same time, thus rendering still more remote any possible need or excuse for further burdening the taxpayers of this and other countries for expensive, unnecessary, and dangerous weapons of war.

The conference, under the guidance of the Secretary of State, was attended with abundant success, and the hopes of the most sanguine were fully realized. This was regarded as the termination and fulfillment of the purposes for which we entered the war and for which our brave soldiers shed their blood upon the battle fields of France.

We are now confronted with a proposition set forth in the minority report of the committee, which, if carried out, will, in my judgment, have the effect of nullifying one of the objects we had in view when we entered the war, and of reducing to a mere "scrap of paper" the conference agreement entered into for limiting armaments. After this agreement providing for the scrapping of such a large proportion of our Navy we now have the Navy Department, from its head to its foot, absolutely demanding that we shall increase the personnel of the Navy to even greater proportions than it has been the past few months, before the scrapping was commenced.

I make no pretense of expert knowledge about naval affairs, and can not say how many men are required to successfully man the ships that are to be in operation hereafter; but, if I am to make a guess, which it seems I must do, I would say that the bill as reported by the majority of the Committee on Appropriations has made provision for even a greater number than will be required.

The General Board has said that 120,000 men are necessary; the Secretary of the Navy says 96,000 and the President says 86,000. Those who favor the minority report tell us that the General Board, the Secretary, and the President all have inside information, and that we should carry out their recommendations. I ask them how it is possible for us to follow all of them when they differ so widely among themselves? Which shall we follow, the President, the Secretary of the Navy, or the General Board?

Between the President and the General Board there is a far greater difference than there is between the President and the majority report of the committee before us. If we can vary from the figures of the President to accept the figures of the General Board, we can far more easily, and with greater prudence and judgment, vary from them to accept the figures of such able and distinguished and experienced men as the gentleman from Illinois [Mr. MADDEN], the gentleman from Michigan [Mr. KELLEY], and the gentleman from South Carolina [Mr. BYRNES], and the other gentlemen constituting the majority in this case.

They ask us, "Why have a Secretary of the Navy and an Assistant Secretary of the Navy, if we can not carry out their recommendations?" To those who make this inquiry I reply by saying, Why have a Committee on Appropriations, if we can not carry out their recommendations? This committee has labored long and zealously to work out this problem. They are men of great ability and wide experience. Some of them, at least, were passing upon naval problems and appropriation bills when some of the gentlemen now connected with the Navy Department under the Secretary were in their swaddling clothes.

I have no criticism to make of the Secretary of the Navy. If he honestly thinks we need 96,000 men and no more, I admire him for having the courage to say so. We are so accustomed to having men at the head of this department who make a complete surrender to those by whom they are surrounded that it is encouraging at least when we have one there who has the temerity to place his recommendation of personnel at 24,000 below the figures recommended by the General Board. This at least shows that he has not been completely mesmerized, as others before him have been.

But, Mr. Chairman, I will say that it has not always been customary for Congress to carry out the recommendations of the heads of departments in making appropriations. If we can not vary from their recommendations, then I will propound another question on the line with that asked by some of the gentlemen on the side of the minority report and ask, Why then have a Congress?

Mr. Chairman, I shall not go into the detail of figures. The gentleman from Michigan [Mr. KELLEY] and the gentleman from South Carolina [Mr. BYRNES] have done that. Their statements show that this bill is providing for more men than we now have in the Navy, when, after the scrapping of the large number of ships agreed upon, we could not possibly need as many as we now need.

It has also been shown that we will have approximately the same number of men that England has provided for for the coming year. It has been further shown by the gentleman from Michigan [Mr. KELLEY] that Japan, with the limited number of ships allowed her by the conference, can not possibly use more than 40,000 men to advantage in her navy, and if she makes authorization for a greater number, as some seem to fear, it will add no strength to her naval power.

Mr. Chairman, we hear a great deal said as to the personnel of the English and Japanese navies, and some gentlemen seem to fear that they may provide a greater number of men than we provide for. To my mind there is no weight to that argument. If they should have more men than necessary to man their ships, it will only be an unnecessary burden upon their own taxpayers while adding nothing to their naval power. I care not what they may do along that line. Their farseeing statesmen may wait until we act and then make provision for double the number of men that we do. I could not blame them for doing such a thing, as it would be quite necessary in order to have their personnel more nearly on an equality with ours.

The gentleman from South Carolina [Mr. BYRNES] has shown that the bill, while purporting to carry an appropriation of only $233,000,000, is in fact equivalent to $300,000,000, as it authorizes the expenditure of certain unexpended balances and other items that run it up to that amount. Then, in addition to all that, there are $60,000,000 to be paid to the contractors on the unfinished battleships that are being scrapped. This will make a total of $360,000,000 for naval purposes for the coming year, far more than twice the amount appropriated for any year prior to 1916, when we entered upon such a stupendous program of battleship construction.

I would like to call the attention of the gentleman from South Carolina [Mr. BYRNES] to another little item that might be included. The leading editorial in the Washington Post of to-day calls attention to the proposed ship subsidy of $50,000,000 to our merchant marine, as recommended by the President. The Post suggests that these merchant ships could be manned by the Naval Reserve as a necessary part of the public defense and let it be covered under a naval appropriation. This paper is considered the spokesman of the administration, and this additional amount would swell the grand total to $410,000,000, or $210,000,000 more than I hope the appropriation will amount to next year.

Mr. Chairman, the Conference on Limitation of Armament, about which we have heard so much and which won for us the plaudits of the civilized world, gave the overburdened taxpayers of this country the hope that it would relieve them of a portion of the heavy burdens of taxation with which they have been oppressed. The sacrifice of property which we made by that conference was perhaps considerably greater than the sacrifices of England and Japan combined, as we had a far greater number of capital ships than they in the various stages of construction.

Now, after agreeing to destroy nearly a half billion dollars' worth of naval craft of the highest type, we find the most bitter opposition to having a commensurate decrease in the annual appropriations for naval purposes. If it was the understanding that we were to continue in the race of expenditures, then why did we agree to destroy those magnificent ships? Mr. Chairman, I believe in keeping faith with the taxpayers of this country in carrying out that conference to the fullest extent. I now realize the difficulties the Committee on Appropriations had along that line, and I want to congratulate them upon the great efforts they have made to meet the expectations of the people. [Applause.]

Mr. KELLEY of Michigan. I yield 30 minutes to the gentleman from Illinois [Mr. BRITTEN]. [Applause.]

Mr. BRITTEN. Mr. Chairman, first of all I desire to pay my compliments to the distinguished gentleman from Michigan [Mr. KELLEY] for his wonderful address on yesterday, and I am saying it sincerely, although he and I are in complete opposition on

this destructive, unscientific bill which is before the committee to-day. [Laughter.] The governor is a great lawyer and a great debater, and he could have argued just as consistently on yesterday for 50,000 men in this bill instead of 67,000, and have gotten away with that with equal grace, or for 40,000 even, and gotten away with equal grace. It is very much like the lawyer defending a house wrecker who wrecked the wrong building by mistake and is suing for pay for it. He is a wonderful exhibit of tireless energy. I have worked with him for 10 years on the Committee on Naval Affairs, and I admire him immensely, but this bill, gentlemen, is the climax of all bills ever introduced in Congress for totally ignoring the expert advice of the department which it affects.

I will venture to say, without the fear of successful contradiction, that in the past 10 years no bill has been introduced in this House that so completely ignored the expert advice of the department which it affected. The gentleman on yesterday did not say that a single part of this bill was recommended by expert opinion. The highest ranking officer in the Navy does not recommend anything that is in this bill, not a single item, excepting the names of the ships. But the gentleman from Michigan [Mr. KELLEY] very cleverly said that there is no dispute between the department and the Committee on Appropriations as to the number of ships. We have numbered them and we have named them. So far so good. The names of the ships are not in dispute, but the gentleman says that with the appropriation for 67,000 men they are going to man the ships effectively and that the small Navy men are the judges. This bill was framed by little Navy men, so called.

I have always liked to follow our distinguished leader on this side of the aisle; he is a great man—not Governor KELLEY, but the gentleman from Wyoming [Mr. MONDELL]. I will put them both in the same class. They are great men and great leaders, but let me call the attention of the House, and particularly the younger Members in point of service, that the gentleman from Wyoming, from the day that he first put foot in this Chamber has been a little Navy man. He is our leader, but we are now face to face with a most serious question—the protection of our country—and each man must draw his own conclusions and vote accordingly. I have no argument with him about that.

Mr. MONDELL. Will the gentleman yield?

Mr. BRITTEN. Inasmuch as I have referred to the gentleman; yes.

Mr. MONDELL. I do not know what the gentleman means when he says a "little Navy man." I do not recall a time in my whole service in the House when I have been for the smallest program presented, when programs were presented smaller than those presented by the committee. I do not know of a time when I have not supported the committee of the House in the naval program. I did not go to the extreme, and I have not gone to what I considered the extreme position sometimes held by some of the gentlemen here, but there certainly never was a time when I could properly be classed as a "little Navy man," whatever that may be. I have not a naval station in my district, so I am not interested.

Mr. BRITTEN. Nor have I.

Mr. MONDELL. The gentleman is very close to a very large training station.

Mr. BRITTEN. It is being made very small in this bill. The Great Lakes Station has done more for the Navy personnel than all of the other stations combined. It can still be retained to great advantage.

Mr. KELLEY of Michigan. Is that the secret of the gentleman's opposition?

Mr. BRITTEN. Oh, no; not at all. The gentleman and I are equally interested in Great Lakes.

Answering our distinguished leader, I will tell him what I mean by a "little Navy man." When our dear old friend on the other side of the aisle, Judge Witherspoon, that great naval annalist—and he was a great man—came in here with an amendment for one ship instead of two as carried in the bill, the gentleman from Wyoming [Mr. MONDELL] voted for the smaller Navy, and again when a bill carried three capital ships, he would support an amendment for two ships. It is easy for him to say now that he has always been for an adequate Navy. What is the definition of the word "adequate," and who will define it for the Navy? He may be as much for the national defense as anybody else, but he has always been looked upon as a little Navy fellow. I am sorry that I can not follow him on this bill. It has been customary in the past on matters affecting the Navy to accept, at least in principle, the advice of the highest naval authority in America, not necessarily in detail, but in principle. What is that authority? It is the Navy General Board, is it not?

Who represents the Naval General Board in the Navy Department? Admiral Coontz, the highest ranking officer in the Navy; and, of course, when he and his various bureau chiefs come before Members of Congress and request specific appropriations, it is natural they do so from expert authority. And yet these gentlemen on the committee, the little Navy fellows, say, "You do not need 1,100 men on a ship. In 1916 you had only 850 on that same ship."

Mr. KELLEY of Michigan. Will the gentleman yield?

Mr. BRITTEN. I will yield, because you will yield me more time if I need it.

Mr. KELLEY of Michigan. I will. Last year Admiral Coontz, who is a very fine and efficient naval officer, requested $680,000,000 for the Navy. Of course, Congress could not give him that sum of money. I was wondering if the gentleman from Illinois thinks we ought to have given him $680,000,000 for this current year?

Mr. BRITTEN. I just said that we do not always accept in detail the advice or the suggestions of the highest authorities, because some people may go too far one way, as you have done. I will say to the gentleman now that both the Navy Department and the administration have requested 96,000 men as necessary to properly man the ships provided for in recent treaties. The Committee on Naval Affairs of the House has gone on record, almost unanimously, by the introduction of a bill which is now on the House Calendar, for an authorization of 86,000 men. And I differ with expert authorities to this extent: I am inclined to believe they can get along with 86,000 men, although I am sure they could do better with 96,000, and all the evidence that has been presented to the Committee on Appropriations will prove that beyond the question of a doubt, and I will prove to you, gentlemen, by figures—authentic figures; not newspaper clippings; not by reference to our Navy of 1916, as the gentleman did yesterday—but prove to you in figures that we ought to be appropriating for not less than 84,000 men to-day. If we are going to accept the British ratio of tonnage and men and if we accept the Japanese ratio, we ought to be appropriating for 125,000 men for next year.

My information is not taken out of any Japanese newspapers, or out of any newspaper from England quoted yesterday, but it is accumulated by our best authorities, the Office of Naval Intelligence of the Navy, which has its channels in many, many directions for getting information. And they say—not this little naval committee—they say that on the ratio established by England we ought to be appropriating for 100,000 men at once and allow that number to work down to 84,000 by March 4, 1923, and, on the other hand, if we are going to accept the Japanese ratio—and, gentlemen, let me suggest to you that the Japanese ships are finely manned; that their navy, although smaller than ours by intent, so far as this treaty is concerned, will be superior to ours with only 65,000 men, because of the ability of superior personnel to properly handle their ships while we go along with skeleton crews.

Mr. KELLEY of Michigan. Will the gentleman yield now?

Mr. BRITTEN. Yes.

Mr. KELLEY of Michigan. Does the gentleman say that the Committee on Naval Affairs decided there should be appropriated money sufficient for a personnel of 86,000 for the coming year?

Mr. BRITTEN. No; the gentleman knows I did not say that.

Mr. KELLEY of Michigan. What did the gentleman say?

Mr. BRITTEN. He knows I did not say that because he knows naval affairs too well to assume that. That is just one of the gentleman's ways to confuse the situation, as he did on yesterday, when he might have been talking about 40,000 men instead of 60,000 and gotten away with it. The Committee on Naval Affairs has a bill on the calendar now authorizing an enlisted personnel of the Navy at 86,000 men.

Mr. KELLEY of Michigan. The authorized strength now is 137,000 men.

Mr. BRITTEN. I understand that.

Mr. KELLEY of Michigan. What does the gentleman mean by saying that the Naval Committee wants 86,000 men?

Mr. BRITTEN. Of course, you and I are not going to waste any time in arguing unnecessary questions. You are confusing the issue.

Mr. KELLEY of Michigan. I should be happy to know just what the Naval Committee had in mind when it suggested an authorized strength or a maximum strength of 86,000 men.

Mr. BRITTEN. The Committee on Naval Affairs has reported a bill which reduces the authorized enlisted strength of the Navy to 86,000, and that bill is now on the calendar. That is thoroughly plain.

Mr. KELLEY of Michigan. Was it the intention of the Committee on Naval Affairs that the Congress should appropriate for 86,000 men for this current year?

Mr. BRITTEN. The Committee on Naval Affairs is not an appropriating committee, and it has not considered that side of it at all. The gentleman knows that.

Mr. KELLEY of Michigan. I do not see any force in the gentleman's statement because it is not responsive to my question.

Mr. BRITTEN. I do not see any value in the gentleman's question. He is trying to befuddle this thing, and he is not getting away with it. [Laughter.]

Mr. OLIVER. Mr. Chairman, will the gentleman yield for a question?

Mr. BRITTEN. I will yield to the gentleman from Alabama later.

Mr. OLIVER. It is very pertinent.

Mr. BRITTEN. Yes, I know; but the question of the gentleman from Michigan [Mr. KELLEY] appeared pertinent to him, and it was not. [Laughter.] But the gentleman from Michigan on yesterday called attention to the fact that the British Navy on March 1, 1923, will comprise 98,500 men. That is correct. That is according to their budget. And then he said, in order to throw a lot of sand in your eyes, that that 98,000 men included their marines and all their officers and the boys on the high seas, and then he added, "Of course if we are going to make a comparison of navies we shall have to include our marines, 20,000 of them." Then I said, "Our marines are not seamen at all; they are soldiers; they are landsmen; they do not as a whole belong on the battleships"; and I asked the gentleman how many of our 20,000 marines were afloat to-day, and he said, "I do not know." Yet he was willing to add our 20,000 marines to the 67,000 men carried in the bill, and say, "We are appropriating for 87,000 men for the Navy." The marine is a soldier and a land fighter. He is not a naval officer; he is not a ship man at all. But the British marines included in their 98,000 men are, every one of them, seamen, and they ought to be and are included in the British enlisted personnel. They are just as much seamen as are sailors in the British Navy. Is it quite fair to say, "Well, if you are going to include in the 98,000 for Great Britain 10,000 marines, all of them seamen"—and I do not think he told you the number—"we should also include our 20,000 marines who are not seamen." Of course, he ran the figures up, and then he said, "We will add our cadets and our midshipmen and our officers," and so on down the line, and, finally, when he got through, he took his glasses off and wiped them, with that luscious smile of his—and Lord knows how he can smile!—he wiped his glasses and said, "Why, gentlemen, you could almost close your eyes and hear the appropriation for the British Navy read and think that it referred to the American Navy." [Laughter.]

Mr. LINEBERGER. That is a joke.

Mr. BRITTEN. Exactly. It is a joke; but he gets away with it, and for the time being covered 20,000 non-Navy men into the service for comparative purposes.

Mr. Chairman, Great Britain has at the present time—January 1, 1922, list—15,107 officers and marines, of which 506 are officers and 14,601 are enlisted men.

She proposes by March 31, 1923, to reduce this number to 9,800 officers and marines, of which 400 are officers.

At the present time Great Britain carries 110 marines on each battleship and battle cruiser in reduced commission. She also carries 12 marines on each of her 33 light cruisers.

The British marines do not do any expeditionary work such as we perform in Santo Domingo, in Haiti, in Nicaragua, and in China. All that class of work is done by the Army. She has no expeditionary bases such as we have at Quantico.

At the present time we have about 1,980 marines afloat, and there are 5,069 engaged in expeditionary work, and 3,800 detailed at expeditionary bases.

The British marines when on board ships are part of the ship's company. For light cruisers they are used as servants. On the battleships and battle cruisers they man at least one of the big turrets complete.

Practically the whole British Marine Corps is at sea or in depots training for sea. It is purely a seagoing corps. They do not guard navy yards and stations.

Ninety per cent of the American Marine Corps is always ashore and is never assumed to be seagoing.

Mr. Chairman, I will say in a complimentary way to the gentleman that before he started to speak yesterday more than 50 per cent of this House would have voted favorably for 86,000 men, and when he got through I do not think they would have voted for 40,000; he is so convincing. But he wound up his very eloquent address by reading an extract from the President's speech to the Conference on the Limitation of Armaments—beautiful language, language as fine as was ever uttered by the mouth of man—and he suggested that "Of course we are going into this great world work now, and we must stand by the President."

The gentleman had a conference with the President the other day. When I asked him if he could consistently inform the House just what attitude the President took on the Navy appropriation bill, he got as pettish as a 6-year-old child that had just broken a slate or something, and said I ought to withdraw the question. There were no presidential strings on his telling the House. The Members of the House have been told, the committee has been told, the country has been told what the President's desires are. The gentleman from Michigan does not care to admit that the President wants 90,000 men. Oh, no; that would be violating a confidence. He sat with the President one night—he and my handsome colleague from Illinois [Mr. MADDEN]—sat with the President one night, and they had quite a talk about this very thing.

Mr. OLDFIELD. Mr. Chairman, will the gentleman yield?

Mr. BRITTEN. I have not the time now. Will the gentleman from Michigan [Mr. KELLEY] give me a little time later?

Mr. KELLEY of Michigan. I think so.

Mr. BRITTEN. You are not going to "think" about this?

Mr. KELLEY of Michigan. Well, then, I will.

Mr. BRITTEN. You will?

Mr. KELLEY of Michigan. Yes. Does not the gentleman believe that the President is able to do his own talking?

Mr. BRITTEN. He did, to you. [Applause.]

Mr. KELLEY of Michigan. Then I will ask the question in another way.

Mr. BRITTEN. Then the answer will be the same.

Mr. KELLEY of Michigan. In that event the answer will again have the applause of all the navy yards in the country. [Laughter.] I will ask the gentleman this: Does not the gentleman think that if he had a conversation with the President about any matter that he ought at least to have the consent of the President before making public the conversation?

Mr. BRITTEN. I will answer that by asking if the President requested the gentleman not to divulge his desires on this Navy personnel matter?

Mr. KELLEY of Michigan. Oh, I know that there are gentlemen who would go up to the White House and talk with the President and then peddle what the President said up and down the street.

Mr. BRITTEN. I have never accused the gentleman of having a guilty conscience.

Mr. KELLEY of Michigan. I have not pursued that course. If the gentleman ever should be consulted by the President about any matter, I am sure he would not do that.

Mr. BRITTEN. That merely accentuates what I have said in four or five different ways. The gentleman will try to befuddle an issue, and get away with it when he can. We had a naval officer named Sammy McGowan. He was a great man. He was Chief of the Bureau of Supplies and Accounts. That fellow, like Governor KELLEY, got away with anything because he had a wonderful smile. Governor KELLEY knows that he was not bound to secrecy in his conversation with the President the other night. There were others who had conversations with the President, and there was nothing secret about it. He had rather refer to the President's address at the opening of the armament conference than to tell the House plainly that the President of the United States and his administration and the Secretary of the Navy and the highest ranking naval authorities in America are for 96,000 men. He had rather tell you the other things.

Now the question is, Who is going to determine whether we ought to have 96,000 men or 67,000 seamen plus 20,000 marines who are not sailors. Of course, under an agreement with the Secretary of War I suppose we could put the Philippine Scouts on our ships out in the Asiatic Squadron.

Mr. OLDFIELD. Will the gentleman yield?

Mr. BRITTEN. No; I had rather not. I thank the gentleman very much. I know he desires to help me. The gentleman even goes a little further. You know he was very adroit about handling the Japanese situation. He was not interrupted, but here is how he handled it. He did not tell the House how many men are in the Japanese Navy to-day, not a figure. He did not tell the House that the Japanese 60 days ago appropriated almost $200,000,000 gold for their coming naval budget. I will give you the exact figures—$196,831,000, based on a yen at 50 cents. Gentlemen, in working and earning and producing capacity that is four times what our $233,000,000 is—four times as much. He did not tell you that.

Mr. KELLEY of Michigan. What was the date of that appropriation?

Mr. BRITTEN. February 22, 1922.

Mr. YATES. Was that for the Navy?

Mr. BRITTEN. Yes; Japan's naval budget. Governor KELLEY did not tell you that. When he started to analyze the difference between the Japanese Navy and ours he said we had so many men in our Navy in 1916. I asked him why he did not compare the proposed Navy under the treaty, the Japanese Navy of some 300,000 tons, with ours at 525,000 tons.

Mr. KELLEY of Michigan. Can the gentleman state the amount of the Japanese appropriation that was for new construction?

Mr. BRITTEN. No; this is their entire naval budget.

Mr. KELLEY of Michigan. Yes; including the new construction before their program was abandoned and old ships scrapped.

Mr. BRITTEN. No; this was in February of this year.

Mr. KELLEY of Michigan. The gentleman has not given the amount that was for new construction.

Mr. BRITTEN. No. I say I have given the total amount of their budget, and the gentleman can not confuse me by asking for the specific items that make up this amount, because they can not be given.

Mr. KELLEY of Michigan. If the gentleman can not give it——

Mr. BRITTEN. I will satisfy the gentleman fully on this Japanese comparison, because I have got the figures, and I did not get them out of a Japanese newspaper through our mutual friend, TINKHAM, of Massachusetts, either. [Laughter.]

The gentleman, instead of giving the actual number of men in the Japanese Navy and the actual amount appropriated for, talked about the number of men we had in 1916. Mind you, all of these figures as to Japan come from our best authority, the Intelligence Bureau of the Navy Department. The gentleman did not tell us that the Japanese had 76,000 enlisted men in their navy to-day, and he did not tell you that the new appropriation was to provide for 71,052 by March, 1923. No; when I asked him to compare our Navy with the Japanese Navy provided for under the treaty he said, "I think the best way would be to take the 1916 program of ours, and then we will take the number of men we had in our Navy in 1916 and assume that Japan is going to use that number of men." Where does he get that method of reasoning? Well, of course, he very ingeniously and knowingly selected the number of our personnel in the year 1916, because at that time the Navy General Board, the Committee on Naval Affairs, and almost every expert authority in the country were complaining because most of our ships had skeleton crews on them. In the Pacific we had 90 per cent of our ships laid up with skeleton crews, because we did not have the men, and Secretary Daniels successfully opposed any increases in the enlisted personnel, and the Navy was short of men. That is the reason. You who were here during those days remember that the Navy General Board made a specific request for some 26,000 more men, and Secretary Daniels pigeonholed that request. We brought it out of the pigeonhole by an indirect method and showed the situation up. Why would it not be much better to compare the Japanese Navy of to-day instead of using our personnel in 1916? The truth of the matter is that this treaty which has just gone through the Senate and which no doubt will be ratified by Japan provides that Japan shall have 300,000 tons, approximately, of capital ships. It provides that we shall have 525,000 tons, or thereabouts. It is remarkable also at this point to remember that we had only 500,000 tons of capital ships in commission on November 1, 1921, and the treaty provides that we are entitled to 25,000 tons more than that; and, besides, it gives us 135,000 tons more for first-line aviation carriers, a net increase of 160,000 tons of capital ships. The gentleman's committee appropriated for 106,000 men when we had but 500,000 tons of capital ships.

The treaty gives us 160,000 tons more than we had last year, and yet they are appropriating for 39,000 men less than they appropriated for last year. Those figures are taken from the hearings. They are positive.

Mr. Chairman, the authorized number of enlisted men in the Navy to-day is 137,000.

The actual number of men in the Navy is 94,000.

The Secretary of the Navy says he needs 96,000 to man the Navy specified by Mr. Hughes in the limitation of armament agreement.

The Appropriations Committee of the House has provided money for only 65,000 men.

The sum appropriated in the naval appropriation bill will provide for 67,000 men. This means a reduction before July 1 of 31,000 men, or nearly 33 per cent of the enlisted personnel. This reduction is made without previous warning in less than three months.

The radical reduction of the Navy to 65,000 men, the ruthless discharge of 33 per cent of the personnel in less than three months, will, first, leave the service without sufficient men to carry on its necessary duties; and, second, it will destroy the efficiency and morale of those that remain.

The proposed treaty "limiting naval armaments," chapter 2, part 1, contains the names of the battleships to be retained by the United States.

With 65,000 men the Secretary of the Navy states that only 12 of these ships can be kept in full commission.

The relative strength of the British, American, and Japanese navies had just been set by the Limitation of Armament Conference in the ratio of 5–5–3.

If 65,000 men are provided in the Navy, two plans are open to this country, and two only.

PLAN 1.

The battleships, cruisers, destroyers, and submarines provided by the Limitation of Armament Conference can be manned, together with a limited number of absolutely necessary auxiliaries; but, if this plan is adopted, it will be necessary, first, to remove all the fleet from the Atlantic coast and to concentrate the Navy in the Pacific. This will reduce all Atlantic coast navy yards to a condition of practical disuse. Portsmouth, Boston, New York, Philadelphia, Norfolk, Charleston, and Pensacola will suffer. Second, protection of American trade and other interests in China must be curtailed. The Special Service Squadron in Central America, protecting American trade and other interests, must be abandoned. The invaluable work being done in Europe, in the Mediterranean, Black Sea, and so forth, in assisting expansion of American trade and commerce and in protecting the property of American citizens in those regions, must be eliminated.

PLAN II.

If the necessary international duties mentioned above are performed—that is, if the China Squadron, the European Squadron, and the Central American Squadron are continued, then 65,000 men will not man more than 12 battleships, with necessary auxiliaries. The Limitation of Armament Conference allowed the United States 18 battleships and Japan 10 battleships.

Mr. Chairman, the serious condition outlined above confronts the force afloat if the enlisted personnel of the Navy is reduced to 65,000 men.

The necessary naval activities ashore will be still further impeded. It will be necessary to fill 32,000 vacancies in the enlisted personnel during the next fiscal year. The time available for training these men will be very short, owing to the reduced number of men allowed. The result on efficiency and morale of the service is apparent.

Partly trained men in large numbers must be sent on board ship. The efficiency of the Navy will thus be reduced. All but two training stations must be closed. In all probability Great Lakes, Newport, Alexandria, Va., will be shut down. Many navy yards, torpedo stations, aviation stations, communication stations must be abandoned.

A large number of civilian workmen will be thrown out of work. Very valuable public property must be allowed to deteriorate. The money loss will be very great.

For many years the policy of the Government has been to maintain an adequate Navy, and every effort has been made to attract to the service young men of American citizenship; to give them an honorable career in the Navy, leading to commissioned, warrant, or petty officer rank. Only such a course could give to the Nation the number of skilled men that go to the manning of the fleet. The present sudden and radical departure from this policy involves a breach of moral contract with many thousand of these men who implicitly believed the promises that the Government, through its agents, has made to them in the past. It was this group of men to whom the country turned when, in 1917, it became necessary to furnish armed guards to merchant ships. These were the men available to carry out immediately the naval activities which the country proposed in 1917. These were the men who instructed and drilled the new men called out by the duration of war. After long service, after creditable and honorable service in the late war, many of these men must be discharged without warning, and the privileges which they believed were theirs must be ruthlessly taken from them.

The result of these ruthless cuts in the personnel of the Navy is to drive out of it the trained and experienced men, to be replaced by new enlistments and recruits. The number of

the first enlistments has rapidly increased since 1919 and numbers now about 70 per cent.

There is no similarity between the trained personnel working as a team for the defense of a country and the operation of a labor market, where the contractor hires by the day and week and discharges when the work is done. It is this phase of personnel employment from which the Shipping Board is beginning to escape that this bill seeks to inculcate in the Navy.

Mr. KELLEY of Michigan. Will the gentleman yield?

Mr. BRITTEN. As soon as I get this one thought out of my mind's eye.

Mr. KELLEY of Michigan. This is a good place for you to stop.

Mr. BRITTEN. I am the best judge of that. [Applause.] But the gentleman has thrown me entirely off my line of argument, and I will have to yield to him.

Mr. Chairman, if that bill had been framed by the British and Japanese delegates to the armament conference, instead of by an American congressional committee, and if they had intended to wreck our Navy, they could not have more deliberately reduced the United States to a third-class naval power than the appropriation bill contemplates.

Treaties promoted by the recent armament conference for world's peace and safety have designated America as a first-class sea power with 18 first-line fighting ships and a total tonnage of 500,000. Unless all these ships are thoroughly manned and highly efficient, any money expended on the Navy is wasted and the losses of an extravagant war are forgotten.

The present authorized strength of the Navy is 137,500 men.

The Committee on Naval Affairs in attempting to meet the desires of the President have introduced a bill changing this authorization to 86,000 men, while the bill from the Appropriations Committee provides only for 65,000 men, a number insufficient to man what Navy is left us.

A ranking general of our Army recently said, "If you must slash appropriations in the interest of economy, at least keep the Navy large enough to protect our coast lines long enough for us to mobilize an army. The Navy must be the first line of defense, and is therefore of much greater importance to the country than a skeleton Army."

Mr. Chairman, our Navy has suffered in the past through constantly changing policies by various Congresses, until now when an international treaty for the first time in more than a hundred years definitely fixes a policy for 500,000 tons of first-line ships. In the interest of world's safety our ships must be maintained at the very highest point of efficiency, and yet we find a congressional committee that appears willing to force upon the country a much smaller ratio of men per ship than even Japan would countenance or England has.

I do not believe that the country will stand for this wholesale scuttling of the Navy, and the quicker it is aroused to indignation the better for future economy.

The appropriation bill would almost immediately throw 33 per cent of the enlisted men out of the service and so thoroughly destroy the morale of the balance that our Navy would become a joke as a world protector.

The Secretary of the Navy says he needs 96,000 men to man the Navy established by Secretary Hughes in international agreements.

The President of the United States says he is willing to compromise on the number of men and earnestly hopes for from 80,000 to 90,000 enlisted personnel.

The Committee on Naval Affairs has almost unanimously recommended an authorized strength of 86,000 and this number I believe is the least that the Navy can successfully operate with, yet appropriation is made for but 65,000.

Mr. Chairman, should a limitation of 65,000 men be inflicted upon the Navy it would mean the shutting down of practically every yard and station on the Atlantic coast and the concentration of our forces in the Pacific. It would mean the curtailment of protection for the Panama Canal. American interests and trade in China as well as in Central America would be hampered. The invaluable work being done in Europe, in the Mediterranean and Black Seas for the expansion and protection of American trade would have to be discontinued for lack of men.

Sixty-five thousand enlisted men will allow but one hospital ship for the entire Navy; aviation, the very backbone of our new national defense, would be limited to 2,100 men ashore and afloat, a most ridiculous comparison with the numbers carried in foreign aviation forces.

Students and enlisted personnel in trade schools would be cut to 500, while men under training at the various stations would be cut to less than 3,200 and would, of course, necessitate the practical abandonment of every training station in the United States.

Our ridiculously balanced Navy would have to get along with two colliers, one repair ship, one store ship, and one aircraft carrier.

Ships can not operate without men, and cold tonnage in steel commands no respect.

The Armament Conference naval ratio of 5-5-3 for Great Britain, United States, and Japan, respectively, will be changed to 5-3-3 with America on the tail end.

No log-rolling, pork-barrel extravagance during my 10 years in Congress has been so wasteful and ill-timed as this reckless demoralization of the Navy under the cloak of economy.

Mr. KELLEY of Michigan. I want to inquire whether or not the gentleman thinks that the men carried during the present year, to the number of 18,000 men, on the destroyers should be provided for in this bill?

Mr. BRITTEN. Oh, I refuse to go into an argument as to how many men ought to be carried on a destroyer. You could carry 110 or 85, and under certain conditions you could carry 135 men.

Mr. KELLEY of Michigan. The gentleman was saying——

Mr. BRITTEN. What difference does it make whether we appropriate for 110 men or 85 men?

Mr. KELLEY of Michigan. I am not speaking of quotas. The gentleman was saying that we did not expect to keep any more men on the capital ships——

Mr. BRITTEN. No; I did not say that. What is the idea the gentleman desires to bring out through his own language, and then I will try and answer it?

Mr. KELLEY of Michigan. I think we are not very far apart——

Mr. BRITTEN. Only about 19,000 men.

Mr. KELLEY of Michigan. Last year we appropriated for 106,000 men, and at that time we were having in commission only 18 capital ships.

Mr. BRITTEN. I did not say anything about the number of ships; I said 500,000 tons.

Mr. KELLEY of Michigan. That is the same thing, 500,000 tons; and now we propose to keep the same number in commission with 67,000 men, but all of the 301 destroyers——

Mr. BRITTEN. Who said so?

Mr. KELLEY of Michigan. The committee——

Mr. BRITTEN. Oh, of course, they say it; and I am going to show that they are wrong. [Laughter.]

Mr. KELLEY of Michigan. I am asking the gentleman this, if he will listen.

Mr. BRITTEN. I am listening as much as the gentleman from Michigan listened to me yesterday.

Mr. KELLEY of Michigan. I may say to the gentleman that the situation is quite different, and it would have been better if he had listened to me yesterday.

Mr. BRITTEN. It is different; I have the floor to-day. [Laughter.]

Mr. KELLEY of Michigan. This is what I want to ask the gentleman: Does the gentleman think that we ought to appropriate for keeping all the destroyers for the coming year in full commission?

Mr. BRITTEN. Oh, you might as well ask me if we ought to keep certain tenders in commission.

Mr. KELLEY of Michigan. It makes a difference of the 19,000 men that the gentleman says constitutes the difference between us.

Mr. BRITTEN. I am not talking about wiping all the destroyers out of existence; you would not dare do that now.

Mr. KELLEY of Michigan. We have 301 altogether, and a difference of 200 out of commission would make a difference of 20,000 men. Now, I am asking the gentleman if he wants us to carry that additional 20,000 men?

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. KELLEY of Michigan. I will yield to the gentleman five minutes more.

Mr. BRITTEN. Will not the gentleman make it 10 minutes?

Mr. KELLEY of Michigan. I will yield five minutes at a time. We will see how good use the gentleman makes of the time. [Laughter.]

Mr. BRITTEN. Well, that is what I call a manipulation of the big stick. I have to be kind to the gentleman now. [Laughter.] I will answer the gentleman in this way: If the Navy General Board and the president of the War College and the highest naval experts say that we need 200 destroyers because of our experience in the war, because the destroyer has found a new place in naval warfare—and we have no great

battle cruisers—I will be for what they want, and I will tell you why. The gentleman yesterday said when he was around the Committee on Naval Affairs it was assumed that four destroyers would go with a battleship, and that was enough. But the truth of the matter is 44 destroyers may accompany a battleship now, because submarines, aviation, antiaircraft, and so forth, radio, and aviation have so changed modern warfare that I am willing to leave the number of ships and men, as well as the operation of our craft, to our best naval authorities. [Applause.]

Are you going to let a lot of little Navy fellows tell the highest naval authorities in the country that they do not need 1,100 men on a ship, that they have to get along with 900 or less? Then, the gentleman from Michigan refers to his list of ships on page 3 of the committee report, and he says that there is no dispute about this thing, that they are in complete accord with the Navy Department, that they want to satisfy the Navy Department. Let me tell you how he arrives at his desires in building up a case. I remember when he was over in our committee and we leaned on him very heavily, because he is a very able man. We would call in the department and say, "We are going to appropriate $200,000,000 for the Navy this year; show us how you can spend it." He called in the Navy Department the other day and said, "We are going to give you 65,000 men; how will you distribute them?"

Mr. KELLEY of Michigan. Oh, nothing of the sort.

Mr. BRITTEN. I will qualify my remarks by saying that I got that information from the naval officer himself.

Mr. KELLEY of Michigan. It does not make any difference from whom the gentleman got it. The committee did not proceed in that manner.

Mr. SWING. I would refer the gentleman to the page in the hearings where the question was asked—page 347.

Mr. KELLEY of Michigan. I will say this: That after arriving at the figure of 67,000, and they insisted that the number was not adequate for an 18-battleship fleet, we asked the Navy Department to apportion that number of men to such ships as in their judgment they would man with that number.

Mr. BRITTEN. Oh, the gentleman is finally getting around to it, and he will be my way with both feet in just a minute or two. I have got it right here. Let me tell the gentleman what transpired. This naval officer came to my office and I said, "Admiral, can the Navy get along with 65,000 men?" and he said, "I have just brought you a statement that I was asked to give to the Committee on Appropriations"—this little Navy committee here—and he said, "Here is the way we distribute the 65,000 men," and out of the 18 first-line ships only 12 of them are fully manned.

Distribution afloat.

	Personnel.
12 battleships, first line (95 per cent complements)	14,244
6 battleships, first line (in ordinary)	1,236
4 cruisers, second line	2,596
3 light cruisers, first line	1,257
3 light cruisers, second line	876
1 aircraft carrier, second line	339
1 mine layer, second line	356
65 destroyers, first line (90 per cent complements)	6,630
50 destroyers, first line (50 per cent complements)	2,850
4 light mine layers (90 per cent complements)	380
84 submarines, first line	2,579
ABSOLUTELY NECESSARY AUXILIARIES.	
10 patrol vessels, gunboats	866
4 patrol vessels	430
5 destroyer tenders	2,309
7 submarine tenders	1,882
1 aircraft tender	286
1 repair ship	430
1 store ship	268
2 colliers	328
7 oilers	763
2 ammunition ships	354
5 cargo vessels	451
3 transports	833
1 hospital ship	361
8 tugs (including 6 station ships)	340
10 mine sweepers (2 mine sweeping, 7 fleet towing, and 1 air tender)	477
4 auxiliaries, miscellaneous)	388
Flag complements	791
Fleet aviation	1,100
	46,000
Ashore	19,000
Total	65,000

That is a matter of record. Of course, if we want to get along with 12 fully manned ships, 65,000 men will suffice. Then we go down the line and we find that there is provided only one hospital ship for the Navy, that there is provided only one repair ship for the Navy, one store ship, and without going into all of these figures in detail they cut down ships wherever it is possible in order to meet the desires of this little Navy committee. Then the gentleman comes in and says that they are in complete accord, that there are 18 ships by name, and that they are the ones that are named by the Navy Department, but only 12 of them can be put in commission; and let me say to you gentlemen to-day, and I am just as serious as I can be about it, that 65,000 or 67,000 men will make our Navy from 10 to 15 per cent inferior in fighting value to the Japanese Navy within five months from to-day. There is no question about that.

Men fight with ships; and when the Navy Department sent a statement like this to the Committee on Appropriations, and said that with 65,000 men they can man only 12 of these first-line ships, that means that our Navy is instantly reduced not only in its fighting spirit but in its morale. How do you suppose the men feel when they see themselves grabbed by the seat of the pants and thrown out of their lifetime vocations and desires?

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. KELLEY of Michigan. Mr. Chairman, I yield five minutes more to the gentleman.

Mr. MANN. Mr. Chairman, will the gentleman yield?

Mr. BRITTEN. Yes.

Mr. MANN. Is my colleague satisfied, from the attitude of the Navy Department, that if we appropriate for an enlisted personnel of only 65,000 men, only 12 of the 18 capital ships will be kept in commission or——

Mr. BRITTEN. Fully manned—yes; I am satisfied.

Mr. MANN. Does that mean with a full complement?

Mr. BRITTEN. Yes.

Mr. MANN. What would be the lack of complement for the other six?

Mr. BRITTEN. Twelve battleships, first line, 95 per cent complement, 14,224 men; six battleships, first line—for the six of them—1,236 men; less than 200 men on a ship. That is what 65,000 or 67,000 men would mean.

Mr. MANN. How many more men would it take to give the full complement to the entire 18 capital ships?

Mr. BRITTEN. Answering the gentleman's question exactly as it is put, it will take about 1,100 men per ship additional, making the deduction, of course, for the 1,236 already included.

Mr. MADDEN. That would be about 5,500 men additional?

Mr. BRITTEN. Let me suggest this, that the battleship does not go alone——

Mr. MANN. Oh, I understand that.

Mr. BRITTEN. About 1,100 men per ship, and that figure of 1,100 will be questioned by these little navy fellows.

Mr. LONGWORTH. Would 86,000 men man all of these 18 ships?

Mr. BRITTEN. Yes; the Committee on Naval Affairs by its action thinks that 86,000 men should be adequate.

Mr. KELLEY of Michigan. What does the Navy Department think?

Mr. BRITTEN. They requested 96,000.

Mr. KELLEY of Michigan. And so it comes about that the gentleman is willing to set his judgment up against that of the Navy Department. I am both pained and shocked.

Mr. BRITTEN. I am willing to vote for 86,000 men, and I hope that most of the House will, because that is what the country wants. The country is not going to stand for our Navy ranking third with the navies of the world. [Applause.]

Mr. McARTHUR. Mr. Chairman, will the gentleman yield?

Mr. BRITTEN. Yes.

Mr. McARTHUR. And is it not true that in the presentation of this bill the Committee on Appropriations is seeking to usurp the legislative functions of the Committee on Naval Affairs, which has had a bill on the calendar in this House dealing with this question since the 22d day of March?

Mr. BRITTEN. Of course we all know that that is true. This is a one or a two man bill. The entire Committee on Appropriations considered this bill very seriously, with its 63 pages, for 10 minutes last Saturday morning. Sure, they know all about what is in the bill. I tried to get a copy of it Friday afternoon and could not because the committee was to get it next morning, and after debating it very seriously for all of 10 or 12 minutes they voted it out unanimously. This little Naval Committee says that we do not need more than eight or nine hundred men on one of these first-line ships. They talk about the 1916 ratio that we had before the war. Before the war there were two radio sets on one of those big ships. There are five now. We did not have the highly specialized fire control in those days as we have it to-day, and fire control, spotting the shot, spotting the target, is the most important operation aboard ship.

Unless you can tell the fellow down below where the shot lands, you will never hit, because the pointer does not see the target most of the time.

There was practically nothing for aviation in 1916. Let me tell you what these gentlemen are going to do. They are going to provide 2,100 men for aviation ashore. England's Navy has 10,000. When I was in Europe last year I was told by our attachés that many of the best Italian and French aviation instructors in Europe were now instructing the Japanese how to fly. Do you know what is going to happen if this bill goes through for 67,000 men? The most important branch of the Navy is going to suffer the worst, and that is aviation. We can not develop at once a flyer, a spotter, a bomber, a combat man, one who is to fly from the deck of a ship in a rough sea. He has to fly off the deck of a ship with a land plane and come back to that ship or die.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. KELLEY of Michigan. I will give the gentleman five minutes more.

Mr. BRITTEN. The gentleman is very kind. I am going to be very polite to him in the future. [Laughter and applause.]

Let me tell you, gentlemen, that if there is one black blotch on our war record it is in connection with aviation. And I predict to you, gentlemen, that unless the enlisted personnel is set at such a figure that aviation will come into its own we might just as well kiss ourselves good-by if we have to fight an up-to-date power whose aviation is superior to ours. Because they will lick us; they will wipe us off the face of the sea, if they have got good aviation and we have not. Aviation will decide the sea battle first, almost before the capital ships have fired a shot. We will start to shoot at 20 or 30 miles, long before we can see the ship over the horizon, and that shot should be spotted by an aviator, and he will immediately be attacked by the enemy. He has got to fight for his life. And any man knows that he will never get back to his ship.

In a time of turmoil and battle aviators must protect themselves, and it is the survival of the fittest. Aviators will find the enemy, destroy him if possible, guide or direct big-gun fire.

Are you going to limit this force to a couple of thousand men when aviation is in its infancy? Are you going to provide according to this schedule here that was presented by the gentleman from Michigan, on page 8? He shows that in naval training stations and trade schools they appropriated for the wonderful number of 1,300 men. Think of it. Thirteen hundred men in training for the American Navy in our training stations and trade schools learning aviation, radio, and everything that goes with the modern, up-to-date Navy, and these little Navy gentlemen, with all the assurance that this is just exactly as it ought to be, say that they have provided liberally for the Navy.

Mr. KELLEY of Michigan. The gentleman speaks of an allowance of 1,300 men for training; that number is allowed not for training but for men assigned to schools as caretakers, instructors, and the like, not students.

Mr. BRITTEN. How many do you provide in training?

Mr. KELLEY of Michigan. We provide for 7,000 unassigned men. If you figure 7 per cent for sick, the prisoners, and those in transit, or about 4,500 men, that will leave about 2,500 for training. And we have less than 5,000 men in training now, with 96,000 men in the Navy.

Mr. BRITTEN. I will read the gentleman's language:

> Having in mind the reduced establishment made possible by the pending treaty and by the policy of keeping in commission only the 18-battleship fleet and necessary patrol craft, the committee believes that the number of men contained in the table below will be ample for shore purposes.

Mr. KELLEY of Michigan. The men assigned to training stations in the table given by the committee are not under training but take care of the station and act as instructors.

Mr. BRITTEN. I remember the gentleman's language of yesterday very well.

Mr. KELLEY of Michigan. The gentleman is either thinking wrong or unconsciously misinterpreting the situation.

Mr. BRITTEN. I may be misinterpreting, but I am reading the gentleman's report.

Mr. Chairman, let me explain a few defects in that hastily prepared report.

On page 1 of the committee's report under the heading "Appropriated, 1922," there is given a total of $413,239,949.23. The committee fails to state that in the second deficiency act, fiscal year 1922, there was appropriated and reappropriated $10,000,000 on which about $7,147,718 did not come out of this year's savings.

In the same tabulation at the foot of the first page the committee neglects to state that the "Estimates, 1923," of $425,000,000 is the department's estimate for a Navy of 106,000 men as submitted. The sum "Proposed, 1923," of $233,000,000 is the amount proposed by the committee itself on the basis of 67,000 men, for which the basis was supplied by the committee, and the items which make up the total of $233,000,000 were also supplied by the committee in modification of the department's figures.

It is noted in the middle of page 2 that the committee states that it has proceeded on the assumption that sufficient personnel "should" be provided to keep these capital ships in full commission together with all the necessary destroyers, submarines, and so forth, and every other auxiliary necessary to make the 18-battleship fleet complete, well rounded, and properly manned and officered. As a matter of fact, the committee after saying that these things "should" be done does not carry out its premise in any way whatsoever (see pages 216 to 232 of the hearings).

It is noted at the bottom of page 2 that the committee says it had difficulty in determining the allowance of personnel for ships to be kept in commission on account of varying opinions of naval experts. As a matter of fact, there is no difference of opinion in regard to the complement of ships. The ships' complements are definite numbers. These figures are subject to examination. On page 224 of the hearings will be found a statement of the proposed allowance for 1923 for certain ships as submitted by the department. In submitting this allowance the department had already made considerable concessions in reductions of personnel. The proposed 1923 allowance on page 224 is only 95 per cent of the official complements of the ship. The ships require even more men than this to man them fully.

Mr. Chairman, on page 3 it is noted that the committee used as the basis for its figures the numbers of personnel actually on board on the 1st of February, 1922, and the figures in the middle and at the bottom of page 3 are stated to be on this basis. The personnel allowed by the committee in this tabulation is entirely inadequate, even as the personnel on the 1st of February, 1922, was entirely inadequate, at which time it was reported that a considerable number of the battleships were unready for active service on account of inadequate personnel.

The figures of the committee only serve to perpetuate the department's difficulties in trying to keep the fleet running as based on the inadequate appropriations for the year 1922. The figures of the committee amount to a statement that the number stated is sufficient and that the ships shall not have any more personnel than happens to have been on board on the 1st of February, 1922. This action is not only fatal to the ships and to the service but it is entirely illogical as a method for determining upon complements of ships. It will be noted in the committee's table on page 3 that identical ships are allowed different numbers of personnel for no other reason than because they happen to have different numbers of personnel on board on the 1st of February, 1922. The crew allowed the *Tennessee*, 998, is among the smallest, while it is known to all that the *Tennessee*, *California*, and *Maryland* are the largest and most modern ships on the list. On the same page two ships, the *Connecticut* and the *Pueblo*, are both omitted. (See p. 224 of the hearings.) The correct figures are on pages 216–232 of the hearings.

On page 6 is found the following statement:

> The foregoing constitute, with the exceptions hereinafter noted, the number of vessels which the department itself indicated to the committee it desired to operate next year, without any suggestion from the committee as to the number of enlisted men that might be appropriated for. They call for a total of 49,492 men. * * *

As a matter of fact, the table of ships submitted by the committee were the ships that the department said it could keep in commission on a personnel of 90,000 plus 6,000 apprentices, as is shown on pages 216 to 222 of the hearings, and similarly on page 232 of the hearings. The committee's statement that the list of ships calls for a total of 49,492 men is an absolute misrepresentation of facts. With the committee's remarks in the same paragraph, on page 6, the number of men allowed by the committee, according to the statements of the committee, are totally inadequate, as will be seen by referring to the department's tables referred to immediately above. The allowance of 50,000 men for a Navy afloat is incorrect as based upon the list of ships.

With regard to the Eagles (p. 6 of the report), used for training Naval Reserves, and the recommendation that the Naval Reserve be trained on board the regular cruising vessels as was done in the case of the old Naval Militia, the committee has absolutely prevented this by failing to appropriate money for the pay of these reserves while under training, and also failed to allow necessary money to pay their transportation to and from the ships.

The statement in the committee's report, on page 8, that "On February 1, 1922, we found 12,633 men at shore stations" is not complete, as this figure does not include men employed on district vessels, men in training at training stations and trade

schools, men on general detail, men sick in hospitals, prisoners, and men in transit. Complete data was furnished the Committee on Appropriations covering these details, but only portions of this data is referred to. The following is the distribution of men at shore activities as of January 1, 1922, the date of the last complete report:

Distribution of personnel as of January 1, 1922.

Yards and stations	1,359	
Receiving ships and barracks	1,945	
Training stations and trade schools (instructions and overhead)	2,032	
Hospitals (operating crews)	1,978	
Prisoners (cooks, etc.)	23	
Communications	1,228	
Aviation stations	2,754	
Ammunition depots and torpedo stations	605	
Recruiting stations	709	
Total	12,633	
General detail, men under training, patients in hospitals, prisoners, students at trade schools	12,814	
Total	25,447	
Men in transit, not available for duty	4,062	
Total	29,509	
Men on district vessels	3,352	
Total ashore		32,861

(See p. 297 of the hearings.)

Mr. Chairman, referring to the table submitted by the committee on page 8 of the report as providing necessary men for shore activities, no provision is made for shore based submarine tenders which require 1,600 men, district and navy-yard craft which require 1,500 based on a 67,000-man Navy. How the committee reached its conclusion in regard to this table is not known, as the figures do not conform either to the number of men now employed or to the number requested by the Navy Department for a 65,000-man Navy, or any other sized Navy. The number of men provided will never man the treaty Navy.

On page 10 of the report of the committee it is noted that the committee has reduced the cost of the ration from 50 cents to 45 cents. This price of 45 cents is a pure gamble, but the Navy Department would prefer to use 50 cents as the cost of the ration. The Navy Department's estimate for a 65,000-man Navy was $16,328,838, as found on page 987 of the hearings. For a 96,000-man Navy the department's estimate was $23,112,204.

On page 10, under the heading of "Fuel and transportation," line 4, the statement is made that—

> The original estimate for fuel for 1923 called for $25,000,000, but that was based on an enlisted strength of 106,000 men and contemplated using a great number of vessels which it is intended by the committee shall be placed out of commission or sold. The department's revised estimate, submitted at the hearings, is $17,426,053.81. The committee propose $16,000,000 and believes that this sum will prove adequate if the department continues to watch the fuel expenditures as closely as it has during the past few months.

There must be no mistake regarding this statement regarding "Fuel and transportation." The revised estimate of the Navy Department, based on 96,000 men, is $23,060,685. In accordance with the direction of the subcommittee on appropriations, the department submitted a list of ships which it considered possible to keep in commission with an enlisted personnel of 65,000 men. (See p. 364 in the hearings.) The amount named by the department for fuel and transportation for the Navy of 65,000 men was stated as $17,426,053.81, as based on this table, without any allowance being made for emergency. (See pp. 1025 and 1026 in the hearings.) The amount named in the appropriation bill is $16,000,000, which is $7,060,685 less than the amount requested by the Navy Department for the Navy of 96,000 men, and not $17,426,053.81, as stated in the report. It should be distinctly understood in this connection that the so-called department's revised estimate of $17,426,053.81 was a figure arrived at on premises prescribed by the subcommittee itself, the subcommittee having prescribed a basis of 65,000 men and having also prescribed in part the basis upon which the expenditure of fuel was to be estimated—namely, the amount of steaming which each ship would do per month. In no correct sense can $17,426,053.81 be considered "the department's revised estimate."

Under "Public works" it is noted that large sums have been left out for the continuation and betterment of Pacific coast bases.

Mr. KELLEY of Michigan. It takes a certain amount of information to even read a thing intelligently.

Mr. BRITTEN. It takes a large lot more to write it, and that is what the gentleman did not have when he wrote this.

Then he goes on and makes a total of 2,965, and then, to show our liberality, he has thrown in an extra 7,000 for hospitals, sickness, and those in jail and in other places not specified.

Mr. BEEDY. Will the gentleman yield for a question?

Mr. BRITTEN. Yes.

Mr. BEEDY. Do I understand the gentleman agrees with the chairman of the subcommittee that this additional number of 7,000 has given to the department every man they requested?

Mr. BRITTEN. It certainly does not.

Mr. BEEDY. That was the statement made by the chairman yesterday.

Mr. BRITTEN. Certainly not. I am glad the gentleman called it to my attention.

Mr. KELLEY of Michigan. How many men did the Secretary of the Navy ask for aviation?

Mr. BRITTEN. I do not know; approximately 5,700.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. KELLEY of Michigan. I yield five minutes more to the gentleman, because this is important. The committee allowed for the two new ships for aviation, which are to be put in commission soon, the number of men the Secretary of the Navy asked for, and in addition——

Mr. BRITTEN. How many?

Mr. KELLEY of Michigan. Whatever number was desired. I think it was about——

Mr. BRITTEN. I thought the gentleman might say that he expects me to know, and then he smiles.

Mr. KELLEY of Michigan. If you fill up your mind with small details——

Mr. BRITTEN. That was the reason I asked the gentleman the question. I have seen him picking up pins and rubber bands and small details for some time past. [Laughter.]

Mr. KELLEY of Michigan. Well, be that as it may, we allowed whatever number was requested—632 for the two ships.

Mr. BRITTEN. What do you mean by 632? How many men did the Secretary request for each one of these plane carriers?

Mr. KELLEY of Michigan. You mean the prospective carriers? He did not request any.

Mr. BRITTEN. He may not get any under this bill.

Mr. KELLEY of Michigan. Of course he will not, because the Secretary of the Navy is a sensible man, and he would not ask Congress to appropriate men for carriers that have not yet been authorized, and when authorized can not be completed for two or three years.

Mr. BRITTEN. I am glad to have the gentleman's complimentary remarks about the Secretary. Stand by him, old boy, and give him what he needs. [Laughter.]

Mr. KELLEY of Michigan. The Secretary is abundantly able to take care of himself. But, coming back to what we allowed for the carrier and tender that will soon be put in commission——

Mr. BRITTEN. They are converted ships.

Mr. KELLEY of Michigan. If the gentleman would listen——

Mr. BRITTEN. What are they?

Mr. KELLEY of Michigan. If the gentleman would listen he could hear much better.

Mr. BRITTEN. I do not want to be instructed along your line.

Mr. KELLEY of Michigan. Of course, if the gentleman does not want information——

Mr. BRITTEN. Not along your line, because I heard you yesterday for an hour or more. I was interested, but not convinced.

Mr. KELLEY of Michigan. I think, perhaps, that is true.

Mr. BRITTEN. The gentleman asked a question about aviation. They requested 5,700 men.

Mr. KELLEY of Michigan. Will the gentleman allow me to make a statement right there, giving just what the department desired for aviation? I will yield more time to him.

Mr. BRITTEN. All right.

Mr. KELLEY of Michigan. The Secretary of the Navy will have at his disposal one airplane carrier and one tender for the coming year. Those are new, so far as the naval service is concerned, the *Shawmut* and the *Langley*. Now, of course, it is necessary to have the men to run those carriers. Whatever number he has asked for has been allowed.

Mr. BRITTEN. What is the tonnage of those two ships?

Mr. KELLEY of Michigan. I did not build them; they are small ships.

Mr. BRITTEN. What is the tonnage of both of them? I will tell you. They are 19,000 tons combined. I will keep you informed about the Navy. [Laughter.] I had an idea when

the gentleman came in here with a one-man bill that he knew something about it yesterday. He spoke for an hour and 15 minutes extemporaneously and camouflaged where he could get away with it.

Mr. KELLEY of Michigan. Let me take the camouflage off, so that even the gentleman from Illinois can see. [Laughter.] If the gentleman will only listen, he will improve greatly. Listening is the greatest art in the world——

Mr. BRITTEN. Next to giving advice. [Laughter.]

Mr. KELLEY of Michigan. There are those two ships that the Navy Department did not have before, and they asked for a certain number of men for those particular ships. They did not ask men for ships that had not been authorized or built. We gave them the number they asked for on those two. Then they asked for 600 men that they said they wanted to put on the battleships upon which the catapults are to be placed, and we not only appropriated the money for the catapults but for the 600 men who go into the fleet aviation because of these devices.

Mr. BRITTEN. How many men do these catapults require?

Mr. KELLEY of Michigan. And, adding those to the number allowed on shore, gives 3,200 men, beside many civilians, the entire number asked for by the Secretary of the Navy for aviation. [Applause.]

Mr. BRITTEN. That is very convincing.

Mr. KELLEY of Michigan. Yes. Truth ought to carry some weight.

Mr. BRITTEN. Yes; I am satisfied that the gentleman thinks that is true. And yet the Navy Department this morning says they requested five thousand six hundred and some.

Mr. KELLEY of Michigan. What does the gentleman mean by "the Navy Department"?

Mr. BRITTEN. Men in authority in the Navy Department.

Mr. KELLEY of Michigan. Does the gentleman mean the head of the Bureau of Aviation or does he mean the Secretary of the Navy? Or does he mean Admiral Coontz, the Chief of Operations?

Mr. BRITTEN. I hope you will withdraw your question. I may have some confidential information, but it did not come from the White House. You put me in a very embarrassing position, and I hope you will withdraw the question. [Laughter.]

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. KELLEY of Michigan. I will give the gentleman two minutes more. I am glad the gentleman has learned so quickly. He has learned already the lesson I sought to teach him yesterday. [Laughter.]

Mr. LINEBERGER. Mr. Chairman, will the gentleman yield for a brief question?

Mr. BRITTEN. Yes.

Mr. LINEBERGER. The gentleman has stated that the British have between 10,000 and 11,000 men for naval aviation. I think the House would be interested in knowing how much the Japanese have under this 5-5-3 agreement for naval aviation.

Mr. BRITTEN. I do not know. We have not been able to get those figures. The Bureau of Naval Intelligence does not know how many men are under instruction in Japan to-day in naval aviation, but they do know the names of the Italian and French instructors who are teaching them. Based on the Japanese ratio, we ought to appropriate for 125,000 men for the coming fiscal year. The gentleman from Michigan suggests that we provide some 17,000 for shore duty. For 100 years, gentlemen, the Navy Department of America has always figured 2 men afloat to 1 man ashore. That ratio promotes efficiency. That puts a man on the ship in shape to be a seaman. The Japanese Government provides for 35 per cent ashore. The English Government provides 6 out of 10 afloat and 4 ashore.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. BRITTEN. I would like to have a little more time. I would like to call the attention of the House to certain things, particularly where your greatest reductions in the bill are made.

Mr. KELLEY of Michigan. How much time does the gentleman need?

Mr. BRITTEN. Five minutes, and if the gentleman thinks I ought to have a little more time, let me have it.

Mr. KELLEY of Michigan. I yield to the gentleman five minutes.

The CHAIRMAN. The gentleman from Illinois is recognized for five minutes more.

Mr. BRITTEN. I want to impress the House and the gentlemen on this side in particular with the fact that in the past, for 10 years prior to the war—I will not say during war, because then everybody voted one way—but prior to the war it was this side of the House that made the Navy what it was. [Applause.] Now, gentlemen, do not feel that you have to follow your leader over here because of the eloquent speech he made yesterday. I say in all sincerity that there is not a naval officer in America that stands for this bill. There is not a single naval authority who stands for it. The administration does not stand for it. It will be amended at the other end of the Capitol if we do not take the bit in our mouths here, or else we will have a third-class Navy if this bill becomes effective. We will be third, after Japan.

Now, gentlemen, the disarmament peace treaty has imposed a specific obligation on us. The world expects us to live up to the treaty, and if we live up to the treaty we will have to properly man 500,000 tons of ships and 135,000 tons of airplane carriers. The Aviation Bureau requested $17,000,000, but the committee allows less than $8,000,000. Engineering requested $16,881,336 on the basis of 65,000 men. Think of it! These officers were trying to comply with the request of this "little Navy" committee by making a 65,000-man Navy, and the Bureau of Steam Engineering made a request for $16,881,336, based on 65,000 men.

Mr. KELLEY of Michigan. Does the gentleman know that nearly $4,000,000 of that was for new construction of towers in all parts of the world for radio?

Mr. BRITTEN. If they are for towers and for direction of the merchant marine, as many of these towers are, I am for it. That is the way they manage to get through the fog. We are establishing them on the Great Lakes, and thereby we enable ships to save life and property. It is very easy to say you do not need them, but I say the country is entitled to it. They cut the appropriation from $16,881,336 down to $12,100,000.

For construction and repair the Navy Department requested $16,465,000, based on 65,000 men. The committee gave them $14,200,000.

Fuel—there has been some argument as to whether fuel has been properly managed and handled by the Navy, but of course ships can not operate without fuel. Everybody knows that.

Mr. KNUTSON. And they can not maneuver without fuel.

Mr. BRITTEN. The department's estimate was cut more than $6,000,000. The department requested $23,000,000 and the committee recommend $16,000,000. That is a tremendous cut.

Mr. Chairman, let me read two letters from Secretary Denby about this fuel item:

NAVY DEPARTMENT,
Washington, April 10, 1922.

Hon. FRED A. BRITTEN,
House of Representatives, Washington, D. C.

MY DEAR MR. BRITTEN: Referring to your verbal request regarding fuel and transportation, I would state as follows:

The original estimate of the Navy Department, based on a Navy of 106,000 enlisted personnel, was $25,000,000. The revised estimate, based on 96,000 men, as submitted to the Committee on Appropriations, was $23,060,685.

In accordance with the direction of the Subcommittee on Appropriations, the department submitted a list of ships which it considered possible to keep in commission with an enlisted personnel of 65,000 men. (See page 364 in the hearings.)

The amount named by the department for fuel and transportation for a Navy of 65,000 men was stated as $17,426,053.81, without any allowance being made for emergencies. (See pages 1025 and 1026 in the hearings.)

The amount named in the appropriation bill is $16,000,000, which is $7,060,685 less than the amount requested by the Navy Department for a Navy of 96,000 men.

Yours sincerely,

EDWIN DENBY.

NAVY DEPARTMENT,
Washington, April 10, 1922.

Hon. FRED A. BRITTEN,
House of Representatives, Washington, D. C.

MY DEAR MR. BRITTEN: Referring to your oral inquiry regarding the expenses for fuel for destroyers for the present fiscal year, I would state that the official expenditures for the first eight months of the present year were 2,328,753 barrels, at a cost of $5,781,967.30, and the estimated expenditures for March, April, May, and June under the present program are 615,736 barrels, at a cost of $1,344,778.04, making a total for the year of 2,944,489 barrels, at a cost of $7,126,745.34.

Yours sincerely,

EDWIN DENBY.

Yards and Docks requested $6,750,000. The committee cut them $1,250,000, giving them $5,500,000.

Numerous public works in the Hawaiian Islands and elsewhere have been disregarded. They have been disregarded on the Pacific coast. Do you gentlemen know that except at Panama there is not on the Pacific coast a dock owned by the Government that will dock our latest first-line fighting ship? Not one. Think of it! There is no Government-owned dock on the Pacific coast that will accommodate one of our latest first-line ships, with the exception of the dock at Panama.

Mr. LINEBERGER. Does the gentleman know that that is at Cristobal, on the Atlantic side?

Mr. BRITTEN. Yes; I do. With the exception of that one there is not a dock on the Pacific coast that will dock one of our first-class, first-line ships.

Mr. LINEBERGER. That is not on the Pacific coast. That is on the Atlantic side.

Mr. BRITTEN. I thank my good friend for his assistance. We do not own a dock on the Pacific side that will take in one of those big first-line ships. There is one at Hunters Point that we have leased that belongs to a private corporation. Of course, we can confiscate that in time of war or emergency.

Mr. KELLEY of Michigan. The gentleman forgets the dock at Bremerton.

Mr. BRITTEN. The dock at Bremerton is seven hundred and eighty and odd feet long, and will not dock one of our latest first-line ships, and the gentleman does not know it. [Applause and laughter.]

Mr. KELLEY of Michigan. It is better not to know so much that is not so.

Mr. BRITTEN. The Naval Reserve Force is cut down to $50,000 for the entire country. A reserve force is a very necessary force. Those are the officers and men who jump in and are quickly assigned to places when an emergency arises. Only $50,000 is provided for that item.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BRITTEN. I thank the gentlemen for all the time they have given me. [Applause, Members rising.]

Mr. BYRNES of South Carolina. I yield 10 minutes to the gentleman from Alabama [Mr. OLIVER].

Mr. OLIVER. Mr. Chairman and gentlemen of the committee, it is not my purpose to discuss at length at this time the enlisted-personnel question, to which many arguments have been directed. The discussion of this can be well deferred until that item is reached under the five-minute rule.

I felt that I could with propriety submit to the House some helpful information relative to the views just announced by the distinguished gentleman from Illinois [Mr. BRITTEN], in which he has professed accurate information as to all matters relating to the pending bill. Among other things, he stated that he desired to speak specially to the new Members of the House, on the theory that they were probably not well informed as to naval matters, and in that connection I am reminded that the gentleman, who stands as the giver of information to new Members, was probably opposed to the draft. He was not in favor of sending men to fight the battles of their country abroad unless they willingly consented to go. He may have voted in the past for big navies and big armies, but he belongs to the class who would not use such navies and armies in the event of war with foreign powers until the consent of the men constituting the Army and Navy was first obtained. I think all must agree that a Navy and an Army are worth but little if the theory of the gentleman should be carried out. I am informed that the gentleman has in his district many who may not have desired to go abroad in the recent war and that his attitude in reference thereto may have been predicated on such fact. Certainly, even with a great Navy and a great Army, this country would not be very safe if the position of the gentleman from Illinois along the lines indicated was approved.

Mr. BRITTEN. Will the gentleman yield?

Mr. OLIVER. Not now.

Mr. BRITTEN. I should like to correct the gentleman's statement.

Mr. OLIVER. I will yield later, but not just now.

Mr. BRITTEN. No; but I wish to correct the gentleman's statement.

Mr. OLIVER. I do not yield to the gentleman now.

Mr. BRITTEN. Mr. Chairman, a parliamentary inquiry—a matter of personal privilege, Mr. Chairman.

The CHAIRMAN. The gentleman can not raise a question of personal privilege in the committee.

Mr. BRITTEN. I have no argument with the gentleman, but I have just been told by a friend that the gentleman from Alabama stated that I voted against the draft, and that is entirely incorrect.

Mr. CONNALLY of Texas. A point of order, Mr. Chairman.

Mr. BRITTEN. Have I no right to state a question of personal privilege?

The CHAIRMAN. If the gentleman insists that he has a question of personal privilege and presents one, the committee will have to rise and go into the House.

Mr. BRITTEN. The gentleman stated that I voted in a certain way which I did not vote, and I want to correct that.

The CHAIRMAN. The gentleman does not state a question of personal privilege.

Mr. OLIVER. I am informed that the gentleman from Illinois [Mr. BRITTEN] introduced a bill after war was declared, in which he sought to prevent anyone being sent abroad in Army or Navy unless they consented to go. Is not that correct?

Mr. BRITTEN. Yes; that is correct, but the gentleman stated that I voted against the draft.

Mr. OLIVER. If I did, I was probably in error, and I withdraw the statement.

Mr. BRITTEN. I thank the gentleman, because the gentleman was in error about that.

Mr. OLIVER. If the bill introduced by the gentleman, which sought to deny to the Government the right to send anyone in the service abroad to fight its battles, had been passed, then certainly the effect would have been to have denied the Government's right to draft its citizens into service during war. In other words, it would have been purely voluntary with those called into the service as to whether they went abroad or not.

Now, to further show that my friend from Illinois is not a very safe advisor, he tells you in his speech to-day that the officers of the Navy Department are opposed to this bill and for that reason he insists that the bill should not have the support of the House, yet we find that he has recently refused to follow the advice of the very naval officers whom he now so strongly commends.

The committee on which he served have pending before the House at this time a bill to reduce the enlisted personnel to 86,000, and the officer personnel is fixed at 4 per cent of the authorized strength. The gentleman will not claim that this bill, which he favors, is in accord with the advice of naval officers, and certainly not with that of Admiral Coontz. My information is that the only two members of the committee who voted against the bill were the gentleman from California [Mr. SWING] and the gentleman from Tennessee [Mr. PADGETT]. The bill in question, and to which he referred, undertakes to fix the authorized enlisted strength of the Navy at 86,000, but does not provide, as he argued, that there shall be 86,000 enlisted men, but simply that this number shall constitute the maximum enlisted strength of the Navy and hereafter be the basis on which the officer personnel is to be determined; that is, the 86,000. The chairman of the committee is present and will bear me out, I am sure, as to the correctness of this statement.

Mr. BUTLER. Mr. Chairman, inasmuch as my friend has referred to me, I will give my own personal understanding. When I voted for 86,000 men and 6,000 boys, it was my distinct understanding that that was fixing the officer list under the law already established by Congress.

Mr. OLIVER. That statement of the chairman of the committee will be interesting for the Members of the House when we come to consider the personnel sections of the pending bill. In other words, the officer personnel is determined on the basis of the authorized enlisted personnel. When you decrease the authorized enlisted personnel, you automatically decrease the officer personnel. It is extremely questionable, to my mind, whether the bill favored by my friend from Illinois, which seeks to reduce the line officers of the Navy to 3,400, is wise. Recently the House voted to give the Army about a 10 per cent officer personnel, and the bill favored by the gentleman from Illinois would fix the authorized enlisted strength of the Navy at 86,000 and the officer personnel at 4 per cent of this enlisted strength.

Mr. BRITTEN. Will my friend permit?

Mr. OLIVER. Indeed I will.

Mr. BRITTEN. The strength of the Navy to-day is 91,000 and a thousand over, and the officer personnel is about 7,000, or about 9 per cent.

Mr. OLIVER. Following up the statement just made by my friend the gentleman from Pennsylvania [Mr. BUTLER], the distinguished chairman of the Naval Committee, I will say that in 1916 we had approximately 8,694 officers in the Army, Navy, Marine Corps, Geodetic Survey, Coast Guard, and the Public Health Services. We now have in these same services 21,558 officers. These figures would suggest that we are not rapidly adjusting our Military Establishment to a peace-time basis. In other words, we now have more than two and a half times the number of commissioned officers in the services I have just named than we had in 1916. Now, I wish to emphasize the fact that if there be one service that should have a strong officer personnel it is the Navy, and the limitation fixed by the bill now pending in the House and favored by the gentleman from Illinois [Mr. BRITTEN] gives to the Navy too limited an officer personnel.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. BYRNES of South Carolina. I yield to the gentleman 10 minutes more.

Mr. OLIVER. Naval officers can not be qualified in a short time. They must be well educated and trained along many highly technical lines. Our naval officers are the best trained and best qualified officers of any navy in the world. The course at Annapolis is broad and thorough, and the young officer, after he finishes his course there, is sent to sea until he is qualified to take his place at any station on the battleship and efficiently perform the duties relating thereto. You can not select from civil life, without several years of special technical training, a well qualified naval officer. So the bill which the gentleman from Illinois [Mr. BRITTEN] professes so much interest in is, in my opinion, more hurtful to the real efficiency of the Navy than any possible shortage in the enlisted personnel could possibly be. The only justification for the bill which he favors is found in what some Members admit to be its purpose—that is, that it is intended to authorize the retirement from the service of a large number who were taken into the service as officers without any examination to show that they were qualified as all-around naval officers.

These men had served with distinction in warrant grades and in some of the enlisted grades, and they were unusually well qualified for the work assigned them in these grades. Few, if any, have had the technical training, however, that will qualify them for an all-round naval officer, and the bill seeks to clothe the Navy Department with authority to place them on the retired list, though the committee has not written this purpose into the bill as reported. The effect of taking these men into the lower grades of the Navy made more admirals, more captains, more commanders, and more lieutenant commanders. In other words, every 100 officers added to the lower commissioned grades make additional admirals, captains, commanders, and lieutenant commanders. Whether they were taken in for that purpose or not, I will not state, but certainly it had that effect. In view of the long enlisted service which these new officers had, we find that it may prove very expensive to retain them as officers in the Navy, if the pending pay bill should be enacted into law. There are more than 100 officers now holding a lieutenant's commission in the Navy who have had less than two years' commissioned service, yet on account of their enlisted service they would, under the pending pay bill, draw for pay and allowances more than $6,500. You will see from this the naval officers to whom Mr. BRITTEN has referred have not always been sound advisers as to naval policies. It likewise demonstrates that even the gentleman from Illinois may be regarded as an unwise adviser on many matters contributing to naval efficiency.

Now, it is not unusual for naval officers to widely disagree as to the number of enlisted men required to efficiently man the Navy. In 1919 the authorized enlisted strength of the Navy was 181,000; the following year the committee, over the strong protest of naval officers, reduced the enlisted personnel to 120,000. Naval officers then strenuously insisted that the Navy could not efficiently function with less than 160,000 enlisted men, yet Congress very wisely, against the advice of high naval officers in charge of the bureaus of the Navy Department, cut the enlisted strength to 120,000. No one undertakes now to say that we hurt the Navy by this action, but we did save a large sum of money to the Federal Treasury by refusing to follow the advice of the naval officers. Last year these same naval officers insisted that they must have 120,000 men for the present fiscal year, 1922, yet Congress, over their protest, cut it to 106,000; and who will now deny that our action was not wise? We now find that many of these same naval officers are willing to accept either 106,000 or 96,000, and the House Naval Affairs Committee, of which the gentleman from Illinois is a Member, have reported a bill, over the protest of the naval officers, to fix the maximum authorized enlisted strength at not exceeding 86,000.

The General Board of the Navy, we understand, is still insisting that we should actually have for 1923 120,000 enlisted men. Congress have not in the past followed the advice either of the General Board or of Admiral Koontz or other high naval officers, and in failing to do so, we have certainly done no hurt to our Navy. Now, after we have scrapped the great capital shipbuilding program of 1916 and are to keep in commission only a limited number of ships during 1923, can anyone claim that we have done violence to the American Navy by providing an enlisted personnel sufficient in numbers to man the ships as they were actually manned in the early part of this year and are now actually manned?

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. BYRNES of South Carolina. I yield five minutes more to the gentleman from Alabama.

Mr. OLIVER. Now, without intending any criticism of the action of the conference, because I realize that some drastic proposal had to be made in order for any agreement to be reached looking to the cessation of naval competition, may I refer to the statement made yesterday by the gentleman from Tennessee [Mr. PADGETT] in which he intimated that Secretary Hughes failed to follow high naval advice in his offer to scrap the great capital fleet provided for in the 1916 program. He had at least this justification—that the public seemed willing to surrender our naval advantage in order to secure an agreement with the assembled nations looking to a limitation of armament. The American people, in the main, have given approval to the naval treaty, even though it did involve the surrender of valuable ships, some of which, when built, would have given us the most powerful and effective naval vessels of their kind in the world.

As emphasizing what was surrendered I recall that the gentleman from Tennessee [Mr. PADGETT] in 1916, after the adoption of the 1916 building program, brought in a bill from the Naval Committee and had the House to pass it, providing, first, for the construction of battle cruisers to the exclusion of battleships. He stated that preference was given to the building of battle cruisers, not only because of their great military value but because we had no ships of this type in our Navy, and Japan and England had many of the most modern types.

We have agreed to scrap all of these battle cruisers on which we have expended many millions of dollars, and so in future America will have no fast battle cruisers in its Navy. These were the finest types ever designed. They had 187,000 horsepower, and each was armed with twelve 16-inch guns, with a speed of 33 knots and better. There would have been no ships in any Navy like unto these in point of efficiency and military value, yet for the purpose of securing a naval holiday, as to the building of capital ships, we agreed to scrap all of these great ships. The treaty gives to us the right to convert two of them into aero-carrying ships, and we must see that ample funds are provided for this purpose without delay. Instead of carrying 16-inch guns, however, they will carry nothing over an 8-inch gun. Then again, to show how liberal Secretary Hughes was in his offer for a naval holiday, he agreed to scrap the great battleships that were being constructed with 42,000-ton displacement, carrying twelve 16-inch guns and with a speed of 23 knots. In lieu of these, the greatest ships of their kind ever designed by any Navy, we have consented to accept two of the *Maryland* type, carrying eight 16-inch guns, instead of twelve 16-inch guns, with a displacement of 33,000 tons, and a speed of only 21 knots. It will thus be seen that America, speaking through her State Department and through her Chief Executive, was not afraid of impending wars. They were not afraid of destroying America's chance to live in peace in the future when these great engines of war were agreed to be scrapped, but on the other hand, they exhibited faith in the nations gathered at the peace conference, and frankly said to these nations, "While we now have building the greatest battleships and battle cruisers ever designed we are willing to scrap them in order to make with you an agreement for a naval holiday and limitation on the building of capital ships, believing that any agreement entered into will be faithfully kept and that it will insure not only the peace and safety of America but of the world better than all of the navies we or they are now building." [Applause.]

Let me here quote some excerpts from the speech of President Harding at the conclusion of the Peace Conference to show how he felt in reference to the safety of America under the treaties agreed on. Said he:

> You have written the first deliberate and effective expression of great powers in the consciousness of peace, of war's utter futility, and challenged the sanity of competitive preparation for each other's destruction. You have halted folly and lifted burdens and revealed to the world that the one sure way to recover from the sorrow and ruin and staggering obligations of a World War is to end the strife in preparation for more of it and turn human energies to the construction of peace.
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> * * * * * * *
>
> I once believed in armed preparedness. I advocated it. But I have come now to believe that there is a better preparedness in a public mind and a world opinion made ready to grant justice precisely as it exacts it. And justice is better served in conferences of peace than in conflicts at arms.
>
> When you first met I told you of our America's thought to seek less of armament and none of war.

Gentlemen, those are the sentiments of the highest official in the Nation, and will you say that he did not reflect the sentiments of America in those words? [Applause.] Now, in conclusion let me say that the man who to-day undertakes by word or deed to make America believe that we are in great danger, and that Congress will do serious hurt to the Navy unless war complements are provided for all of the 18 capital ships which the treaty allows us to retain, is misleading the American

people and urging a naval program that adds nothing at this time to naval efficiency and greatly increases the expense on the National Treasury.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. BYRNS of Tennessee. I yield the gentleman five minutes more.

Mr. OLIVER. Let me show you how rapidly complements on battleships change, and it but illustrates how undecided and changeable the views of naval officers are.

In 1914 we had many ships that we will retain under the treaty and keep in commission during 1923. You will not be able to add a new ship to your fleet until 1932, after you complete the 2 now building of the *Maryland* class, because the oldest of the 18 can not be replaced until 1932, and may I remind you in this connection that we will have from 4 to 6 capital ships in this 18 carrying only 12-inch guns? If the gentleman from Massachusetts [Mr. TINKHAM] is, in fact, so much alarmed over America's danger from some imaginary enemy, as his speech indicates, then I suggest that he busy himself to see that some important units, which the treaty permits, be immediately added to our fleet so that it may become a well-rounded fleet.

Mr. TINKHAM. Will the gentleman yield?

Mr. OLIVER. Not just now. Now, in reference to the complements on some of these ships that we are retaining for 1923, we find that in 1914, for instance, the *New York*, one of the best of the ships to be retained, carried 42 officers and 898 men. A board of naval officers, when the question as to a proper complement for the *New York* was raised, met with Admiral Fletcher, long in command of the Atlantic Fleet, on the board, and this board fixed the complement for the *New York* at 38 officers and 1,022 men. After the board thus fixed the complement for the *New York*, what may be called a strange coincidence occurred. I do not charge that it influenced the action of naval officers, but it so happened that after the complement on the *New York* and other ships was fixed by this board a bill was passed by Congress fixing the officer personnel in the Navy at 4 per cent of the authorized enlisted strength. After the passage of this law the complements for the *New York* and other ships were greatly increased, and instead of 38 officers and 1,022 men we find that in 1921 there were recommended for the *New York* 53 officers and 1,367 men. Now, I leave it to the House to draw its own conclusion, and may I ask my friend from Pennsylvania [Mr. BUTLER] if the figures given are correct?

Mr. BUTLER. Yes. May I ask the gentleman a question?

Mr. OLIVER. Certainly.

Mr. BUTLER. Has the gentleman the figures which show what we know as the peace complement of the *New York* and the *Pennsylvania*, the ships that are to be retained?

Mr. OLIVER. What they actually carry?

Mr. BUTLER. Yes.

Mr. OLIVER. The actual number carried seems to have been 902 men only.

Mr. BUTLER. What was the war complement? What did it carry in 1918?

Mr. OLIVER. In 1918 there seemed to have been carried over 1,400. The gentleman has doubtless examined the table I refer to, and I wish to ask whether, in his opinion, it is correct?

Mr. BUTLER. I believe it to be so.

Mr. OLIVER. In other words, we find the complements on these ships rapidly rising from 1914, and especially after the law of 1916 fixing the officer personnel at 4 per cent of the authorized enlisted strength.

Mr. BUTLER. By reason of the act of Congress of 1916 fixing the number of officers based upon the enlisted men, the charts show that the enlisted men ran right up in number?

Mr. OLIVER. This table certainly proves it.

Mr. TINKHAM. Will the gentleman yield for one simple question?

Mr. OLIVER. My time is so limited that I hesitate to do so.

Mr. KELLEY of Michigan. I yield to the gentleman two minutes so that he may answer.

Mr. OLIVER. Then I will be glad to do so.

Mr. TINKHAM. I desire to ask the gentleman if he believes that our Navy should be equal to Great Britain and superior to Japan?

Mr. OLIVER. I am glad that the gentleman asked me that question. Our Navy to-day is not equal to Great Britain. It will not be equal to Great Britain until you authorize and complete some modern, speedy airplane-carrying ships. If the gentleman from Massachusetts [Mr. TINKHAM] will take the time to read some of the hearings before the House Naval Affairs Committee in the years 1920 and 1921 he will find high naval authority for the statement that even if we now had in our Navy all the battleships authorized by the 1916 program it would be dangerous to send them to sea, were we at war, until supplied with modern airplane-carrying ships. I have tried for some years to have Congress provide the necessary funds for these airplane-carrying ships, and it is now of supreme importance that it be done because of our agreement to scrap the great battle cruisers with high speed, and our most powerful battleships.

We must provide now for fast airplane-carrying ships, with a speed of 33 knots or more, of the most modern design. This is far more important than the question of what the enlisted strength of the Navy for 1923 shall be. If war should come, and you could not send out your 18 battleships until you provided modern airplane-carrying ships, it would seem to suggest that we are now spending much time in discussing matters not of first importance. The present bill, you will find, carries sufficient men to man the capital ships as they have been manned and were manned even this year, when the Navy had 100,000 men to draw on.

Mr. TINKHAM. My question has not been answered.

Mr. OLIVER. I have tried to show you what must be done in order to make our Navy efficient, and to show how futile and unimportant is the controversy over the enlisted personnel for 1923 unless and until proper attention is paid to supplying the Navy with the types of fighting craft now needed. The House will later find, I think, that the committee have fixed the enlisted personnel for 1923 on a conservative, safe, and economical basis, and that no hurt will come to the Navy if the committee's recommendation is followed.

The CHAIRMAN. The time of the gentleman has expired. [Applause.]

Mr. BYRNES of South Carolina. Mr. Chairman, I yield 20 minutes to the gentleman from Massachusetts [Mr. GALLIVAN]. [Applause.]

Mr. GALLIVAN. Mr. Chairman, I was a bit interested yesterday afternoon when the leader of this House, in discussing the various percentages which had befuddled his brain because of the debate as it went along, said from 5-5-3 the Navy had dwindled to 3½ per cent and 2.75, and, if he had kept talking, perhaps before he had finished he might have brought us down to a minimum of one-half of 1 per cent. [Laughter.]

I have followed the discussion on this bill from its inception with as much interest and probably more attention than I have ever followed any debate in the House since I have been a Member of Congress. As you know, I am the sole Democrat on the Committee on Appropriations who has signed the minority report, and I rise at this time to try to make it clear why I believe the majority of my committee have erred.

Yesterday, in his opening speech in defense of the bill as reported, the eloquent and admirable gentleman from Michigan [Mr. KELLEY] referred more than once to the efforts of certain unnamed individuals, but evidently officials high in the Naval Establishment who, in their urgent pleas for a greater number of men than this bill provides, are using all the strategy and influence at their command "to pile up," in the language of my friend from Michigan [Mr. KELLEY], 18,000 or 20,000 men on shore not assigned to any work in any navy yard or any station. I tried to get the gentleman to tell the House who these officials are and what their purpose was in "piling up" these thousands of men, but the astute chairman of the subcommittee carefully side-stepped my inquiry and insisted that I knew as well as he did who the officials are in the Naval Establishment who are attempting to put this alleged load on the backs of the American people.

I must confess, Mr. Chairman, that with all my regard for my friend, I do not think he was quite fair with the House in holding back the knowledge which he has in abundant quantity and which he can, of all men, verify, if the story is true. As for myself, I take it that the officials at whom his remarks were directed are those now in control of the Navy Department, from the Secretary of the Navy down to the humblest adviser.

If he is right, I want to repeat a question here and now which I suggested yesterday: Why not scrap the Naval Establishment before we start scrapping our Navy? If these alleged thousands of men who are to be unassigned for any sort of duty are insisted upon by the Navy officials whom he criticizes, why in the name of all that is good and holy does the Naval Establishment want these men?

Mr. Chairman, it is because I have been unable to get any answer to this question and because of the absolutely contradictory positions which the experts in the Navy Department and the members of the subcommittee on the naval appropriation bill have taken in this controversy that I have aligned myself with the minority members of the Committee on Appro-

priations, and I stand, without apology, with the administration in behalf of the best Navy that the United States is permitted to maintain under the agreement reached in the Conference on Limitation of Armament. [Applause.]

I am going to discuss another navy before I get through, and I hope no gentleman will leave his seat, particularly my good friend from Michigan [Mr. KELLEY].

I would vote for a bigger Navy if I could, Mr. Chairman, than is permitted under the so-called 5-5-3 agreement. My friend from South Carolina [Mr. BYRNES] yesterday, referring to the Borah amendment in connection with the disarmament conference, said that every Democrat voted for the Borah amendment when it was before this branch. I beg to differ with him. There were five of us who did not agree that the time had come in the affairs of the world when the United States could afford to scrap its Navy. I was one of them, and I again have no apologies to make. But that conference reached an agreement, and we must keep our part of that agreement. We must not go below it. Permitted as we are to maintain 18 capital ships with the necessary auxiliaries, we must not forget that men fight and not ships, and that historically good men even in poor ships have invariably triumphed over poor men in good ships. These men can be trained only in time of peace. It is generally considered by captains of industry, generals, and admirals that men are much more important than material. This can be accepted as an axiom.

Under such conditions the United States can not afford to decrease her personnel. When war comes it is too late to change the system. I have never taken any stock in that propaganda that armies and navies are always the cause of war. Wars in the Far East have been caused by weak nations.

Korea, a weak nation, was the cause of the China-Japanese War and the Russo-Japanese War, and it is my firm belief that there would be no far eastern question to-day if China and Russia were strong nations. Our own wars have not been caused by having an Army and a Navy. The enormous expense of our past wars has been entirely due to the fact that we did not maintain a sufficiently powerful Army and Navy. May I remind this House of the well-chosen words of Secretary Denby recently spoken? "Whatever arms have cost, they have made and kept us a nation."

It must not be forgotten that our influence and the due consideration of our rights are measured by other countries according to our physical power and our national spirit to redress wrongs. Foreign nations are as fully aware as we of the conditions of our naval force, at all times, both as regards its strength in material and its efficiency and sufficiency in personnel, and you know as well as do I that the greatest weight is placed on its efficiency and sufficiency in personnel.

One of the most brilliant newspaper men in this country said yesterday that the whole question which the House is considering has developed into a controversy between amateur guessing and professional knowing. Capt. Luke McNamee, one of the best-known officers of the present Naval Establishment, said the other day that Great Britain proposes to reduce her enlisted strength to 104,000 by April, 1923, a year from now. Her crews are old and seasoned, with 12-year enlistments. Ours are boys, with an average age of about 20 years, with two to four year enlistments.

In addition we have to maintain our tankers, repair, and hospital ships with regular sailors, mark you, using up 18,000 of the regular force, while Great Britain now mans these ships entirely with reserves that are never counted in her enlisted strength.

Japan proposes to reduce her enlisted strength to 68,000, although she is only allowed three-fifths of our strength, and this unquestionably, as the gentleman from Chicago [Mr. BRITTEN] said, would give her a greater strength than you would give us if you support this bill.

Our friend from Michigan [Mr. KELLEY] answers that the 67,000 men provided for in this bill will give us a Navy stronger than that of Japan and equal in its man power to that of Great Britain. Well, perhaps he knows—perhaps he knows—but I repeat in this argument that I am going to align myself with those officials in our Government who have made a life study of this game, rather than with the members of any committee to whom, after all, appropriations, whether they be for an Army or Navy, are mere incidents in a congressional career.

We realize that the naval holiday must last at least for 10 years, and that the number of ships to be kept afloat is fixed by the treaty.

No new ships are to be built by the United States for its Navy during that holiday. A few new ships now building are to be completed, and then the Government navy yards will have no construction work. Necessarily many workers must be discharged soon from our navy yards because of the naval holiday, because with our new Navy repair work will be comparatively slight. I want to emphasize these words. I am fully convinced as a member of this committee that the proposed limitation of 67,000 enlisted men will not suffice to keep our ships afloat at any one time. I am in mortal dread that if you pass this bill as it comes from the committee we will be burdened with a toy Navy.

Under the bill as reported a bluejacket will be a rare bird along the Atlantic coast line—a rare bird—but, O good people, the Atlantic coast line is not going to be left undefended. Some of the gentlemen who are so enthusiastic about scrapping the Navy that fights for and defends the whole country are looking on complacently while Congress votes millions to help organize another navy, a brand-new navy, to fight for one particular factional issue in this country. They are ready to reduce the Navy of the United States and to increase the prohibition navy. [Laughter.] They call it, you know, the rum-running navy, commanded by the prohibition commissioner instead of by the President of the United States, and the rum-running navy bids fair to take the place of the United States Government, because you will not dare to refuse their request for more millions whenever they come and ask for more millions. [Laughter and applause.] All the traditions of the future will be about the gallantry of Admiral Haynes [laughter] lashing himself to the mast and giving the command to "Go ahead, and damn the rum-runners and their explosive beverages!" [Laughter.] Do you know that the rum-running navy has already put into New York? And it is reported that it will proceed to the St. Lawrence and the Great Lakes and give battle to the rum runners from Canada whose armada is daily crossing the border waters and landing Canadian Club to the thirsty of New York, Buffalo, Cleveland, Detroit, Mr. KELLEY [laughter], Chicago, Mr. MADDEN [laughter], Milwaukee, Mr. STAFFORD [laughter], St. Paul, Minneapolis, and Duluth.

I am reminded that more than 100 years ago President Monroe negotiated a treaty with Great Britain by which all fortifications on both sides of the border should be scrapped and no warships of either Government admitted on the Great Lakes, and for a century we have had an unguarded border between the United States and Canada.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BYRNES of South Carolina. I yield to the gentleman five minutes more.

Mr. GALLIVAN. That long international line, stretching 3,000 miles from Maine to Washington, has been without forts and without warships, and the people have crossed the border without having to give the countersign.

But the rum-running navy under command of Admiral Haynes and Rear Admiral Wayne B. Wheeler [laughter], chief of the bureau of navigation [laughter], and supported by the gentlemen here who are ready to scrap the old navy of Commodore Jack Barry and John Paul Jones and Admiral Farragut and George Dewey, will scrap the Rush-Bagot treaty of 1818 and transfer our naval operations from the Atlantic and the Pacific Oceans to the Great Lakes and the St. Lawrence River. [Laughter.] Instead of the daily allowance of grog to the bluejackets who fought in the old days with Commodore Perry on the Lakes we will have cold water and grape juice served to the prohibition blue-ribbon boys who fight the rum runners from Canada. [Laughter.] I wonder how long it will be before the old United States Navy, manned by red-blooded boys, will have to be rebuilt and ordered to the Great Lakes to indulge in real fighting with Great Britain because of the violation of the old Rush-Bagot treaty by Admiral Haynes and his rum-running, mischief-making navy? I for one prefer the Navy that has fought for the honor and protection of the whole United States and battled on the seven seas, winning glory for more than 100 years, rather than to scrap that Navy, to economize at the spigot, and waste millions on a rum-running navy to operate without authority of law and in defiance of our treaties, and probably involve us in real war.

Mr. Chairman, in closing, I do not want our schoolboys to be deprived of the inspiration to patriotic duty and everlasting service to that flag by snatching away from them in this hour the stories of heroism and sacrifice and achievement linked with the names of Jack Barry and John Paul Jones and Admiral Farragut, and modest but immortal George Dewey. [Prolonged applause.]

I yield back the remainder of my time.

The CHAIRMAN. The gentleman yields back one minute.

MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. LONGWORTH having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. Crockett, one of its clerks, announced that

the Senate had passed bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. 1281. An act for the relief of Capt. Edward T. Hartmann, United States Army, and others;

S. 150. An act to provide longevity pay for reserve officers and National Guard officers serving under orders of the War Department;

S. 1690. An act to correct the military record of John Sullivan;

S. 2719. An act to reimburse certain persons for loss of private funds while they were patients at the United States Naval Hospital, naval operating base, Hampton Roads; and

S. 1790. An act to place national guardsmen who entered the World War otherwise than through the draft on equal basis as to longevity and continuous-service pay with national guardsmen who were drafted.

The message also announced that the Senate had passed with amendments the bill (H. R. 10740) authorizing the use of special canceling stamps in certain post offices, in which the concurrence of the House of Representatives was requested.

The message also announced that the Senate had passed without amendment bills of the following titles:

H. R. 2556. An act to advance Capt. Benjamin S. Berry to the permanent rank of major; and

H. R. 7589. An act for the relief of Maj. Ellis B. Miller.

NAVAL APPROPRIATION BILL.

The committee resumed its session.

Mr. KELLEY of Michigan. I yield 30 minutes to the gentleman from South Dakota [Mr. JOHNSON].

Mr. JOHNSON of South Dakota. Mr. Chairman, at noon today in concert with the gentleman from Michigan [Mr. WOODRUFF] I introduced a resolution providing for an investigation of certain Government departments. That resolution was read by the Clerk of the House; and rather than to take the time in reading it again, I am going to ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from South Dakota asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. JOHNSON of South Dakota. Mr. Chairman, the gentleman from Michigan [Mr. ROY O. WOODRUFF] and several other ex-service men of the House who enlisted in the late war, and either saw overseas service or were willing to see it, have for some time felt that there was an invisible biparty government in the United States which controls the real Government elected by the people, and they felt it was their duty to see that invisible government removed from power and that the constitutional legal Government assume its proper place and attend to the interests of the common, ordinary citizen.

In Mr. WOODRUFF's speech, which you have listened to with so much interest and which is based upon absolute facts, supported by evidence which we have in our possession, he has called your attention to the fact that after the armistice was signed on November 11, 1918, the Bosch Magneto Co., a large German-owned corporation, with assets of $8,492,457.61, was sold by A. Mitchell Palmer and Francis J. Garvan, Alien Property Custodian, to Martin E. Kern, a self-admitted convict and alien enemy, for the sum of $4,150,000.

He has shown that this sale, which took place under the Wilson administration, was underwritten by Hornblower & Weeks; and that for their services in negotiating this sale Hornblower & Weeks were donated 7,000 shares of stock, worth at the sale value (which is only one-fourth of the real value), $420,000. He has shown you that Hornblower & Weeks were allowed to purchase $1,800,000 of the notes of the company for $1,664,700, giving them a further net profit of $153,300. I will say that I am reliably informed that Secretary Weeks has not been connected with the firm of Hornblower & Weeks for 10 years. He has shown further that they were, with A. Mitchell Palmer and Francis J. Garvan, largely instrumental in making this sale, because Hornblower & Weeks have charged up and collected for expenses in this matter $16,069.78. The audit from which this is taken is not full and complete and does not show all of the individuals who are interested.

We do find that J. Harry Covington, a Wilson appointee to the bench, but who during the war resigned, was taken in the scheme for a profit of $25,000.

But it is evident upon its face that from the enormous expenses that were charged up in negotiating this matter that a great deal of money, aggregating $92,000, went to persons, unknown, who must have had great political influence in either the Wilson administration or the Harding administration, or both administrations, or they would have been in difficulty to-day for their participation in the transaction.

This is invisible financial government. It is the invisible financial government against which Theodore Roosevelt fought and which every man who saw service in the late war opposes. It is the kind of government which must be wiped out in the United States if the Government may function and if the Republic exists.

Mr. WOODRUFF has told you of the Mitsui Co., the Rockefellers of Japan. He has shown you how this Japanese firm was given $16,461,680.15 of aircraft contracts by the Government of the United States in spite of the fact that this company had been the fiscal agent of the German secret service for many years, in spite of the fact that it is known that they have been mapping our coasts and securing information concerning our Government, in spite of the fact that it is known that they have maintained a thoroughgoing and efficient secret service in the United States, and in spite of the fact that after we entered the war five airplane engines were shipped by this company to Japan at a time when America had no aircraft. Mr. WOODRUFF has shown you, and has the facts to prove his statements, that this company, under the Wilson administration, was allowed to rob the Government of $9,948,680.15, and that no attempt has been made to recover this sum of money by the War Department, which now has the power to take action.

To my mind this goes to prove the fact that not only is our Government in the control of an invisible biparty financial combine, but that this combine extends to other nations of the world, and that these Japanese financiers have an interlocking agreement and arrangement with corrupt politicians in the United States which has enabled them to take money by the millions from the funds of American taxpayers and the men and women who suffered and slaved to buy Liberty bonds.

Representative WOODRUFF, who was an infantryman in the Spanish-American War and an infantryman in the late war with Germany, has demonstrated and proved his case beyond the shadow of a doubt, and the further anyone delves into his facts the more convinced they will be that his statements are true.

Mr. WOODRUFF has shown you that at the close of the late war the United States Government had on hand 188,000,000 feet surplus of lumber of all varieties.

This invisible government, which ramifies to the heads of all the lumber industries of the United States, decided that the price of lumber should not be reduced to the ultimate consumer and that this surplus should not be thrown upon the market. With this end in view, the firm of Phillips & Stevens, which at that time had headquarters in the Capital of the United States, had a conference with the then Secretary of War, and an agreement was entered into whereby all of this lumber should be sold to them at an arbitrary price, supposed to be fixed upon commercial prices, but which in reality was only a fraction of them.

This was to apply to the softwoods only—spruce, pine, fir, and hemlock.

This firm then proceeded, at the contract price which was to be paid for softwood, to take over the other woods, consisting of millions of feet of mahogany, walnut, cherry, and valuable hardwoods, and by reason of their manipulations the Government of the United States has been defrauded out of $1,854,076.84, and the price of lumber, at a time when building operations were prohibitive in the United States because of the high price of lumber, was maintained at the high war price, and American women and children are to-day homeless or at the mercy of rent profiteers.

Mr. Phillips, the senior member of this firm, is the Republican national committeeman of Georgia, a man who must stand high in the councils of the party, and that he must have great influence is shown by the fact that although this matter has been of common knowledge to the officials of the Government since the time of the armistice, neither civil nor criminal proceedings have been taken against him, although it is clear that a lawyer of even mediocre ability could secure a conviction in a criminal case and make a recovery for the Government of $1,800,000.

This is the same Phillips who, when he came to a young man in the Department of Justice named Lenihan, a youthful and inexperienced attorney, who was too busily engaged in the discussion of war contracts and politics to enter the military service and secured exemption therefrom, stated that he was arranging the appointment of Federal judges in his district, was the leader of the Republican Party in his district, and that the negro attorney, Anderson, had no status as a political leader, and, like many another man of his type, invoked without

authority the name of the President of the United States to show his commanding position and the corresponding influence he ought to wield in Government appointments. He must be a part of the invisible Government.

This is simply typical of the hundreds of cases of fraudulent war contracts and contracts for the sale of surplus war property and the settlement of claims.

The reason for my interest in these matters and the discussion of the subject at this time is not solely because of the fact of war service nor service in Congress but because of the peculiar relation that has been forced on me in investigating these contracts as a Representative of this Congress.

On the 4th day of June, 1919, by House Resolution No. 78 of the House of Representatives, there was created the Select Committee on Expenditures in the War Department, of which Representative GRAHAM of Illinois was the chairman and of which I was a member. By action of that committee I was appointed chairman of Subcommittee No. 3, charged with the investigation of foreign expenditures, and acting as such chairman I submitted a report to this Congress on the 3d day of March, 1921.

As stated in that report that committee was handicapped in every possible way. While outside the jurisdiction of the United States that committee, in a courteous manner, requested the presence of Gen. John J. Pershing, leader of the American Expeditionary Forces, in order that it might interrogate him, but relying on the security of his position he did not appear and testify. It is the same committee that had appear before it the swearing politician, Charles G. Dawes, commonly and familiarly known in inner banking circles and to Sunday school parties as "Hell and Maria" Dawes. He testified that there was no graft or corruption in the War Department. As I read his testimony the other day I could not but feel that history will recall and compare that father of our country, George Washington; that great emancipator, Abraham Lincoln; that great statesman, Theodore Roosevelt; and the great apologist for the War Department, "Hell and Maria." It is the same committee that had appear before it practically all of the higher ranking generals of the American Army, and it listened to their testimony to the effect that there was little waste or extravagance in France, and none that was not justifiable; that the casualties on the 11th day of November, 1918, when approximately 400 clean American boys were killed after the armistice was signed, and about 3,000 wounded, could not have been prevented, and it is the same committee that demonstrated beyond the shadow of a doubt that the most vicious cruelties were practiced against the members of the American Expeditionary Forces in the prisons of Paris and Farm No. 2 at Chelles, and has later watched the War Department pardon the men who were convicted for those crimes and honor the men whom great generals of the Army, such as General Harbord and General Donaldson, have under oath stated were absolutely guilty. In that case I refer to Gen. William W. Harts. It is the same committee that could not get the records on which to make a financial and fiscal report, and frankly admitted that it was frustrated in its attempts to do so by the actions of the War Department under the last Democratic administration.

That committee terminated by operation of law on March 4, 1921. Those who knew that crimes had been committed in the name of the Government felt that with the advent of a Republican administration it would be easy to institute a further investigation, develop the facts, and punish the guilty individuals. In accordance with that view the chairman of the committee, Mr. GRAHAM of Illinois, on March 5, 1921, wrote the present Secretary of War asking that the committee be continued. To this letter the Secretary of War replied, "That the day of investigation had passed."

Here we have the spectacle of the Secretary of War—who is holding his position to-day largely because of the resentment of the soldiers of the late war, who knew they had suffered unnecessarily, and citizens, who knew that there had been graft and extravagance—taking the attitude that the time for examination had expired and refusing to cooperate with the Congress of the United States in developing the facts which we knew were in existence.

When that committee expired the former members were left without stenographic or accountant assistance. Some of the members, however, Representatives GRAHAM of Illinois, REAVIS of Nebraska, BLAND of Indiana, MCKENZIE of Illinois, and JEFFERIS of Nebraska, called upon the President of the United States and urged that the harness-contract grafters and the salmon canners, who canned million of cans of decayed salmon for the consumption of service men, and other grafters be punished, and undoubtedly the President of the United States, in accordance with his statement that the guilty would be punished, has issued his orders that prosecutions be instituted. They have not been instituted, however, except in a very few cases, and every move made to secure prosecution is blocked by practically the entire War Department and a section of the Department of Justice. It may be said, however, that the President did declare void the infamous and notorious contract for the purchase of all the harness and leather supplies of the Government by four ex-Army officers—Maj. Joseph B. Byron, Lieut. Col. George B. Goetz, Capt. H. W. Benkie, and Capt. Azel F. Cochran—all of whom received the salary of $25,000 each per annum out of this contract, and they were to receive a commission of from 20 to 40 per cent. The total amount of the contract was estimated at from $25,000,000 to $150,000,000, and the sale was to be made at figures so ridiculously low as to challenge credibility.

First, let us see what an unlimited opportunity there was to graft in the sale of surplus property. One of the first statements made by the War Department was that on December 13, 1920, there was $150,000,000 worth of surplus war property, but at the same time a bulletin published by General Bullard, of the eastern zone, estimated that the Government had on hand $6,000,000,000 worth of supplies, and even on March 2, 1921, Report No. 1406, Sixty-sixth Congress, third session, stated that there was a surplus of $3,722,233,848.54. It is very evident that anyone who had the sale of this property and desired to profit by reason of its sale could make an immense fortune.

The facts which I am going to show indisputably prove that the War Department has sold property and is to-day selling property at ridiculously and criminally low prices to favored customers, concealing the facts from Congress and deliberately misrepresenting the facts. They also show that the War Department is trying to control the Department of Justice by putting men who ought to be in the penitentiary on the Department of Justice pay roll and asking Congress to appropriate for it.

In proof of the fact that the War Department is misrepresenting the facts to Congress, I desire to call your attention to Public Resolution 193, approved July 9, 1918, which provides that the Secretary of War shall submit to Congress reports relative to all sales of property. On December 5, 1921, the Secretary of War submitted to the Speaker of the House the report provided for by statute, which was forwarded to me as chairman of the Committee on Expenditures in the War Department. That report, submitted to Congress in accordance with law, is the most fraudulent, misleading, and criminally deceitful document that was ever submitted to the American Congress, as is shown by the following facts, citing the pages of the record and the official reports in the War Department which I have with me to-day.

In letter of transmittal accompanying this report, the Secretary of War made this statement:

> The percentage of recovery on sales, including transfers with funds to other executive departments and agencies of the Government, is as follows:
> (a) November 20, 1920, to November 18, 1921, 16 per cent.
> (b) December 2, 1918, to November 18, 1921, 50 per cent.

A review of Secretary Weeks's report shows how little he actually knows of the true facts. Only a few of the thousands of false entries, indicating fraudulent transactions with many favored and "inside" purchasers, will suffice to show you the extent of the official depravity and duplicity exercised in defrauding the Government, which has ever gone on without restraint since the inception of liquidation process.

Such cases as the harness sale, the lumber contract, the H. Miller transactions, and countless other corrupt deals, transpired under former Secretary Baker. The cases with which we are now dealing can not be charged as one of the crimes against the late administration, for the reason that these corrupt deals have been consummated under the present Secretary of War.

Millions of dollars' worth of supplies were sold to each of a number of favored purchasers by "negotiation," without competitive bidding, without adequate bonds or deposits to protect the Government's interests, indefinite extensions of time granted for storage and delivery, and, finally, cancellations effected to meet the convenience of these specially favored set of grafters.

SALE OF CANNED MEATS TO THOMAS ROBERTS & CO.

A contract was entered into April 21, 1921, between the United States of America, represented by L. E. Hanson, lieutenant colonel, Quartermaster Corps, for the Quartermaster General, and Thomas Roberts & Co., 116 South Front Street, Philadelphia, Pa., signed by the following members of that firm, George W. B. Roberts, William B. Montgomery, Thomas Hahn, William H. Hahn, W. W. Thrasher, and Robert Clay, for the sale of ap-

proximately 119,000,000 pounds of canned meat, and all meat to subsequently become surplus, at the following prices:

	Per can.
Bacon, 12-pound cans	$1.20
Corned beef, No. 1, 12-ounce cans	.04
Corned beef, No. 2, 24-ounce cans	.07½
Corned beef, 1-pound can	.05
Corned beef, 2-pound can	.08
Corned beef, 6-pound can	.27½
Roast beef, No. 2, 24-ounce cans	.03½
Roast beef, 1-pound can	.03
Roast beef, 2-pound can	.03½
Roast beef, 6-pound can	.08
Corned-beef hash, 1-pound can	.03
Corned-beef hash, 2-pound can	.05

The above prices were f. o. b. cars point of location.

Deliveries were made and sales reported amounting to 129,719,722 pounds, netting a return to the Government of $6,135,244.97 for meats costing the Government a total of $56,631,289.54, recorded on page 732, "Serial List of Sales," Surplus Property Division, reporting office, Chicago, Ill., 7-1-21, the method of sale being reported as "Fixed price, depot quartermaster, Chicago," as follows:

	Pounds.	Price per can.	Return to Government.	Cost to Government.	
(48) Corned beef No. 1	6,704,177	$0.04	$268,167.08	$2,614,629.03	139,670
(24) Corned beef No. 2	15,582,290	.07½	1,168,671.75	11,063,425.90	649,262
(48) Corned beef, 1-pound	7,566,352	.05	378,317.60	3,707,512.48	157,632
(24) Corned beef, 2-pound	483,764	.08	38,701.12	357,985.36	20,158
(12) Corned beef, 6-pound	857,279	.27½	235,751.73	2,366,090.04	71,440
(48) Corned-beef hash, 1-pound	9,451,654	.03	283,549.62	3,213,562.36	196,909
(24) Corned-beef hash, 2-pound	12,352,676	.05	617,633.80	7,905,712.64	514,694
(48) Roast beef, 1-pound	1,419,704	.03	42,501.12	724,049.04	29,578
(24) Roast beef, 2-pound	9,699,139	.03½	339,469.87	9,311,173.44	404,130
(12) Roast beef, 6-pound	938,411	.08	75,072.88	2,468,020.93	78,200
(6) Bacon, 12-pound	2,239,432	1.20	2,687,318.40	12,899,128.32	373,239
Total	129,719,722		6,135,244.97	56,631,289.54	

These figures show that the Government received a net recovery of $0.0472 per pound on an average for the entire quantity which had cost the Government an average of 43.6 cents per pound.

The salient features of the contract will be quoted to show the extent of duplicity to which responsible Army officers and public servants have and are now going in the liquidation of the vast surplus stocks on hand as a result of the termination of war. Article 2 of the contract provides:

Should any canned meats hereafter be declared surplus, from the existing stock now on hand in the Quartermaster Corps, the purchasers hereby agree to accept said meats upon the same terms of payment, at the same price, upon the same conditions as specified in said contract, upon written notice by the contracting officer, and the period for the completion of this contract shall be extended in such portion as the additional quantities declared surplus bear to the entire amount originally contracted to be sold in this contract.

Article 3 provides:

There shall be a 100 per cent inspection by the United States before shipment of all properties delivered under the terms of this contract. The United States hereby guarantees that all of the property hereby sold shall comply with the pure food laws of the United States and of the several States and to be fit for human consumption. In the event that any meat delivered hereunder to purchaser is found to be deteriorated to such an extent that it can no longer be used for human consumption, or that same is not within the requirements of the pure food laws of the United States, or of the several States pertaining thereto, the purchaser shall, within 90 days after the date of shipment, as shown by the original bill of lading, serve notice accompanied by certificates of some duly authorized health officer or sworn affidavit of two competent officers to the effect that said material is not fit for human consumption or that it does not comply with the requirements of said laws, and thereupon the United States shall allow a credit of such material at the price hereunder agreed to be paid for the same and any freight thereon. The purchaser shall have the privilege of disposing of the material last described and there shall be deducted from such credit the amount realized, the same to be determined from sworn statements furnished by the purchasers. * * *

Article 5 shows that purchasers paid the United States the sum of $500,000 to be retained as a guaranty of faithful performance and to be applied upon final payment, deliveries to be made within seven months from date of approval of contract by director of sales; the purchasers agreeing to furnish shipping instructions, accept deliveries, and to pay for at least one-seventh part of the entire quantity each month; payments for all meats shipped during the preceding calendar months to be paid on or before the 15th day of the next succeeding month, upon presentation by the United States to purchasers of bills of lading or other evidence showing delivery; the United States not being required to ship any of the material in less than 10-case lots; the United States agreeing to segregate by brands all corned beef packed in No. 1, No. 2, and 1-pound cans.

This contract was approved April 21, 1921, by E. H. Hartshorn, lieutenant colonel, General Staff, director of sales.

The various phases of this unconscionable sale clearly indicate a conspiracy on the part of certain War Department officials and criminal negligence on the part of others in its conception and execution.

On the same day the contract was executed the Assistant Secretary of War, Mr. Wainwright, appeared before the House Military Committee and informed that committee that a sale of the War Department's surplus supply of canned meats of approximately 81,000,000 pounds—not 119,000,000 pounds, as shown in the contract, and all subsequently to be declared surplus—was made to Thomas Roberts & Co. for $5,316,276; that the meat cost the Government 34 cents per pound, and that the present market price averaged 34 cents; that the sale price was approximately 6½ cents per pound.

On April 28, 1921, Col. L. E. Hanson, Chief of the Surplus Property Division, who signed the contract for the United States, wrote a letter to "all control supply officers," stating:

A contract covering the sale of canned meats surplus, and to become surplus, has been entered into under April 21, 1921, at the following prices (prices stated above). * * *

Original purchasers now holding canned meats unsold to be allowed to return all unsold meats at their own expense and to be refunded purchase price.

In the design and execution of this fraudulent sale, entailing such a tremendous loss of public funds, it is improbable that any of the other innumerable illegal and corrupt sales were made with greater disregard of public interest and common decency.

When Colonel Hanson executed the sales contract which he signed on April 21, 1921, he knew that he had previously sold many million pounds, and a comparatively large portion of this surplus meat at prices from two to three times greater than those realized on the sales to Thomas Roberts & Co. He knew that in order to deliver the vast quantity, amounting to 119,000,000 pounds specified in the contract, it would be necessary to cancel these numerous and large sales made at the much greater figure, and that by so doing he would cause an actual loss to his Government of several million dollars.

Of course, the contract as executed by Colonel Hanson was silent in this important particular, but when he wrote to his six control supply officers on April 28, 1921, informing them that—

original purchasers now holding canned meats unsold to be allowed to return all unsold meats at their own expense and to be refunded purchase price—

he knew that he was merely confirming the fact that he was a party to an infamous plot to defraud the Government.

The record shows that parties who purchased under the higher figures prior to the Roberts contract were permitted to—

avail themselves of the right to return to the Government and buy back through Thomas Roberts & Co. (these same) canned meats.

And that in making refunds on these former sales amounts were—

credited and (meats) resold to Thomas Roberts without physically returning meats to warehouse.

The official record shows in only a small portion of these cancellations and refundments, so far examined, they amounted to the staggering figure of $1,115,999.01, not including a number of large sales. Besides this, it is reliably reported that the War Department is settling 30 additional claims for large amounts.

It is conservatively believed that a complete and final check of this transaction will show that the sale to Thomas Roberts & Co., after deducting the large quantities previously sold at higher prices, the cost of reconditioning and making a "100 per cent inspection," handling and recasing, will involve the Government in a loss in excess of that sum paid into the Treasury by Thomas Roberts & Co.

Furthermore, high officials charged with the responsibility of the sale of surplus materials were fully aware of this outrageous contract. For instance, in officially commenting August 19, 1921, to the chief coordinator, General Supply, on the sale to Thomas Roberts & Co., one of them stated:

2. In view of the fact that there appear to be no grounds on which this contract could be voided by the Government, this memorandum may be criticized on the score that it deals with a transaction impossible of correction. Your attention is invited, however, because the sale reflects upon the manner in which men still engaged in the disposal of Government surplus property have functioned.

3. Under the contract, the purchaser acquires the entire stock of canned meats owned by the War Department. No canned meats will be held in reserve as supplies. Consequently, upon the completion of the contract, in November, the War Department will have to go into the market and acquire a sufficient stock of canned meats to meet its requirements.

4. In defending the making of this contract, the officers attached to the staff of the Quartermaster General contend that the meat had to be disposed of promptly, as they were of the opinion that it could not be carried through another summer. Nevertheless, under article 5 of the contract, the purchasers are given seven months in which to accept delivery. That provision extends the life of the contract until November 21 next. In addition, the War Department agrees, article 3 of the contract, to give a credit for such material as may spoil after delivery, on presentation of proper certificates, within 90 days after the date of shipment shown on the original bill of lading.

5. Thomas Roberts & Co. in offering this meat for sale to the public, through advertising mediums, make this expressed representation as to its condition: "The goods are absolutely first-class quality and will keep indefinitely."

6. Lieutenant Colonel Hanson, the contracting officer, when questioned as to the number of "swells" which were found in the meat that has been delivered to date to Thomas Roberts & Co., said the percentage would not be more than 1 or 2 per cent, certainly not more than 5.

7. The length of the life of the contract, the representations concerning the meat made to the public by Thomas Roberts & Co., and the proposition of spoilage estimated by Colonel Hanson would not appear to support the Army's fears concerning deterioration of the meat during the present summer.

10. * * * Bear in mind that the purchaser is relieved of all expense incident to the handling of the meats acquired. The only restriction placed upon him is that he shall not issue shipping instructions for less than 10-case lots. Conforming with that restriction, he has merely to call upon the War Department to fill the orders which he may receive for stocks which he offers for sale. Nevertheless, the Roberts company is selling corned beef, No. 1 tins, 12 ounces net, for which they paid 48 cents per dozen, at $1.10 per dozen, less than carload lots. The Roberts company is selling roast beef, 6-pound tins, for which they paid 8 cents per tin (1⅓ cents per pound), at 55 cents per tin.

11. Prior to the sale of the entire stock of canned meats to the Thomas Roberts Co. the War Department had spent a large sum of money in advertising these meats for sale at wholesale prices, which are set forth in the attached copy of War Department advertisements. For purposes of comparison note the prices at which it was later sold to the Thomas Roberts Co.: Roast beef, 6-pound cans, were offered at 70 cents per can (12⅞ cents per pound against 1⅓ cents per pound as made to Thomas Roberts & Co.); they were sold to Thomas Roberts & Co. at 8 cents per can. Quantity discounts were allowed in the offerings made by the War Department to the general public.

12. I am informed that prior to the time the War Department went out to feel the market with a view to offering the entire stock of meats for sale it was making sales under its advertised prices at the rate of approximately $250,000 worth per week.

13. By article 3 of the contract the War Department is obligated to make a "100 per cent inspection." This means that the War Department must open every case of meats embraced in the sale, take out each individual can, and test it.

14. * * * Colonel Hanson, however, told me that he was under the impression that the inspection was costing approximately 25 cents per case.

15. When those responsible for the disposal of the stocks decided that the entire quantity of meat must be disposed of promptly, they sought to obtain bids on the entire stock held by the War Department. The surplus property officers in each of the six quartermaster zones which the country is divided were instructed to ascertain whether or not there were interests in their respective territories which were in a position to bid on such a quantity of meats and to invite them for the entire stock. As a result of this effort, six bids were before the Quartermaster General at the time that the offer of the Roberts Co. was accepted.

16. Colonel Hanson and his associates assert that it was impossible for the War Department to dispose of this meat. They assert that much time and effort was spent in an endeavor to find a market in which a higher percentage of recovery might be effected. The Roberts Co. does not appear to have been confronted with such difficulties. While their conditions of sale, as embodied in the attached copy of their advertisement and equally as stringent as those of the Government, the Roberts Co. is, according to Colonel Hanson, disposing of this meat even more rapidly than the War Department can fill shipping instructions. At the end of July last the Roberts Co. had already paid into the War Department $6,135,244.97. This was the recovery made by the Government on meats which had cost the War Department $56,631,289.54.

17. While this sale was negotiated by representatives of the Surplus Property Division, Office of the Quartermaster General, it was approved by the Director of Sales of the War Department; when the Director of Sales of the War Department sent the proposed contract to his Board of Sales Review, that body unanimously disapproved the proposed sale. Nevertheless, the Director of Sales gave the transaction his formal approval.

18. The Thomas Roberts Co. is located at Philadelphia. It is a wholesale and brokerage organization. It is not to be presumed that it has a sales organization which covers the country as completely as does the surplus property organization of the Quartermaster General of the Army. The fact that the Roberts Co. has received in disposing of this meat as expeditiously as it has, and at prices much higher than those paid by it to the War Department, does not reflect credit upon the sales organization which was responsible for the disposal of this surplus meat.

19. Article 2 of the contract disposed of future declarations of surplus stocks of meat held by the Quartermaster Corps. While it was the intention of the contracting officer for the Government to sell to the Roberts Co. the entire stock of canned meats owned by the War Department, the incorporation in Government contracts of clauses which obligate future declarations of surplus are generally regarded as detrimental to the best interests of the Government.

On August 30, 1921, Lieut. Col. L. E. Hanson, Chief Surplus Property Division, wrote a memorandum to the Assistant Secretary of War (Attention: Director of Sales) referring to—

reflections of Mr. Mattingly as submitted on August 19, 1921, to the chief coordinator, General Supply.

2. * * * In making this contract with Thomas Roberts & Co. the Government reserves the right at all times to withhold any or all portions of surplus canned meats sold under the terms of this contract as might be required for the needs of the Army and such other governmental departments as are entitled to receive any supplies from the Army.

When Colonel Hanson made the above-quoted statement he knew that it was utterly false; he knew that there was not a word in the contract to which he affixed his signature that reserved any rights on the part of the Government to withhold from Thomas Roberts & Co. one single pound of this meat. He knew that the contract itself expressly provided in articles 1 and 2 for the sale of all surplus meats then on hand and—

should canned meats hereafter be declared surplus from the existing stock now on hand in the Quartermaster Corps the purchaser hereby agrees to accept said meats upon the same terms of payment, at the same prices, upon the same conditions as specified in this contract, upon written notice by the contracting officer; and the period for the completion of this contract shall be extended in such portion as the additional quantities declared surplus bear to the entire amount originally contracted to be sold in the contract.

Colonel Hanson's statement is proved false by letter of November 1, 1921, from the Acting Quartermaster General, signed by Col. W. S. Wood, Quartermaster Corps, to the Assistant Secretary of War, as follows:

1. In reply to your memorandum of October 29, 1921, copy herewith, paragraph 2 of memorandum from this office dated October 27, 1921, reading: "These stores have not been obligated for sale to date," is in error, as all canned meats on hand in the Army in surplus are obligated to Thomas Roberts & Co. under the contract had with that firm. The contract, however, provides that there shall be a 100 per cent inspection before the meats are turned over to the Thomas Roberts Co., and none which are deteriorated or unfit for human consumption will be delivered. * * *

On August 30, 1921, the Assistant Quartermaster General, Brig. Gen. C. R. Krauthoff, replied to the Director of Sales with reference to memorandum of August 26, wherein the Director of the Budget had called for information—

as to the spoilage of canned meats at New York and Chicago, as well as the approximate amount of canned meat that will be necessary to purchase during the present fiscal year—

Stating—

The quartermaster supply officer, New York general intermediate depot, in telegram dated August 29, 1921, reports as follows:

"Replying special-delivery letter August 27, percentage of canned bacon found bad, 40 per cent; beef, corned, 7 per cent; beef, roast, 16 per cent; hash, corned-beef, 35 per cent."

The quartermaster supply officer, Chicago general intermediate depot, in telegram dated August 29, 1921, reports as follows:

"Relet your office August 27, inspection canned bacon and canned meats sold Thomas Roberts & Co.: Bacon shows 8.64 per cent deterioration to August 27. August shows highest per cent; other meats show 14.86 per cent, August running as high as 23.50 per cent. Full report by mail to-day."

2. The approximate quantity of canned meats it will be necessary to purchase during the present fiscal year is shown below:

	Pounds.
Bacon, issue, 12-pound cans	2,400,000
Beef, corned, 1-pound cans	464,400
Beef, corned, 2-pound cans	941,200
Beef, fresh, roast, 1-pound cans	22,100
Beef, fresh, roast, 2-pound cans	47,280
Hash, corned beef, 1-pound cans	268,140
Hash, corned beef, 2-pound cans	545,580

On August 31, 1921, Brigadier General Krauthoff, Assistant Quartermaster General, wrote the director of sales:

With further reference to letter of the Director of the Budget dated August 24, General Krauthoff stated that canned meats are being held in reserve as follows: Bacon, corned beef, roast beef, totaling 1,740,452 pounds.

2. In connection with the above-listed reserves now being carried in the United States, it is desired by this office to declare same surplus before the expiration of the Thomas Roberts contract, and replace same by purchase of new stock.

On September 2, 1921, the Assistant Secretary of War wrote the Director of the Budget, replying to his letter of August 24 addressed to the Chief of Staff, dealing with the sale of canned meats to Thomas Roberts & Co. After listing the reserve canned meats on hand amounting to 1,740,452 pounds, as stated by the Quartermaster General, the Assistant Secretary stated:

In the same paragraph (letter Director of the Budget, August 24) it is stated that shortly after the date of expiration of the contract with Thomas Roberts & Co., November 21, the War Department will have to go into the market to purchase canned meats. It is the desire of the Quartermaster General to declare surplus the canned meats mentioned above as reserve stock before the expiration of the Thomas Roberts & Co. contract, so that the same may be replaced by the purchase of new stock. The reason for this request is that the percentage of spoilage is so high that it will be more profitable for the Government to sell all the meat it now has on hand and purchase anew. The approximate quantity of canned meats it will be necessary to purchase during the present fiscal year is as follows.

On August 30, 1921, the Assistant Quartermaster General advised the Director of Sales that the approximate quantity of canned meats it will be necessary to purchase during the present fiscal year would amount to 4,688,700 pounds, consisting of bacon, corned beef, fresh roast beef, and corned-beef hash.

Colonel Hanson stated in reference to reconditioning that he "was under the impression that it was costing approximately 25 cents per case."

If this statement were true, the cost to the Government would then have been approximately $600,000. If Colonel Hanson was as inaccurate in this statement, and it is believed that he was, as in his statement that the percentage of "swells" would not be more than 1 or 2 per cent, certainly not more than 5, then the cost of the inspection and reconditioning of this vast amount of meat would amount to several times $600,000. For instance, in contrast to statement of Colonel Hanson as to the small percentage of spoilage, amounting to from 1 to 5 per cent, just consider for a moment the official statement of the Assistant Secretary of War, dated September 2, 1921, as reported from New York and Chicago depots. The Assistant Secretary states:

In New York the spoilage is as follows:

	Per cent.
Canned bacon	40
Canned beef	7
Roast beef	16
Corned-beef hash	35

The spoilage for the month of August in Chicago is as follows:

Canned bacon, 8.64 per cent.
Other meats from 14.86 to 23.50 per cent.

It does not require an expert to know that Colonel Hanson's estimated cost of 25 cents per case is far inadequate to include the overhead charges, the pay of officers, inspectors, clerks, packers, and laborers to open these millions of cases, remove and carefully inspect every can contained in each case, dispose of the rejects, ranging as high as 40 per cent, dispose of these, properly recase and place free on board cars at the expense of the Government, is a ridiculous absurdity.

As a further illustration of the corruption involved in this sale, an indorsement of December 29, 1921, of Roy W. Hern, captain, Quartermaster Corps, Surplus Property Division, Atlanta, Ga., to the Quartermaster General, is cited:

1. Returned inclosing statement of goods returned to the Government by McCord-Stewart Co., Atlanta, Ga., and a Frederickson Co., Charlotte, N. C. These two are the only firms purchasing canned meats who availed themselves of the right to return to the Government and buy back through Thomas Roberts & Co. canned meats.

2. These statements show the price at which these meats were sold to these parties by the Government, and also the prices at which they rebought from Thomas Roberts & Co., Philadelphia, Pa. These parties paid this office for the meat at the Thomas Roberts & Co. prices and the checks were forwarded with the statement covering same to the quartermaster supply officer, Chicago, as instructed, together with receiving reports and shipping tickets.

Among others participating in this high-handed robbery of the Government was one Paul Klopstock, 17 Battery Place, New York City, to whom a sale was reported in "Serial List of Sales," page 411, December 3, 1920, amounting to 8,000,000 pounds of bacon, 12-pound cans, at $2.50 per can, less 35 per cent discount, sales price $1,083,332.25, cost price reported as $3,839,996.16.

Associated with Mr. Klopstock is E. C. Morse, former Director of Sales of the War Department, who was partially, at least, responsible for the War Department's failure to dispose of this meat at far more favorable prices. On March 26, 1921, Mr. E. C. Morse wrote Wallace Jenkins, New York, as follows:

I am inclosing herewith copy of the February 24 New York inventory of canned meats with list prices, cans per case, gross weights and discounts given by the Government. As our contracts run over a million dollars we are entitled to 35 per cent discount. This will give you something to work on.

As I indicated to you yesterday, if we can develop any business, we will be willing to make mutually satisfactory arrangements regarding profits.

On December 31, 1921, Colonel Hart, division quartermaster, New York, wired the Quartermaster General response to inquiry, stating:

"Refunds account Thomas Roberts, Paul Klopstock, $783,331.25."

On January 22, 1922, Colonel Cabell, quartermaster, Fort Sam Houston, Tex., wired the Quartermaster General that "Total refunds, cash and credit, $117,367.60," and stating that "$78,184.68" was "credited and resold to Thomas Roberts without physically returning meat to warehouse."

This fraudulent and abortive sale is just one of literally hundreds of such similar transactions as have been committed by Colonel Hanson and other Army officers in the sale of surplus property which were made under the régime of former Secretary Baker, condoned and defended by the War Department bureaucracy, and have continued under the present Secretary of War.

Whatever false excuses and camouflaged justification made for these outrageous frauds under the late administration can not now be well invoked by the present Secretary of War, certainly it was not for lack of information of gross and flagrant violations of the law that they should have been permitted to continue.

The Secretary of War and Chief of Staff were aware of the investigations of the congressional committees and other sources and must have known of the intolerable conditions prevailing in the War Department when he assumed office. The majority members of the investigating committee of Congress waited upon the Secretary in a body and pleaded for corrective measures to remove the evils.

These things were available as a guidepost, and if they were not deemed sufficient to warrant a thorough cleansing of his bureau, the now notorious contract with the United States Harness Co., a contract conceived and executed in fraud and voided by the President on advice of the Attorney General June 16, 1921, most assuredly should have served as a further warning.

It will be recalled that Col. L. E. Hanson also executed the infamous harness contract under Secretary Baker, which was voided by the President. This officer was not removed from his important position or court-martialed, as the interests of the Government required, but was permitted to remain in his position to further allow the Government to be defrauded out of additional millions of dollars.

To say that the $56,000,000 meat sale to Thomas Roberts & Co. "reflects upon the manner in which men still engaged in the disposal of Government surplus property have functioned," as was said by Mr. Mattingly, of the Budget staff, "may be criticized on the score that it deals with a transaction impossible of correction," is stating the question in its mildest phase. Had Mr. Mattingly been in a position to characterize this sale in its proper light he would undoubtedly have determined it as a clear case of conspiracy to defraud the Government.

At a time when the administration is directing its energies in the interests of economy and efficiency such transactions as this certainly indicate an utter lack of information and due efficiency, if not criminal negligence, on the part of high Government officials.

Under the circumstances, it seems incredible that the Government would sell all of its surplus meats at a price averaging the ridiculously low figure of 4.7 cents per pound on an average, and then proceed immediately to purchase several million pounds of the same meats at the current market rate, some six times greater than received on its sale.

That Thomas Roberts & Co., undoubtedly realizing the possibility that the President might void their contract for fraud, as he did in the case of the United States Harness Co., is indicated by the fact that they instituted a whirlwind selling campaign and disposed of this enormous quantity and had apparently completed the contract and escaped with their unlawful profits by July 1, 1921.

Roberts & Co. seem to have encountered no difficulty in disposing of this meat at extraordinary profiteering prices as soon as it came into their physical possession.

As an illustration, for the purpose of comparison, they paid the Government 8 cents, or 1½ cents per pound, for roast beef containing 6 pounds of meat, which they sold to the public at 70 cents per can, 11.66 cents per pound, netting them a profit of about 900 per cent. As another illustration, the Government sold Roberts & Co. corned beef No. 1, 12-ounce can, at 4 cents per can, which Roberts & Co. resold to the public at 9.2 to 12 cents per can, netting them a profit of approximately 230 per cent.

This intolerable condition may astonish my colleagues who on July 29, 1919, were so much interested in the breaking of the high cost of living that they passed a House resolution on July 29 of that year directing the War Department to dispose of the surplus foodstuffs and commodities entering into the household expenditure in such a manner as to reach the ultimate consumer.

The War Department opened and operated for a time a chain of quartermaster retail stores for this purpose. In its sales through the retail stores the War Department was not so sympathetic as to prices when it sold to the housewife as it was to Thomas Roberts & Co. The prices charged the housewife was $2.75 per can of 12 pounds of bacon, which was sold to Roberts for $1.20. Corned beef No. 1 was sold at 25 cents per can to the housewife and 4 cents per can to Thomas Roberts. Corned beef No. 2 cans were sold to the housewife at 45 cents per can and were sold to Thomas Roberts at 7½ cents per can. Corned beef, 6-pound cans, were sold to the housewife at $1.75 per can and 27½ cents per can to Roberts. Roast beef No. 2 cans were sold to the housewife at 63 cents per can and were sold to Thomas Roberts at 3½ cents per can. Roast beef No. 1 cans were sold to the housewife at 29 cents per can and to Roberts at 3 cents per can. Roast beef, 6-pound cans, were sold to the housewife at $1.90 per can and were sold to Thomas Roberts at 8

cents per can. Corned beef hash, No. 1 cans, were sold to the housewife at 22 cents per can and were sold to Roberts at 3 cents per can. Corned beef hash, 2-pound cans, were sold to the housewife at 37 cents per can and were sold to Roberts at 5 cents per can.

Representatives will no doubt recall the fact that on March 17, 1919, Col. A. M. Davis, Quartermaster Corps, on duty in the Quartermaster General's Office, wrote a letter to Frank Gerber, president of the National Canners' Association, stating:

Your letter of March 15 to Maj. Gen. H. L. Rogers has been referred to me for reply. I am glad to be able to relieve your mind on the subject of Army supplies of canned vegetables to be dumped on the market. Acting along the lines suggested by you, canned peas, corn, squash, and string beans will be added to the ration list which has always contained canned tomatoes. This will entirely dispose of our stock and eliminate surplus. I trust this will relieve your mind and those of your associates in the canners' association.

This may be taken as but an illustration of the Quartermaster General's attitude and conduct in the sale of supplies under his jurisdiction and applies particularly to the sale of canned meats to Thomas Roberts & Co.

The Quartermaster General and his subordinates well knew in 1919 and 1920 that this enormous stock of canned meats were on hand were deteriorating, as shown by official reports, and they knew full well that they could not dispose of the entire amount of surplus without difficulty at prices many times greater than received from Thomas Roberts & Co. It is clearly apparent that the Quartermaster General and the director of sales made no special effort to dispose of this surplus until about the middle of 1920, and even then it was offered at prices ranging up to seven times greater than the prices realized from Roberts & Co. This must mean that an arrangement of some kind was made with the packers.

The record shows that there were enormous cancellations or withdrawals of this surplus from sale, and that as late as May 13, 1920, the assistant director of storage, acting for General Rogers, notified the Surplus Property Division that the Quartermaster General—

has instructed this office to declare surplus 1–12 of the war reserved meats, beginning on the 1st of May, 1920, and declare the same quantity surplus each month thereafter. In accordance with these instructions, it is estimated that the following quantities of bacon and canned meats will be declared surplus during the month of May and a like quantity each month thereafter:

	Pounds.
Bacon, serial No. 10, 12-pound cans	838,696
Beef, corned, No. 1	16,515
Beef, corned, No. 2	765,422
Beef, corned, No. 6	482,022
Hash, corned beef, 2-pound cans	1,009,212

Making a total released for monthly disposal of 3,111,867 pounds, or a total amounting to 37,424,004 pounds authorized to be disposed of up to May 13, 1921.

If the War Department was acting in good faith and really desired to dispose of its enormous stocks of canned meats on hand, then amounting to about 150,000,000 pounds, why did it place definite and absolute restrictions on its sales and actually prohibit sales in excess of 3,111,867 pounds per month for a period of 12 months? The answer appears clear to any ordinary mind.

The War Department would not sell its meat in conflict to the packers' interests, which it guarded with such jealous interest. The whole meat transaction is but a repetition of the Quartermaster General's attitude toward the sale of canned vegetables above mentioned, in utter disregard of congressional resolution, the interest of the Public Treasury, and the public, who urgently needed and would have absorbed this food at fair prices to the Government.

The great packers required no such benevolent consideration at the hands of the Government. They had profited enormously on their products during the war, and were at all times able and amply forceful enough to protect their own interests. The packers are now suing the Government for $7,909,335.28 for canned meats which were never delivered and on an alleged verbal order placed just at the time the armistice was signed. Of course, in this suit the packers are claiming the high price prevailing during the war time.

If the packers be successful in this suit, it has been stated that this will open an avenue for a further assault on the Public Treasury under similar claims, which will reach into incalculable millions.

Can anyone possessing the semblance of intelligence conceive of the idea that such intolerable and inexcusable conditions of corruption and inefficiency could exist in our present age? If these conditions did not exist as a matter of fact, as amply demonstrated by indisputable facts, such conditions would, indeed, seem incredible. If there are any who doubt the accuracy of these facts, I can assure them that these statements are made after due investigation and careful consideration of the War Department's own records.

For instance, the Seneca Trading Co., an associate of H. Miller, of New York City, purchased by "negotiation" on May 13, 1920, approximately $1,000,000 worth of Army duck, etc., at sale price. Time extensions were granted for payment and delivery until April 6, 1921, when cancellations were effected. Only one of these items, which is illustrative of all the rest, will be cited.

The record shows on May 13, 1920, sale was made to Seneca Trading Co., New York, under SPD No. 13299, of 263,633 yards of duck, olive drab No. 1, 22½ inches, at 39.6 cents per yard; total sale price being $104,398.67; cost of material was reported to Congress as $231,997.04. At the time this sale was made this duck had just been offered for sale on fixed price list at 44 cents per yard, the price then demanded of the legitimate purchaser. On April 6, 1921, this sale with all other sales made on that date were canceled over the signature of Capt. C. N. Neal, acting chief, sales control section, and approved by Lieut. Col. L. E. Hanson, chief of the Surplus Property Division. The—

reason for cancellation: No cash deposit having been made on these sales and it being a known fact that it would be impossible for this concern to consummate them, it is considered to be to the best interest of the Government to cancel the undelivered balance of the sale, thereby making goods available for resale.

Now let me invite your attention to what happened in only this one instance.

The resale is recorded under the same SPD No. 13299, on page 763, July 6, 1921, as having been sold to Sigmund Eisner Co., one of the greatest favorites of the War Department, who has purchased millions of dollars' worth of material without competition and at far less than actual value. Eisner paid for this same material 0.101 per yard, a total sum of $26,534.22, the cost of which was falsely reported to Congress as $60,424.45. The correct cost was $231,634.51.

Another sale canceled by Captain Neal and Colonel Hanson for the reason that no cash deposit was made was recorded to the Seneca Trading Co. as 79,943 yards duck olive drab, No. 2, 22½ inches, at 0.378 per yard, total sale value $30,027.94, cost having been reported to Congress, on page 2314, June 19, 1920, as $65,664.28. This material was resold to Sigmund Eisner as 79,426 yards duck olive drab, No. 2, 22 inches, at 0.096 per yard, $7,624.90, and was reported to Congress, on page 763, "Serial list of sales," July 6, 1921, as having cost the Government $17,473.72.

The sale to the Delphi Mills (Inc.) (H. Miller), of 94,513 mosquito bars, at 20 cents each, total sale value $18,902.60, recorded on page 802, August 12, 1921, in report to Congress as having cost $216,434.77, whereas these bars had cost the Government $499,485.45. This is only one of scores of involved and interlocking transactions with the Delphi Mills, owned and controlled by H. Miller, who also owns and controls, or is interested in, the Berkshire Trading Co., the Chatham Cotton Co., F. W. Jones (Inc.), and Seneca Trading Co., whose combined purchases will aggregate about $15,000,000.

The Berkshire Trading Co., with whom H. Miller is associated in partnership with former Capt. J. F. Falter, of the Surplus Property Division, had previously purchased these mosquito bars from the Government at $1 each and had them held subject to his call in storage for a period of more than one year.

The original sale was reported to the Berkshire Trading Co. as irregular and corrupt, and it was pointed out that the Surplus Property Division had accepted a "phoney" bond, which in no sense afforded the Government any protection. Notwithstanding this fact Colonel Yates, and subsequently Colonel Hansen, permitted the original sale to stand for a period of more than a year, then canceling the sale for the reason that they could not enforce it under the fraudulent bond. The Government sustained a loss in that transaction of approximately $1,450,000. In a subsequent resale by "negotiation" without advertisement made to Charles Cohen, New York, at 10 cents each was secured for reclaimed bars and 17½ cents for new bars.

F. W. Jones, in reality H. Miller, comes in for a liberal share of favoritism, as shown by the report. For instance, in April, 1920, the Chatham Cotton Co., then controlled by H. Miller, purchased 276,900 yards of duck, O. D. No. 6, 72-inch width, by "negotiation" at $1.13 per yard of the identical lot and SPD number under which H. Miller had in January, 1920, purchased 239,104 yards, at 65.25 cents per yard, by "negotiation" from Colonel Purcell, who, on February 18, 1920, reduced the price to 47½ cents per yard, and later swore that the material was worth $1.30½ per yard.

The Chatham Cotton Co., running true to form, with the Surplus Property Division, obtained a cancellation on this sale

in June, 1921, and by a resale of this duck the Government lost $222,268.97.

Of course the surplus property officials, in view of their record, could be depended upon to see that the Miller-Chatham Cotton Co. associates would not be deprived of further favors, and we find that F. W. Jones, who is said not to exist, but is in reality H. Miller, purchasing 50,000 yards of the same material, at 26 cents per yard, which had been sold formerly to the Chatham Cotton Co., another Miller interest, at $1.13 per yard.

The Jones favors did not cease with that transaction. It is noted that a sale was recorded to him on July 11, 1921, of 52,296 yards of duck No. 4, 48-inch, at $0.2326 per yard, total sale value $12,164.05, the cost of which was falsely reported to Congress as $18,303.60. This material had been sold to the Universal Trading Co. on January 31, 1920, at $1.07 per yard, and cancellation was subsequently effected. The actual cost of this material was $72,482.26, and not $18,303.60, as reported.

Another sale was recorded on July 11, 1921, of 93.135 yards of duck, gray, No. 6, 36-inch, at $0.1651, for a total sale price of $15,360.08, the cost of which was falsely reported to Congress as $32,562.25. This same material, under the identical number, had been sold to Foster & Stewart on January 1, 1920, at $0.6525 per yard. The actual cost of this duck was $93,135.50, and not $32,562.25.

Another sale, recorded on July 19, 1921, of 32,481 yards duck No. 4, 60-inch, at $0.2826 per yard, total sale price $9,179.13, the cost price of which was reported to Congress as $21,112.65. The actual cost price of this duck was $50,690.36.

Another sale, recorded July 11, 1921, of 9,809 yards duck No. 4, gray, 72-inch, at $0.3426, total sale price $3,360.56, and cost falsely reported to Congress as costing $3,433.15. The actual cost price of this material was $21,035.09, seven times the amount reported.

This same duck had been sold on January 30, 1920, to the Universal Trading Co. at $1.61 per yard, whose sale was subsequently canceled.

Another sale to F. W. Jones is recorded on page 772, July 11, 1921, as 6,530 yards duck No. 4, gray, 80-inch, at $0.4026, total sale price $2,628.98, the cost of which was falsely reported to Congress as $2,285.50. The actual cost of this material was $15,672, and this identical material had been previously sold to the Universal Trading Co., January 31, 1920, at $1.45 per yard.

The sale of heavy wool stockings, amounting to 812,673 pairs, was made to the Wool Products Co., Watertown, N. Y., at 23½ cents per pair, totaling a sale price of $190,978.16, and was reported to Congress as having cost $406,336.50. This sale was made under SPD 10398 and recorded on page 299, November 6, 1920, "Serial list of sales." This sale was canceled June 2, 1921.

It is observed that the same stockings were sold under the same SPD numbers, totaling 800,673 pairs, to Phelps & Quinn, at Louisville, Ky., at 9 cents per pair, total sale value $72,060.57, and the cost falsely reported to Congress, on page 752, July 19, 1920, as $208,174.98.

This is only one of a similar number of deals involving the Wool Products Co. and the surplus property officials. This firm, with its associates, purchased millions of dollars worth of surplus property under most favored conditions, profited enormously, and obtained cancellations and avoidance of contracts whenever it meant their interests to do so.

Among other things, they purchased 72,641 steel cots in one lot, at $1.70 each, the total sale price amounting to $123,489.70. They subsequently obtained cancellation, and the cots were resold at 52½ and 55 cents each.

On another lot of 30,500 steel cots purchased November 11, 1920, at $1.70 each, amounting to $51,850, they subsequently obtained cancellation, and resale was made of the identical cots under the same sales numbers at 39 cents each to E. B. Harris, Boston, for a total of $11,895. They purchased other steel cots on October 20, 1920, numbering 37,794, at $1.70 each, at sale price $64,249.80. This sale was also canceled, and these same cots were resold on August 29, 1921, to the Boston Stores, Chicago, at prices ranging from 37½ to 52½ cents.

The record further shows that a sale of 39,448 cots, steel, at $2.50 each, total sale price $98,620, as recorded October 27, 1920. This sale was canceled, as shown by page 594, "Serial List of Sales," April 26, 1921, and, of course, they were sold at a loss corresponding to those above cited.

Another sale of cots were recorded as 35,183 on October 20, 1920, at $1.70 each, total sale price $59,811.10. A resale of 28,983 of these cots is recorded August 29, 1921, to the Boston Stores, Chicago, at 35½ to 42½ cents each.

The Surplus Trading Co. on June 14, 1920, purchased by "negotiation" 210,000 yards of mackinaw cloth, plaids, and mixtures, cotton warp, at 60 cents per yard, amounting to $126,000 at sale price, and 65,000 yards of mackinaw cloth, plaids, and cotton warp, at 58 cents per yard, totaling $37,700 at sales price. This material had cost the Government $1.17½ per yard.

Other sales were effected about the same time for large quantities.

The Surplus Property Division permitted cancellation of these sales, and this material was subsequently resold under another designation, that of "coating cotton warp," at from 29 cents to 40 cents per yard.

The record shows that the American Relief Administration purchased 540,403 yards of this material for the sum of $180,696.65, which was reported to Congress as having cost $334,551.05, when the actual cost was $634,956.02.

Backrack Bros. (Inc.), who had purchased millions of dollars' worth of surplus, and are allied with the Wool Products, Max Stabins's interests, also specially favored, purchased 147,920 shaving brushes, December 23, 1920, at 5 cents apiece. They were permitted to cancel this sale January 29, 1921, and 139,120 of the same brushes were resold to J. A. Williams & Co. at 2¼ cents each, and the cost was falsely reported to Congress at 10 cents each, whereas it was 14.3.

Wool Products Co. were sold 380,987 pairs of gloves, cotton, at 8 cents per pair, as recorded February 3, 1921, totaling sale price $30,478.96, and the sales price was falsely reported to Congress as costing $95,246.75; sale having been made under SPD No. 19056.

On September 12, 1921, a sale is recorded to the Stabins Sales Corporation, under the same SPD number, of 350,937 pairs of gloves, white, at 4$\frac{1}{12}$ cents per pair, at a total sales price of $14,329.93, the cost of which was reported to Congress as $175,468.50, whose interests interlock with the Wool Products Corporation.

I will cite one other item which may be regarded by some as a luxury, but, nevertheless, one that is indulged in more or less by every citizen of the land. This is candy. Every soldier who served in France eagerly sought his allotted portion of this commodity, and will no doubt be interested and amazed to learn that his benevolent Government was so considerate of the profiteer. For instance, it is a fact that a sale is recorded on page 742, under date of June 27, 1921, of the "Serial List of Sales," as made to M. C. Raysor, of Washington, D. C., of 173,805 pounds of candy which had cost the Government $44,444.15 at the remarkably small figure of $335 for the entire lot.

This sale is so interesting it will be well to quote the well-known brands. It comprised 43,550 pounds of candy mints, 93,247 pounds of lemon drops, 17,280 pounds of coconut bars, and 19,228 pounds of assorted chocolates. The condition of the candy was reported as "condition good," and the record shows that the sale was made by "informal bid, Washington depot," without advertisement. It does not require an expert to determine that this sale consisted of about six carloads of high-grade candy, which was sold for $335, or $0.0019 per pound, or less than 2 mills per pound. This sale was made by these same officers that the Secretary of War and Chief of Staff still retain to sell the surplus property paid for by the people who purchased Liberty bonds.

While comparisons are odious, these nefarious practices of officers who are now wearing the uniform of the United States Army and who have been educated and supported at the expense of the Public Treasury, and who have been able so far to "get away" with it, it is interesting to know what happened to one ex-service boy, 18 years of age, who, under the urge of hunger, violated the law and with some other boys participated in a theft of one can of pork and beans, having a value of 15 cents. This boy, Jesse Blanton, was apprehended by the Department of Justice, tried, convicted, and sentenced to one year and one day in the Federal Penitentiary at Leavenworth, Kans. This boy had no powerful friends in the War Department or any administration and he served his year and a day at hard labor in the penitentiary to which he was sentenced. Those high in authority in this Government should realize that the feeling engendered by the comparison of these classes of cases and the treatment of the men involved are doing more to undermine the foundations of this Government than any other one thing.

Rather than take the time of the House at this time to recite the harness and leather contract, I prefer to call your attention to the speech of Mr. GRAHAM of Illinois, made on the floor of this House on February 16, 1921, and which may be found on page 3279 of the RECORD of that day, and his report to the House of Representatives, No. 1307, February 8, 1921. Since that time we have discovered that there are literally thousands of such cases and no attempt is being made to see that the guilty

are punished, in spite of the fact which I assume that orders have been given for their punishment by the President and the Attorney General of the United States.

Every one of you will ask how this could occur under our form of government and how men who have taken the oath of office and pledged themselves to support the Constitution of the United States could permit it. The answer is clear. It is the invisible biparty government which permeates each of our departments and because of the absolute culpability of men high in authority in the War Department. The responsibility must first rest upon the Secretary of War and his assistants; second, upon the Chief of Staff and his assistants; and third, upon the bureau chiefs directly responsible. If the first two classes named say they do not know of these things this ought to be sufficient notice served upon them so that they will know of them, and if, upon securing that knowledge, there are not wholesale court-martials in the military service, then I say without hesitation that the entire War Department from head to foot is inexcusably corrupt. My own judgment is that it can not be said that the chiefs are not aware of these conditions, because the testimony shows that everyone in the War Department, from top to bottom, is trying to keep evidence from Congress, the American public, and from the Department of Justice, and the officers who have been trying to sustain the Constitution and statutes of the United States have either been pushed from the service or shipped to foreign lands.

Illustrative of the situation existing in the War Department are the following facts, and I will cite concrete and individual cases: Maj. W. O. Watts was the executive officer of the Surplus Property Division, who always and every day stood for the interests of the Government and who for the past two years has fought against those who were grafting upon it. Through his individual initiative and efforts the harness contract was revoked by the President. Other officers could be mentioned, some in the emergency and some now in the Regular service, but for obvious reasons I can not now give the names. Of the latter emergency officers, however, who were separated from the service, Capt. George B. Bosson, who has always stood upon the side of clean government, and Capt. H. L. Scaife, who has, since his connection with the service of the United States, fought for the prosecution of those who presented fraudulent claims against the Government. However, all of these men were discharged from the service for their activities.

Looking at the other side of the case, let us see what has happened to those men in the War Department who have been amenable to the invisible government. Take the head of the Quartermaster Department, Gen. Harry L. Rogers. This officer has been in the service of the United States for many years. This is the same General Rogers who, on April 19, 1920, was censured by The Adjutant General, by direction of the Secretary of War, for a direct attempt to influence legislation in Congress affecting his department. One would assume that he must be a man of marvelous ability, or he would not be chosen for the important post he occupies. Here is what the records show, however: On February 19, 1918, the Secretary of War directed that a cablegram be sent to General Pershing asking for General Pershing's opinion as to whether or not General Rogers should be made chief of the bureau, and on February 22, 1918, General Pershing replied:

"The services of Harry L. Rogers, brigadier general, National Army, not such as to indicate him for promotion for grade of general officer, Regular Army, above other officers of my staff.

But, as it was clear that under the law no other officer was eligible for appointment, General Pershing was forced to acquiesce. General Rogers has been charged with the sale of all the property to which I have referred; he is responsible for the personnel that is selected to discharge the duties of his office and must be chargeable with notice of their acts.

The officers who have been directly concerned with this work are, first, Maj. Launcelot Marmaduke Purcell.

This officer was camp quartermaster at Lemans, France, at which place he was charged by the War Department itself with gross irregularities in the sale of war material, in which his brother, Bruno Purcell, an assistant, was involved.

The Military Intelligence made an investigation of him there, which investigation was stopped before it was fully developed, but some record must be filed in the records of the War Department and in the Department of Justice.

Upon returning from France in 1919 Major Purcell, then colonel of the temporary forces, was assigned on September 1, 1919, as Chief of the Surplus Property Division, having jurisdiction over all sales of surplus war materials coming under jurisdiction of the Quartermaster General.

Concrete cases of irregular conduct in the sale of surplus material and the adjustment of claims made by Major Purcell were called to the attention of the War Department, and a thorough investigation demanded. Ample proofs were submitted in the form of the War Department's own official documents to convict this officer of conspiracy to defraud the Government out of large sums of money.

An investigation was finally undertaken and concluded by Col. O. E. Hunt, of the Inspector General's Department, who found no "cause for criticism."

On complaint of a former officer having knowledge of the facts, who made the original charges, the Secretary of War instituted a further investigation into some of the irregular transactions involving Major Purcell.

This investigation was conducted by Major Claphan.

Conclusive proofs are in the hands of the Department of Justice, which unquestionably prove fraud and conspiracy, which would warrant a court-martial of this officer rather than promotion.

One of the numerous cases in question involves the sale of 239,104 yards of duck (olive drab) to H. Miller & Co., of New York City, made by negotiation, without competitive bidding, on January 12, 1920, at 65¼ cents per yard, amounting, at sales price, to $156,015.36.

Major Purcell subsequently admitted, under oath, that he had sold this material at one-half of its value, which would entail a loss to the Government of the figure above mentioned.

On February 18, 1920, a little over a month later, H. Miller & Co. addressed an informal letter to the Surplus Property Division, stating, "We can use the quantity at 47½ cents per yard, which is an allowance of 17¾ cents, if possible."

Major Purcell, then colonel, violated his oath, law, and orders in force when he granted Miller & Co.'s request in his own handwriting, without the formality of investigating the alleged claim or referring it to the governing sales board, a properly constituted body authorized to make such adjustments on final proof of fact.

In effecting this adjustment, Major Purcell further permitted a robbery of $42,440.96, making a total loss to the Government on this transaction alone of $198,456.32.

On seven other fraudulent settlements made by Major Purcell with H. Miller & Co., to which the War Department's attention was directed, there was involved a loss of $100,000, in addition to the above, all of which transactions have been proven by the War Department's own documents.

Four days after Major Purcell had made the adjustment with H. Miller & Co., authorizing them to take this material at 47½ cents a yard, the same H. Miller sold a large portion of this material, on February 21, 1920, to Wilson D. Trueblood at $1.41 per yard. Mr. Trueblood sold the material, which was of first grade, to the Standard Oil Co. at $1.75 per yard. This material had cost the Government $1.938 per yard.

This is only one of a number of fraudulent deals in which Major Purcell was involved. The firm of H. Miller & Co. and its associates, including the Seneca Trading Co., Birkshire Trading Co., Universal Sales Co., Delphi Mills, Chatham Cotton Co., and F. W. Jones, were great favorites and benefactors at the expense of the Government. It is estimated that these firms purchased approximately $15,000,000 worth of surplus war materials under most favorable conditions, without competitive bidding, were permitted to negotiate adjustment of false claims, and obtain cancellation of contracts without reserve when it was to their interest to do so.

These purchases were made in some cases by acceptance by Major Purcell of "phoney" or invalid bonds, which afforded no protection to the Government so far as the enforcement of the sales contracts were concerned and which could not, therefore, be enforced by the War Department, necessitating cancellation of sales one year later and losses to the Government amounting to millions of dollars.

Involved in some of the irregularities charged against Major Purcell was the falsification of public documents to effect the unauthorized transfer of Government property from one firm to another, alleged to have been purchased by the former firm, but in fact never so purchased, causing the Government another loss of approximately $400,000. This latter transaction pertains to the sale of material to the Universal Trading Co., which was taken away from the first firm without its consent, and award made to the Universal Sales Co., with whom H. Miller & Co. was associated.

Knowing the infamous record of Launcelot Marmaduke Purcell, one week ago Friday, March 31, 1922, as shown by the CONGRESSIONAL RECORD of that day, on page 4866, the Secretary of War had his name sent to the Senate for promotion to the rank of lieutenant colonel, and he would have been confirmed by the Senate before then if ex-service men of the House had not protested.

This is the same Major Purcell who, on December 19, 1919, wrote his brother in Seattle, Wash., as follows:

Mr. HUGH C. PURCELL,
1104 Forty-first Avenue North, Seattle, Wash.:

I am going to offer for sale in January large stocks of textiles, foodstuffs, hardware, drugs, etc. The bidding lists will be mailed to the deputy zone supply officer in Seattle and you can look them over. In the event you are interested in any of these commodities for export trade, get busy and put in a bid. I intend to offer this stuff on weekly lists. Am sending you under separate cover a copy of our monthly commodity statement on surplus. If you are interested in any of the items, just drop me a line and I will advise you how to obtain the same. There are certain export restrictions against quite a number of the items in the list, but, as stated above, if you are interested in any of them, just drop me a line and I will see that you get fuller particulars.

Col. A. W. Yates. This officer went to France for duty in Paris after the war was over. He was made chief quartermaster, and was awarded a medal by the ruler of the Kingdom of Montenegro, presumably for automobile rides. On October 1, 1919, General Rogers made a special efficiency report on this officer. At that time General Rogers stated that he did not desire to have him in his organization; that he would not be satisfied to have him in his organization, and would even object to being compelled to have him in his organization at any time. He further stated:

He is believed to be in only a moderate degree physically fit, has little initiative and is mediocre in most other respects, and that his judgment and common sense was average; attention to duty, average; initiative, below average; organizing ability, below average; capacity for command, below average.

He further said that in the performance of his duties he had handled his job "in a mediocre manner," and yet seven months after this time General Rogers placed Colonel Yates in charge of the disposal of hundreds of millions of dollars worth of surplus property. In his administration the harness graft in which he is involved was perpetrated and numberless other sales, which I have discussed and shown to be fraudulent, consummated. He ought to be indicted and convicted, and I presume that if the Department of Justice ever acts he will be indicted and convicted.

Another officer is Lieut. Col. L. E. Hanson. He is the man who succeeded Yates, and he had much to do with the harness case and other cases I have discussed. He had full knowledge of the irregularities in the service, and to-day continues to permit practices which the service men in Congress are objecting to and which the people of the United States will bitterly resent when they learn the facts. Colonel Hanson is the officer who recently directed the sale of the $56,000,000 worth of meat—to which I have referred—to the Roberts Co. for $6,000,000. This is one of the innumerable fraudulent deals perpetrated under the direction of this officer. He must also be held accountable for the hundreds of false entries made in the report of the Secretary of War to Congress hereinbefore referred to.

There are other officers who could be mentioned against whom the President of the United States may find plenty of evidence to substantiate charges if he shall interest himself in the matter. Among them are Maj. James P. Castleman, Quartermaster Corps of the Regular Army, and an officer now dead. Another officer was associated with him, but he died in time to escape punishment for his acts.

Major Castleman was General Rogers's assistant in France, charged with the duty of purchasing supplies for the American Expeditionary Forces. The correspondence concerning him, of which I have photostatic copies, speaks for itself:

DEPARTMENT OF STATE,
Washington, March 23, 1918.

The honorable the SECRETARY OF WAR.

SIR: I have the honor to inclose herewith a translation of a note from the French ambassador in which charges are made against Major Castleman and Captain ——— of collusion with the director of the Atlas Works in Paris in obtaining under cover of the American staff, in violation of French decrees, the entry into France, without the payment of freight or customs duties, of American-made trucks which are sold by the Atlas Co. to the public. The seriousness of these charges would seem to require rigid investigation.

As it is stated in the last paragraph of the ambassador's note that the matter has been made known to General Pershing through the American ambassador at Paris, it is possible that it may be already receiving the attention of the appropriate authorities of your department.

It is not found that any communication on the subject has been received at the Department of State from the American ambassador at Paris.

I have the honor to be, sir,
Your obedient servant,

ROBERT LANSING.

(Seal. Assistant and chief clerk, War Department, March 26, 1918.)
(Inclosure: Translation of note from French ambassador, dated March 6, 1918. 811.22/79.)

[Translation.]

EMBASSY OF THE FRENCH REPUBLIC,
Washington, March 6, 1918.

MR. SECRETARY OF STATE: My Government informs me that an investigation conducted by the judicial police of Paris and communicated to the office of the general director of customs disclosed the fact that the Societe Anonyme de Mecanique des Ateliers Atlas, whose home office is at 21 Rue Desrenaudes, Paris, has been selling to the public for a year or more trucks of the Glydensdal, Wichita, and Diamond, American makes under its own brand, Atlas, in violation of our decrees prohibiting imports.

Upon being landed at Havre, Marseille, and Bordeaux these trucks are directly delivered to the public or shipped to the Atlas company in Paris.

According to information, which unfortunately is not open to doubt, most of those wagons go forward without paying freight or customs duties under the cover of the American staff. It appears that this undue favor is secured for them by Major Castleman at Paris and Captain ——— at Bordeaux. These two officers are in collusion in this matter with Mr. Richard Valentin Reith, delegated director of the Atlas workshops.

Under my Government's instructions it becomes my duty to bring those facts to the knowledge of your excellency, who will consider what action they call for. As soon as proceedings shall have been instituted against Mr. R. V. Reith by the justice of France, the Government of the Republic will furnish that of the United States with documentary proof from which the complicity of Messrs. Castleman and ——— may be established.

I will add that these regrettable incidents have been made known to General Pershing through the ambassador of the United States at Paris.

Be pleased to accept.

JUSSERAND.

His excellency the Hon. ROBERT LANSING,
Secretary of State of the United States.

On March 27 Benedict Crowell acknowledged receipt of Secretary Lansing's letter with the translation, and on March 28 General Pershing was cabled concerning the charges. To this General Pershing replied:

With reference to paragraph 1 your cablegram 1014, charges against officers mentioned have been under investigation some time. Not at all certain that these officers were involved in the collusion. Their object of undertaking such a thing does not appear. Both officers have borne good reputations. I shall probe to the bottom.

PERSHING.

A very thorough investigation was then made by the Inspector General of the American Expeditionary Forces, and on December 11, 1918, we find that a report came to General Rogers from the Inspector General of the American Expeditionary Forces holding that Colonel Castleman was guilty of all kinds of fraud against the Government, including an unlawful profit in the lease to the American Government of the Hotel Mediterranee in Paris; a graft in the purchase of an automobile from Mrs. Thomas, of New York, now Countess Velora; graft in the purchase of many other automobiles, which were later sold to the American Expeditionary Forces; and the issuance of orders which allowed his coconspirators to escape the payment of customs duties to the French Government. We then find that on September 11 General Rogers wrote the following letter:

[Confidential memorandum: To C. G., S. O. S.]

1. Under (b) of his recommendations the inspector recommends with respect to Lieutenant Colonel Castleman—

First, that he be relieved from duty in the Quartermaster Corps;

Second, that he be degraded in rank.

Both of the above steps constituting each a punishment; the first, as under present circumstances, relief would be the visible expression of the conclusion on the part of his superiors of reprehensible unworthiness on his part to function as a quartermaster. Damage to his reputation of long-continued duration would result almost impossible of redemption on his part; the second constitutes a direct punishment with impairment of reputation fatal to the professional standing of an officer of the Regular Establishment.

Lieutenant Colonel Castleman has been indiscreet, he has shown lack of judgment, very evident as this affair has turned out, for which he must accept the blame, besides enduring the humiliation which must come to him when he realizes that all the good work he performed in procuring supplies in a period of crisis—and this he did without a doubt—has been completely nullified by his lack of precaution, and in addition has placed him in a precarious situation. But I can find nothing in the report of this investigation that would justify the impression that he has been corrupt. It is certain, if a fair assumption of malfeasance could be established, the recommendation in this case would have been trial by court-martial. In conversation with the Commander in Chief and with Colonel Dawes both have concurred with me in the belief there has been no corruption on the part of Lieutenant Colonel Castleman in this case. Under these circumstances I deem double punishment of a character which makes its operation long continued not the just and fair method to use for causing this officer to pay for his lack of discretion.

I purpose to send Lieutenant Colonel Castleman to the front, there to have charge of salvage operations, in the hope and with the conviction he will demonstrate by his work (in a sphere involving much hardship, some personal danger, and the need for very great energy) his desire to overcome the humiliating position he finds himself in as a result of his lack of judgment. I recommend no further action as far as Lieutenant Colonel Castleman is concerned.

H. L. ROGERS,
Major General, United States Army,
Chief Quartermaster.

On September 12 this letter came to Gen. J. G. Harbord, then Chief of the Supply Service in France, and now Assistant Chief of Staff of the American Army, and General Harbord wrote the following letter:

From: Commanding General.
To: Commander in Chief, American Expeditionary Forces.
Subject: Disciplinary action in case of Lieut. Col. James P. Castleman.

1. The undersigned forwards herewith the report of the Inspector General of an investigation made of the business relations of the firm of Young, Corley & Dolan with the American Expeditionary Forces, and the accompanying papers.

2. It is recommended that Lieut. Col. James P. Castleman, Quartermaster Corps, be relieved from duty in the Quartermaster Corps and that he be discharged from his temporary commission as lieutenant colonel.

3. The undersigned is only restrained from convening a court-martial and ordering the trial of this officer by his belief that through the peculiarities of the evidence in this case it would be impossible to secure justice. The character of the evidence, while showing gross incompetency and a low standard of military duty, is such that probably little more could be established than the breach of certain formal orders. The advice of the legal officer of the Service of Supply was taken after careful study of the case by his office, and the result is the recommendation contained in the preceding paragraph.

4. It is not absolutely shown that Lieutenant Colonel Castleman has been guilty of corruption. There remains only the choice between a belief that he has been guilty of corruption or the certainty that he is little better than a child in his knowledge of the proprieties which should govern an officer; the established methods of business; and the ordinary safeguards with which an officer should surround his official and personal reputation. It is a case of being a fool or a knave. It is perhaps inevitable that in an institution doing as much purchasing as the American Expeditionary Forces there must be current rumors of graft, mismanagement, and corruption. In practically all of such rumors that have come to the undersigned during his connection with the American Expeditionary Forces some ramification leads in the last analysis to Lieutenant Colonel Castleman. This officer has shown undoubted energy in procuring supplies in a period of crisis and has given much hard work to his duties. How an officer of his experience could have failed to see the impropriety of his effort to divert business to his own brother, or accepting hospitality from firms with which he was doing business, and of antedating letters tending to exculpate him while under investigation, is incomprehensible.

5. Attention is invited to the third recommendation of the Inspector General who made this investigation that the Department of Justice be requested to investigate, (a) the subject of freight and insurance charges paid to this firm to discover if the United States paid the current rates at time of shipment; (b) why goods were consigned to the United States Quartermaster Corps, United States Expeditionary Forces, when not ordered by the Quartermaster Corps; (c) the false marketing of goods as indicated in cable of June 22, 1918, Exhibit G herewith.

6. The necessary orders have been given on recommendations of the Inspector General (1), (2), (4), and (5).

J. G. HARBORD,
Major General.

In spite of these letters, which showed that General Rogers and General Harbord knew of the culpability of Colonel Castleman, we find that on December 8, 1920, the following order was issued to him:

No. 201-PC. (Castleman, James P.)
From: Quartermaster General.
To: The Adjutant General of the Army.
Subject: Request for orders.

1. It is requested that orders issue directing Maj. James P. Castleman, Quartermaster Corps, on duty at Chicago, Ill., to proceed to Wheeling, W. Va., on temporary duty in connection with the sale of 10,000,000 pounds of surplus canned meat, and upon completion of this duty to return to his proper station, Chicago, Ill.

2. The travel is necessary in the military service.

H. L. ROGERS,
Quartermaster General.
By JOHN S. CHAMBERS,
Lieutenant Colonel, Quartermaster Corps.

In other words, this officer, characterized as "a crook or a child" by General Harbord, present Assistant Chief of Staff, is still selling Government surplus property.

On July 27, 1918, the Chief of the Quartermaster Corps recommended the promotion out of turn of Major Castleman for special fitness and efficiency. This recommendation was made by General Rogers, but it was refused on July 27 by General Brewster, who stated that Castleman was under investigation. Later General Hughes, the Inspector General, reported in effect as follows:

CONCLUSIONS.

1. That in his dealings with the Ateliers Atlas, of Paris, Maj. J. P. Castleman's methods were irregular, unbusinesslike, and illegal, in

(a) That he did, through carelessness and negligence, cause to be introduced into France, free of duty, 33 more trucks than were purchased by the United States Government, thus defrauding the French Government;

(b) That in the purchase of 80 trucks for the United States Army he failed to comply with the regulations laid down by the French Government defining what stores might be entered free of duty, as outlined in two letters to the Commander in Chief, American Expeditionary Forces (p. 11, this report).

(c) That he did certify, and cause to be presented to, and paid by Lieut. Col. C. E. Stanton, Quartermaster Corps, a voucher certifying the receipt of three Atlas trucks, Nos. 776, 782, and 732, value 108,750 francs, dated October 25, 1917, and did, on October 31, 1917, certify, and cause to be presented to, and paid by this same officer, a voucher on which these same trucks were included, thus causing the United States to pay twice for the same trucks.

(d) That he did cause the United States to bear the expense for shipment of 65 trucks (not assembled) from LeHavre to Paris, cost of which should have been borne by the Ateliers Atlas, of Paris.

(e) That he did, in an official memorandum, report to Maj. Gen. H. Rogers, Chief Quartermaster, American Expeditionary Forces, stating that "amount of spare parts ordered" from the Ateliers Atlas, of Paris, "would amount approximately to 13 trucks," and that "72 trucks were delivered and about 10 trucks extra in spare parts," for Quartermaster Corps, knowing these statements to be false and made with the intention to deceive his superior officer.

6. RECOMMENDATIONS.

1. That Maj. J. P. Castleman, Quartermaster Corps, be brought to trial by general court-martial.

In one of the reports it is stated:

In my judgment, the interests of the United States absolutely demand that the action proposed (court-martial) should be taken. I have considered the question of disciplinary proceedings against the officers involved, but I am unable to believe that such action would be desirable. The established facts unquestionably show gross incompetency and a low standard of military duty, and the evidence points toward a possibility, at least, that corruption existed.

My only object in presenting this matter at this time is to show its relation with invisible government.

Just as soon as Colonel Castleman returned to the United States General Rogers discovered him again, and immediately put him in charge of the sale of surplus property, where he is still continued in the important depot at Chicago, and he undoubtedly would have been retained in charge of the whole matter at Washington had it not been for the protests of individuals who knew the facts.

If this is a sample of the Regular Army as it now exists—and it must be a sample of a cross section of it—there can be no reason for its continued existence, and the President of the United States should take immediate action to see that it is purged from top to bottom and that those guilty of crimes against the Government, or who have stood by and allowed crimes to be committed, be punished.

I assume all of these matters have never hitherto been directly presented to the President.

One of the great evils of the military system as it exists to-day is the complete failure of the Inspector General's Office to function. In the days of the old Army there was an endeavor to discover the commission of crimes, and an officer who was detected in theft or condonation of theft was immediately punished, but the morale of the service disappeared during the war.

Representative WOODRUFF has clearly shown that conditions in aircraft were corrupt, yet we find that when the matter was first presented to the Inspector General for consideration a letter from the Secretary of War, Mr. Baker, was sent to the Inspector General, and that letter in substance stated that the then Secretary had talked with Mr. Ryan and was certain that no crimes were committed in aircraft contracts.

The intimation is clearly given there that the Inspector General was not to function during war time, and especially not to function against malefactors of great wealth and social position, and it never has functioned since the date of that letter.

As an illustration we might review the activities of Col. O. E. Hunt, who whitewashed a number of cases presented by former Maj. W. O. Watts, including the transactions of the notorious H. Miller and associate firms, the Universal Sales Co., the Sigmund Eisemer case, the United States Harness Co. case, and numerous other cases. In many of these cases, to which Colonel Hunt applied such a liberal coat of whitewash, indictments will be secured if the Department of Justice functions, and in one case, the famous harness case, the President of the United States reversed the action of Colonel Hunt and voided the contract, and undoubtedly has ordered prosecutions instituted. This is a case wherein the Chief Executive has clearly taken improper action or wherein the Inspector General's Office has been guilty of neglect of duty or malfeasance in office, but it is clear to those who know the facts that the President is in the right.

Representative WOODRUFF and myself have performed our full duty in presenting these facts to the Congress. The duty now devolves upon you gentlemen and the President. We need no investigation if the Government will function and an investigation will be worse than useless if it is conducted with some of these men now in power in control of the records. They must be removed from their positions and no one can accomplish that removal but the President of the United States.

No officer or individual connected with the making or settlement of these contracts ought now to be allowed to pass upon their legality. If prosecutions are conducted it will take a large amount of money and this Congress must appropriate it. On April 7, as shown on page 5204 of the RECORD of that day, I offered an amendment to the bill providing for the expenses of the legal department of the Government, as follows:

For attorneys, accountants, and clerical assistance, in the investigation and prosecution of fraudulent war claims against the Government and investigation of settlements made on war contracts and prosecutions in such cases as the Attorney General shall deem necessary, $500,000.

This amendment was defeated by a vote of 20 to 63.

I can not believe that that vote expresses the sentiment of this House, and must assume that it represents lack of knowledge concerning the situation. When this or a similar amendment is adopted by the Senate it will be accepted by this body. It will not be viewed with favor by the United States Chamber of Commerce and many individuals who have opposed the adjusted compensation law for ex-service men, and that body and those men will deem it presumptuous that anyone should suggest that these war lords should return any of their plunder. It would be a great satisfaction to many loyal citizens of this country if the chamber of commerce would discontinue its useless questionnaire on adjusted compensation and do some questionnairing in an endeavor to discover the sentiment of the country on these matters.

To-day Mr. WOODRUFF and I have introduced identical resolutions asking that this Congress appoint a committee to go into these charges and make a report. If the Chief Executive does not act as he did with the Bureau of Engraving when a few Members of Congress, including myself, presented the evidence to justify his recent action, public sentiment will demand the passage of our resolution. With such a cancer in the heart of our Government I am not so certain but that the resolution should be adopted regardless of Executive action and the facts given to the public. The war deadened the conscience of the American people, and when facts like these were presented to them at the conclusion of hostilities little attention was given them. Times were good and taxation was little noticed. The conscience of America is returning to-day and our citizens as they pay the tax bill are commencing to realize that the crimes and misconduct of Government servants are the cause of much of their financial difficulty. As their conscience quickens they will insist on better government.

It has been a matter of regret to me that I have been compelled in discharging the duties of a Representative in Congress to make these remarks and inferentially attack the administration of which I am a part. It is our duty, however, as Republicans to see that each part of this Republican administration functions. If we do not do it, it never will be done. During the last administration when most of the crimes to which I have referred were committed, not one Democratic Member of this body did other than attempt to cover up the crimes of their administration. Five committee reports were submitted as shown in volume 3, serial 1, of the hearings of the Select Committee on Expenditures in the War Department and in every case a complete coat of whitewash was applied by the minority members of the committee.

On April 7 when I offered the amendment to the Department of Justice appropriation bill to appropriate money to conduct these prosecutions, but one man on the Democratic side of this House among those present on that day voted with me for the appropriation, and that was the gentleman from Alabama, Mr. HUDDLESTON.

Never since the close of the war have I heard a protest against these crimes from the Democratic side of the House except from a few ex-service men. In conclusion, Mr. Speaker, I want to say that if this committee is appointed to go into these matters, there should be some ex-service men appointed upon the committee. Those men who were in the service and are now Members of this body to-day had no opportunity to have any connection with these matters because the majority of them were with combat units in France when the Bergdoll committee was appointed, and it is apparent that it is not the intention that many of them shall ever be appointed to any committee if it may be avoided. A reading of the RECORD should convince the Speaker that the ex-service men in this body are willing to attack corruption in high places and public officials, and this committee, if one is chosen, should be made up of those men.

The American people and the ex-service man in particular will judge this administration and the House of Representatives by their action in this matter.

Mr. LINEBERGER. Will the gentleman yield?

Mr. JOHNSON of South Dakota. I will yield just this once to the gentleman from California.

Mr. LINEBERGER. I assume that the attitude of the gentleman is the same on this matter as his attitude in the infamous Bergdoll matter; he wants to see that justice is done.

Mr. JOHNSON of South Dakota. I have the same viewpoint as does the gentleman from California on some of these matters.

Let me remind you of the case of Jesse Blanton, a 19-year-old boy, an ex-service man, who two years ago happened to be walking down the railroad track with four other boys. I think he comes from the district of the gentleman from Illinois [Mr. MCKENZIE]. Poor Jesse, together with the other boys, came upon an open freight car. They looked into the freight car and it was loaded with canned goods. A case was broken open and the cans were lying there. These five boys took one can of pork and beans valued at 15 cents, and they were sentenced to one year and one day each in the penitentiary, and served the sentence, notwithstanding applications were made time after time for their parole. Is it any wonder that I say there is some invisible power behind this War Department? I think it is time these officials functioned. That is my only reason for bringing this matter up. Now I know that my time is limited, but I want to say that I have been seen several times by a gentleman high up who said it would be inadvisable for me to present these facts, because in some way it might reflect on the Republican administration and on me. I say that they are mistaken, that the Republican Party has lived through the star route graft and one thing and another, and it does not have to worry as long as it cleans up things in its own party. [Applause.]

The danger that our party is under is that we will allow the invisible government to control it. [Applause.] If it functions, have no fear. We made big promises in 1920, and I am satisfied as I am standing here to-day that when the facts are all given to the people high in authority they will see that proper action is taken.

Now, after having said that to my Republican friends, I want to say a word to the Democratic side of the House. You remember that the other day I introduced an amendment asking $500,000 be appropriated for the Attorney General to clean up these matters. So far they have spent $1,000 or $1,200, and that is all. The whole thing is in charge of a man named Meyers, a young man who was, until a few years ago, a messenger at $1,200 a year. That invisible government, a part on your side and a part on mine, is responsible for that young man, and without a shadow of doubt he ought to be removed. I submit that we ought to have had $500,000 appropriated so that we can have a real bureau of investigation that will function in these matters.

While I do not like to bring back anything to some of you gentlemen, because many of you are my good friends, and many I know to be so thoroughly honest that they would not for a moment countenance any such thing, yet I can not but remember that there was only one man on the Democratic side of the House who voted with me, and that was the gentleman from Alabama [Mr. HUDDLESTON]. I can not but remember as I hold in my hand serial No. 1, volume 3, of the report of the committee, which is the report of the Graham investigating committee—and anyone of you can secure that document—I can not but remember that report after report was admitted to this Congress, and in every case the minority members of the committee stated that there was no graft; that there was nothing that had gone wrong in the War Department; that there was no extravagance; and that you gentlemen here with a practically unanimous vote sided with the minority members of the committee. You will find those votes on record. I do not want to attack you, but I do not want you to get too much aid and comfort out of my speech. [Laughter.]

The CHAIRMAN. The time of the gentleman from South Dakota has again expired.

Mr. JOHNSON of South Dakota. Will not the gentleman from South Carolina yield me five minutes more?

Mr. FRENCH. Mr. Chairman, I am glad to yield five minutes to the gentleman.

Mr. BYRNES of South Carolina. Mr. Chairman, I yield five minutes to the gentleman.

Mr. JOHNSON of South Dakota. These remarks are made from an absolutely bipartisan standpoint. If there is anything wrong in the action of the officials you had under your administration, you ought to bring it to life and attack it, athough I did not notice that anybody on your side of the House ever did attack one of them during the Wilson administration, except perhaps the gentleman from Massachusetts [Mr. GALLIVAN], who has never been accused of a lack of courage, who did make an attack a time or two on the floor of the House. You ought to join with us ex-service men of the House. Do not think that Mr. WOODRUFF and I are alone, because the gentleman from California [Mr. LINEBERGER], the gentleman from Alabama [Mr. JEFFERS], both of whom saw service at the front; in fact, all the ex-service men of the House, and many others too numerous to mention here—and I could name many others in this House—are affiliated with us, and this is simply the opening gun of some of the ex-service men in the House. Not one-tenth of the evidence that we have substantiated by photo-

stat copies is given to-day, and unless action is taken you may rest assured that the gentleman from California [Mr. LINEBERGER], the gentleman from Alabama [Mr. JEFFERS], the gentleman from North Carolina, Colonel BULWINKLE—and all of them have been willing to go up against machine guns in time of war—are going to take the floor of this House and present facts until the Government functions. [Applause.]

I yield back the remainder of my time.

Mr. BYRNES of South Carolina. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma [Mr. MCCLINTIC].

Mr. MCCLINTIC. Mr. Chairman, I ask unanimous consent to extend and revise my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MCCLINTIC. Mr. Chairman, I am very glad that the distinguished gentleman from South Dakota [Mr. JOHNSON] has had the courage and the manhood to bring to the attention of the country the fact that some of the promises made by the Republican Party in the last campaign have not been carried out. I can recollect the poisonous propaganda that was spread by the missionaries of the Republican Party in which they sought to make the people believe that if they voted for an association of nations, a League of Nations, or whatever you wish to call it, it would be only a few months before we would be sending our boys back across the seas. You will remember at that time that the country was in a most wonderfully prosperous condition. You will remember that the American dollar had become stabilized as the unit of value in practically every country. You will remember that the conditions in the United States were satisfactory to the majority of the people, and that commercial activities of every kind flourished. What has taken place since that campaign? The League of Nations was turned down, and countries formerly our friends became our enemies. Rates of exchange became abnormal, business fell off, factories were forced to close, bread lines were formed in the cities, and men offered their services for sale at public auction. Five million Democrats and independents believed this propaganda and voted for a change. So I say to you now the time has come for a change, and I am hoping that the Members of this body and of the United States Senate will carry out the spirit of the disarmament conference so that we can reduce expenditures and help lift from the backs of the burdened people the financial load they will be compelled to carry if Government activities are not materially reduced.

Mr. Chairman, we have heard to-day from the Great Lakes Training Station, we have heard from the Boston Navy Yard, and we will probably hear from the navy yards on the Pacific coast before the discussion of this bill is concluded. All of these gentlemen are in favor of a large Navy. If gentlemen will analyze the minority report they will find that every single one of the signers lives in some State or city where there is located a navy yard or some big naval establishment. I know that I have been referred to as a little Navy man, and if I lived up in Chicago or some place where they have some great naval activity possibly I would be committed in favor of a big Navy. During the war I voted for all of the appropriations that were necessary to maintain our Navy, and now after the war is over and we have entered into this great disarmament program surely if we have any confidence in those who have engineered the same the time has come when we can reduce appropriations, and do so without jeopardizing the interests of our country, and at the same time carry out the spirit of the disarmament conference.

The distinguished gentleman, Mr. KELLEY of Michigan, the chairman of the subcommittee in charge of this legislation, has assured the country that an enlisted personnel of 67,000 men will be amply sufficient to take care of the needs of the Navy after the useless crafts have been eliminated, and I wish to call your attention to the following schedule of ships and the proposed complement of men to man the same:

18 battleships	18,259
11 cruisers	4,248
103 destroyers	9,579
84 submarines	2,520
6 destroyer tenders	2,551
7 subtenders	1,833
1 aircraft carrier	216
1 aircraft tender	286
2 mine layers	615
10 light mine layers	959
10 mine sweepers	498
2 repair ships	727
3 storeships	612
14 fuel ships	1,568
2 ammunition ships	354
2 hospital ships	629
Total for fleet and necessary auxiliaries	45,454

PATROL AND VESSELS OTHERWISE CLASSED.

7 cargo ships	612
3 transports	822
9 gunboats	759
6 yachts and patrol vessels	545
8 fleet tugs	338
10 fleet towing vessels	450
1 survey ship	137
2 Bureau of Fisheries	125
5 miscellaneous	250
Total	4,038
Grand total of 327	49,492

AIRCRAFT.

I have always been interested in the development of aircraft, and at present am a member of the subcommittee of the Naval Affairs Committee on Aeronautics. Everyone knows the important part performed by aircraft during the last war, and I was in accord with other members of the committee who believed that ships could be sunk at sea by dropping bombs from airplanes. When this subject was first discussed practically every officer in the Army and Navy ridiculed the idea, yet there was one officer who had sufficient courage to testify before the committee and express the belief that ships could be sunk from the air. I am unofficially informed that because of his frankness he was censured by a certain person in authority and came very near being relieved from certain duties. Because of the agitation in the press and in the United States Congress, the Secretary of the Navy and the Secretary of War finally decided to allow the aircraft of the Navy and Army to have the opportunity of attacking some of the ships which had been allocated to the United States by the Allies under the terms of peace with Germany. This test was held some 50 miles off of the Virginia Capes. A number of Members of Congress were invited to witness the same. The first ship selected for destruction was a German submarine, which had crossed the sea during the war and sunk a number of English ships near the mouth of the New York Harbor. It was my privilege to be an observer on the U. S. S. *Henderson* when the first attack was made. Three Army bombing planes, flying like eagles high in the air, sailed over the German submarine and dropped a small pilot bomb. Then circling they returned and three larger bombs were dropped from each plane. The first attack was successful, for when the projectiles struck the water and the ship a great upheaval of water and smoke took place, and the vessel turned its nose to the bottom of the sea and slowly disappeared from sight. Different kinds of ships, from a submarine to a battle cruiser, were sunk by the aircraft forces during these demonstrations, and while there may be those who are yet unconvinced as to the efficiency of aircraft when it comes to the sinking of ships, I am thoroughly of the opinion that every single Member of Congress who witnessed these demonstrations will say that in his opinion any kind of a ship that floats can be sunk by dropping bombs from the air, and that a fleet of battleships without aircraft protection is nothing more or less than a fleet of floating graveyards. I maintain that these experiments have taught a very important lesson to every nation in the world. I am of the opinion that the results of the same will have a marked influence on every country in the future with relation to its fighting forces. I also say that in the future no major nation will ever be able to transport an army across the sea and land it on any of our shores. It is very evident to any person who will stop and think that the number of airplanes available on the land will always be sufficient to overpower or destroy the number that can be carried by any fleet of convoys transporting an army. This being true, bombing planes can be concentrated at practically any point on any of our coasts with lightning rapidity, and they can go out a distance of 75 or 100 miles and destroy any army aboard ships that might be seeking to land. During the hearings before the Naval Affairs Committee a few days ago I asked Admiral Moffett the following question:

In view of the results of the bombing tests, do you believe that a squadron of transports protected by planes could be landed on our shore?

His answer was as follows:

I think it would be very difficult for anybody to land on any shore, especially in view of the development of aviation, both ashore and afloat.

It will be found on page 370 of the hearings, dated February 20, 1922.

Mr. CRISP. Will the gentleman yield?

Mr. MCCLINTIC. I will be glad to do so.

Mr. CRISP. The demonstration you have just referred to, of course, was interesting. I would like to ask the gentleman what he thinks the effect would have been had those ships had antiaircraft guns where airplanes from the ships should meet

the attacking airplanes? Would that have made it impossible to sink these vessels?

Mr. McCLINTIC. It has been my privilege to visit a number of the battle fields of Europe. I have talked to a number of aviators, and I have been told that it is estimated that only one shot out of every 30,000,000 will be successful in hitting a plane. When it is taken into consideration that a plane high up in the air is surrounded with different kinds of atmospheric conditions it is very hard indeed to make the mathematical calculations necessary to hit the same. The point I make is that no fleet of transports can carry a sufficient number of airplanes to protect its vessels from the superior number of land bombing planes that will always be maintained by any major nation.

Mr. SEARS. Will my colleague yield?

Mr. McCLINTIC. I shall be very glad to do so.

Mr. SEARS. What was the height of the airplane? How high above the vessel?

Mr. McCLINTIC. If I remember correctly, they sailed at different heights in making different tests.

Mr. SEARS. I asked the question, because my colleague recollects that during the last war, when the bombing planes flew over London and other cities, the bombs they dropped were not successful. They did not hit the mark or did not do very much damage.

Mr. McCLINTIC. Mr. Chairman, those who remember the results of the bombing of the last German ship will remember that the marksmanship was so perfect that practically all of the projectiles struck the vessel and it was soon sunk.

Mr. McPHERSON. Mr. Chairman, will the gentleman yield?

Mr. McCLINTIC. In a minute. It is for that reason that I have reached the conclusion that the people of my section of the country have confidence in the results of the disarmament conference. They are willing to believe that the other nations have entered into this agreement in good faith, and that the time has come for the American people to cease making these enormous expenditures, in order that taxation may be reduced.

Now, I yield to the gentleman.

Mr. McPHERSON. If I understand the gentleman, he contends that we ought not to try to build our Navy on a treaty ratio but trust to airplane protection?

Mr. McCLINTIC. No; the gentleman is wrong. I am in full accord with the recommendation made by the majority members of the Committee on Appropriations. The gentleman knows I am a member of the committee on which he serves, and he will remember that I introduced an amendment to reduce the enlisted personnel of the Navy to 65,000 in order to be in line with the recommendation that has been made by the Appropriation Committee.

VALUE OF DEMONSTRATION.

Since these demonstrations were held off of the Virginia Capes there has been a radical change of opinion throughout the country. The battleship, instead of being our first line of defense on the sea, will be forced to occupy a position in the rear. Aeronautics will be the most important branch of either the Army or the Navy, and a new bureau of this kind has recently been authorized in the Navy. In 1916, prior to the beginning of the war, the personnel of the Navy consisted of approximately 50,000 men. The number of vessels to be disposed of under the disarmament plan is 18, which have been completed, and 13 which are under the course of construction. The number of vessels to be kept in commission, according to this bill, is 327. If these recommendations are to be followed, then the number of vessels in the Navy will be reduced practically one-half. At the present time, we have ninety-odd thousand enlisted men in the Navy, both on land and sea. If we reduce the number of men in the same percentage as the number of ships, we would only need 67,000 men to take care of the needs of the Navy during the 10-year naval holiday. We have 17 shore stations, with a complement of 1,221 officers and 9,057 men. In my opinion, there is no excuse to maintain all of these stations during the naval holiday. If I could amend this bill, I would provide that the Secretary of the Navy, in his discretion, should have the power to concentrate any of the forces or equipment of any navy yard and to close all of the unnecessary stations, with the exception of one on the Atlantic coast and one on the Pacific coast. There is no excuse for making the taxpayers of this country keep a lot of machinery in operation when the output is not needed in any way.

There are many Members within hearing of my voice who remember that when the naval appropriation bill was up for consideration in this House that the distinguished gentleman from Texas [Mr. CONNALLY], a Democrat, offered an amendment providing that an invitation be extended to other major nations for the purpose of agreeing upon a shipbuilding program for the future. The distinguished majority leader, Mr. MONDELL, and others vigorously opposed this idea and the amendment was ruled out on a point of order. When the bill reached the Senate the distinguished Senator from Idaho [Mr. BORAH], being convinced that something should be done to relieve the people from unnecessary taxation, opposed the passage of this bill until he was successful in having it amended so as to include the same ideas as was presented by Mr. CONNALLY of Texas when the bill was considered in the House. I well remember when the distinguished gentleman from Michigan [Mr. KELLEY] brought in a conference report which had been agreed upon by the conferees of the House and Senate and stated to the Members of the House that it contained the Borah disarmament amendment. This announcement was greeted with cheers. In fact, it met with the approval of all the Democrats and a number of the Republicans. It was only a little while thereafter that President Harding conceived the idea, while sailing down the Potomac River on the *Mayflower*, that he would invite the major nations of the world to send delegates to Washington for the purpose of discussing this subject.

When this Nation was threatened with war with Germany I voted for every authorization presented in order to increase the efficiency of our country. I voted for the selective draft and I do not believe that anyone could ever call me a pacifist. The war is over; new lessons of defense have been learned and if it has been developed that no foreign army can land on the shores of our Nation, as is the opinion of the head of the Aircraft Division, then, unless the United States wishes to invade some foreign country or take advantage of some little nation by overpowering it, why is it necessary that we maintain in time of peace a navy larger than that which we had at the beginning of the war, when we have entered into an agreement with the other nations of the world for the purpose of limiting armament? The United States took the initiative and invited the representatives of other nations to come to Washington for the purpose of adopting a humanitarian program which would relieve taxpayers to a certain extent from having to pay large sums of money for the purpose of maintaining our fighting forces. The religious organizations throughout the country and humanitarian societies already are giving praise to this administration and citing the recommendation made by the Appropriation Committee which would reduce the Army to 115,000 and the Navy to 65,000. The Federal Council of the Churches of Christ a few days ago mailed to each Member of Congress a statement which in part reads as follows:

> The Federal Council of the Churches of Christ in America records on behalf of the churches their solemn and reverent thanksgiving to God for the Conference on Limitation of Armament. In it we recognize His answer to the fervent prayers of millions of Christians throughout this and many other lands. We rejoice in the splendid achievements of the conference already secured. They are, however, but the first steps toward a warless world. We must press forward toward the goal which the Prince of Peace Himself has set before us.

I wonder if after this bill passes the House the Senate will put into effect the recommendations of the Secretary of the Navy and the Secretary of War. Every member of the Naval Affairs Committee voted against my amendment which was offered for the purpose of reducing the Navy to 65,000; yet I am conscientious in the belief that the majority of the American people have seen enough of war. They are already overburdened with taxation, and it is for this reason that I am presenting my views on this subject, with the hope that the party in power will be the first to set the right kind of example to the other nations of the world, so that the spirit of the disarmament conference can be lived up to to the letter. [Applause.]

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman yields back one minute.

Mr. BYRNES of South Carolina. Mr. Chairman, I would like to inquire how the time stands?

The CHAIRMAN. The gentleman from South Carolina has 148 minutes.

Mr. BYRNES of South Carolina. How much time has the gentleman from Michigan [Mr. KELLEY]?

The CHAIRMAN. Fifty-four minutes.

Mr. BYRNES of South Carolina. I would like to have more time used on this side of the House.

Mr. KELLEY of Michigan. I will say to my friend from South Carolina that I had expected to yield to the gentleman from Massachusetts [Mr. ROGERS], but I realize of course that it is not my turn to yield.

Mr. BYRNES of South Carolina. I have been good-natured all day, notwithstanding the fact that gentlemen on this side have been pressing me just about as firmly as gentlemen have been pressing the gentleman from Michigan on his side for

time. I would like to yield a little time on this side, but I do not want to prevent the gentleman from Massachusetts [Mr. ROGERS] from getting in at all. I will yield 15 minutes to my friend from South Carolina [Mr. LOGAN].

Mr. KELLEY of Michigan. Before the gentleman does that, will he let me yield two minutes to the gentleman from Delaware?

Mr. BYRNES of South Carolina. Yes.

Mr. KELLEY of Michigan. I yield to the gentleman from Delaware.

The CHAIRMAN. The gentleman from Delaware is recognized.

Mr. LAYTON. Mr. Chairman, in addressing the House upon the subject of constitutionalism versus communism I feel a deep distrust of my ability to bring to its Members the message I desire to convey in such a clear and convincing manner as to fulfill what I truly regard as a solemn obligation and duty. In endeavoring to do this I do not assume that I shall utter a word upon any topic with the substance of which the Members of the House are unfamiliar; but I believe the business men of the country, no matter what their occupation, whether upon the farm or in industrialism, the business men of every sort and kind are so absorbed in their various pursuits and enterprises, scarcely finding as many hours in the day as they often desire for their prosecution, as to have little knowledge of the general legislative trend in Congress. I also believe that this great body of our citizenship rely largely upon their Representatives whether in their legislatures or in the Congress, while they devote themselves strenuously to their own affairs. As one of the Representatives in Congress I feel compelled to declare that this is a wrong assumption, and especially so at this time, when in my judgment a crisis has been reached that threatens the fundamental character of our Government. I believe they are not only wrong but that they endanger their own interests by a confidence too often betrayed by reason of the importunity of organized class forces seeking legislation absolutely inimical to the general welfare, which importunity the average Representative in Congress regards as potential, because it is organized and clamorous.

My purpose in this address is to show the general public, if I can, the danger which I have in mind, the one which I believe we are confronting. I refer to the rapid progress which communism has made in this country, and is steadily making, apparently unheeded, or calmly acquiesced in, by those whose interests are chiefly menaced—interests which I believe to be the substantial interests of the country.

I am assuming in the beginning that the people of this country are still constitutionalists and not socialists; that they believe in self-government and not bureaucratic and communistic government. I do not speak of a coming danger, of a possible apprehension of an invasion that is yet afar off, but of the fact that this enemy is already in our midst and fast entrenching himself in our very citadels.

Before proceeding to emphasize this, in order indeed to emphasize it more impressively, let me speak briefly of the past. Let me ask you to recall the early history of America; to revisualize those great men who fashioned the marvellous national structure of the United States of America; to call to remembrance who these men were, and what they did, and what was their purpose in the doing. Let me mention the names of Washington, of Jefferson, of Hamilton, of Adams, and Madison, hoping thereby to fill the minds of the people with renewed recollections, not only of a multitude of other great men of our formative period but of their sayings and achievements and their declared purposes.

I shall not attempt in this address to undertake a constitutional argument as to the powers possessed by the Federal Government and the reserved rights of the States. I am sure that it will suffice for this present purpose if I state a well-known fact that there has been two schools of constitutional thought in this country firmly established in the minds of men from the beginning, even indeed before the adoption of the Constitution of 1789. One school was led by Hamilton, who believed in a centralized Federal Government in which the people would be subjects of that Government—a system differing but little from that of England, except that instead of a king we would have a ruler elected every four years called the President. The other was lead by Jefferson, who regarded all government as righteously proceeding from the people, and that Presidents and governors and Congresses, indeed all public servants, were to be regarded as subject to the people. There was, as is well known, an exceedingly bitter struggle between the two schools of constitutional thought. There is no doubt that the thought of the Jeffersonian school was the one that prevailed, not only in the Articles of Confederation but in our present Constitution, established later in 1789. Most of the contention that has arisen between these two schools of thought in later years, especially in the last decade, has centered around those unfortunate words "the general welfare," taken from the Articles of Confederation and placed in the Constitution of 1789, and also found in Article I, section 8, of that instrument. In brief, without elaborating upon this contention, the proponents of the Hamilton school say that the words "the general welfare" confer upon the Congress of the United States the right to pass any legislation of any sort which a majority of both bodies may regard as being for the general welfare, and to tax the States in order to support and provide for such legislation.

The Jeffersonian school, on the contrary, strenuously contended that the words "the general welfare" never conveyed any such power either in the Articles of Confederation or later in the Constitution of 1789, but on the contrary imposed upon the people themselves the responsibility for their own welfare, and that their welfare was best conserved by strictly reserving certain rights to the States. It is a historical fact that this view was expressly and clearly incorporated in our present Constitution. All the early history surrounding the making of the Constitution of 1789 reveals the fact that wholly independent States first formed a confederacy and later, in order to have a more perfect union, they adopted the present Constitution, with the expressed declaration in article 10 that—

> The powers not delegated the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

In this connection a fact of supreme significance should be stated, namely, that the Constitution was not finally adopted until 1791, or until article 10 was finally agreed to. To repeat again, the Jeffersonian opinion insisted that certain rights were reserved to the people of the various States, whereas the Hamiltonian opinion was to the effect that there were no rights reserved to the States under the general welfare clause. It should be stated here that Hamilton himself did not openly hold this view, declaring to the contrary before the New York Legislature when he urged that legislature to accept the Constitution of 1789. I think it can be stated truly that for 150 years this has been the accepted thought of the country and of the Supreme Court of the United States itself, although manifestly sapped and undermined very seriously in the last two decades.

Within these two decades all sorts of legislation has been proposed, and a great deal of legislation has been enacted into law, based upon the words "the general welfare," and advocated and justified by that assumed purpose. As a matter of fact, these words are being now used to communize our institutions and to subvert our fundamental law.

It is plain that within the next decade we are going to determine whether we shall follow the Hamiltonian thought carried to its logical and ultimate conclusion, or the thought of Jefferson and of Lincoln. If we follow the former I feel that my own State, the State of Delaware, which I represent in this body, will cease to exist except in name. I feel that all her previous power of local government will be taken from her and reposed in central bureaus at Washington. This will mean that there is no limit to the power which the Federal Government will exercise over my Commonwealth. The idea is that if anything is considered "good" it can be and must be enacted into law, if those who think it is good have a majority in the Congress of the United States.

It means as a logical consequence that in the matter of taxation the States have lost all control, and that the people of the various States of the Union can be taxed for an innumerable number of purposes which many of those States may or may not approve of; that the States will lose all power over taxation and the power to control taxation through their own legislatures and the power to say how money from taxation shall be expended. In other words, under the general-welfare clause, if the people sit quietly down and make no protest the United States will become a communistic country, controlled by bureaucrats instead of by themselves, losing the liberties, the powers, the independence possessed by their forefathers. Have the people of the country forgotten the real spirit of America as contrasted with that of other Governments? Have they failed in their understanding or lost sight of entirely those remarkable debates that were held preliminary to the passage of the present Constitution, debates so voluminous, so ultimate in analysis, so conclusive in logical deduction, so filled with the highest erudition and mental brilliancy as to have excited the admiration even of the world, and leaving no doubt that our forefathers did not desire nor intend to establish in this country a merely remodeled England, differing only in the fact that the one had a King and subjects while the other should have a

President and subjects? On the contrary, they endeavored to inculcate in everything they did, by every word they spoke, the lessons of individual liberty and the constant necessity for the preservation of this liberty by eternal vigilance; to hold it as the most inestimable possession, in order that every citizen might be free and enjoy an unrestricted opportunity to pursue happiness and to protect himself in his life and property. So far from regarding the Government as being above the citizen, the whole thought and purpose of those great men was to put the citizen before the Government. They inculcated in all they said and did the lessons of individual responsibility, individual self-dependence, individual initiative, and individual freedom. They sought to teach, and did teach, that this was a people's Government. Nearly 100 years after the birth of American freedom Abraham Lincoln enunciated the very spirit of those great men, and of the real Americanism which they sought to establish, in those memorable words: "A government of the people (as the source of power), by the people (as the possessors of power), and for the people (as the recipients of the benefits of such power)." He, as well as our early forefathers, believed in the individual kingship of the citizen and that all progress should proceed through the initiative of the citizen and by his will.

Running through all the literature of those early times was the thought—evidently the profound purpose to make the several States schools for citizenship—to repose the greatest amount of self-dependence upon the people of the several States and the subdivisions of the States to govern themselves in order better to govern the Nation. The purpose is to burden every individual with a sense of civic duty, not to enervate him by depriving him of all power and sense of political duty by subjecting him to bureaucratic control. Community government, county government, State government, all were regarded as primary schools for national government.

I can not forget, I have no right to forget, the part that Delaware took in the struggle for American independence. It is the proud heritage of every Delawarean to have been in the van of this wonderful procession of human progress. Her sons were distinguished on the battle field and in the council. She gave not only of her treasures but of her blood. Her hardy and patriotic volunteers tramped from Saratoga to the Cowpens in the cause of freedom. They participated in every considerable conflict of that long and memorable struggle. Delaware's forbears were among the master builders of the political structure which has challenged the respect and admiration of mankind. Beneath that structure there has been sheltered a people in greater comfort, safety, and happiness than has ever been afforded any other people since history has been recorded. Under the Constitution that they builded and as they interpreted we have grown to an unparalleled power and wealth. The penetrating light of their Americanism has illumined the darkest corners of the earth and established a governmental example that has aroused the aspirations of the downtrodden and the helpless in all lands. The question must force itself obtrudingly upon real Americans whether we, the inheritors of these priceless possessions, have not a solemn obligation to zealously and vigilantly safeguard them. Shall we be so indifferent, shall I say degenerate, as to be willing to take and not give, to inherit and not transmit to those who come after us, to have not only incomparable examples but inestimable experiences, and heedlessly and slightingly forget them? Can we honorably and self-respectingly inherit these inexpressible benefits and basely refuse to treasure them for our descendants? Shall we be less men than those we so fulsomely laud in this Chamber and apparently venerate? Shall we mock the portraits that adorn the walls of this Capitol and the statues that characterize our national individual greatness and view them as works of art rather than as inspiring examples of emulation?

We find ourselves—

Says Abraham Lincoln—

in the peaceful possession of the fairest portion of the earth, as regards extent of territory, fertility of the soil, and salubrity of climate. We find ourselves under the government of a system of political institution conducive more essentially to the end of civil and religious liberty than any of which the history of former times tells us. We, when mounting the stage of existence, found ourselves the legal inheritors of these fundamental blessings. We toiled not in the acquirement or establishment of them; they are a legacy bequeathed us by a once hardy, brave, and patriotic, but now lamented and departed, race of ancestors. Theirs was the task—

And nobly they performed it—

to possess themselves, and through themselves us, of this Godly land, and rear upon its hills and its valleys a political edifice of liberty and equal rights; 'tis ours only to transmit these—the former unprofaned by the invader, the latter undecayed by the lapse of time and untorn by usurpation—to the latest generation that fate shall permit the world to know. This task, gratitude to our fathers, justice to ourselves, love to posterity, and love for our species in general imperatively require us faithfully to perform.

No words of mine can add to the gravity and the supreme excellence of this exhortation.

But, with your permission, I will now proceed to an exposition of the facts as I perceive them. The first thing—and, I think, the proper thing—is to speak briefly of the socialistic legislation already enacted, and afterwards of that which is on the calendars of both Houses of Congress, so that a proper picture may be presented of the situation.

There are more than 250 different commissions and bureaus of the Federal Government already in existence. They comprehend every sort of human activity in art, science, and administrative power, including forestry, agriculture, horticulture, mechancis, chemistry, biology, the whole field of medicine, including investigations both in human and animal diseases. In fact, there is nothing in the heavens above, the earth beneath, nor the waters under the earth which is not comprehended in the activities of some governmental agency. If some midnight dyspeptic idealist as he lies awake thinks he has discovered some new idealistic good, which he deems to be for the betterment of mankind, he immediately proceeds to draft a bill creating a new bureau under the Federal Government for the purpose of carrying his newly discovered idea into effect. I am not going to mention all of these bureaus and commissoins. There is no time for such a purpose.

Standing out prominentlly among them, and already enacted into law, are two pieces of legislation upon which I will briefly comment. I refer to the Public Health Service and the Sheppard-Towner law.

There is no doubt that these two bureaus of the Government are only a part (but a substantial part) of a carefully considered and determined scheme to communize the country. They are mere parts of the communistic mosaic found upon the calendars of the two Houses of Congress. They are in nowise distinct in purpose or in conception. Together with the Sterling-Towner bill, and the several Kenyon and Fess bills, the purpose is to medicalize not only the people even before birth, but the pigs of Oklahoma and of Texas, and by Government regulations and laws control not only the mental training but the physical training as well of the whole people. National medicine and national education are to go hand in hand to educate and discipline the whole citizenship of the country, robbing them inevitably of liberty, even in their homes, through the impertinence of the Fess amendment invading the domestic life of our people. The scheme is purely Prussian with a Marxian flavor. It is borrowed, and has not even the merit of originality. It involves a profound disbelief in the ability of the people to govern themselves. They fear for good government in the face of a proletariat increasing in millions as the decades go by. These overanxious schemers have a profound distrust of individual liberty and freedom—of community and State government. They believe that the time has come when "a government by the people" is filled with danger, and the only safety consists in their taking over the power of government by legislation and investing it in an infinite number of bureaus in the Federal Capital. To bring this about, the children must not only be educated as far as their brains are concerned, but a medical director, who will also combine the qualities of an athlete trainer, must be stationed in every schoolhouse in the land, in order that instead of free, upstanding, self-thinking, independent boys and girls after the order of our splendid past, we will have in their place millions of living machines, mere automata, all turned out from the Atlantic to the Pacific, from Alaska to Florida, like melted lead from the same bullet mold—a uniform pattern of citizenship like a Uneeda biscuit.

It is inevitable that the extension of bureaucratic government will destroy the energies, and therefore the liberties, of the people. It is inevitable that the more bureaucratic government is extended, the less community and State government will be left. It is inevitable that the extension of national power will call for more and more taxation to support the increased number of departments and bureaus with their inevitable increase of men and women upon the pay rolls. It is inevitable that the more the Government taxes the people, the less the people can tax themselves for State and community purposes. It is inevitable that the more money the Government gets from taxation, the less the States can get. The fuller the National Treasury, the more empty the State treasury, until all energies of Government will be nationalized and the States will be too poor to pay for any of their own. When that time comes, then will come revolution as the only escape from the tyranny of Congress, just as it was the only remedy in 1776 against the tyranny of a King. Either this or national death through a slavish and decadent citizenship.

The appalling fact to-day is that under a Government of representative democracy we witness the strange spectacle of the

two principal parties divided in name only. What we need to-day, more than we need the solution of the problems growing out of the war, are two political parties in this country—differing in principles and not over spoils—an open, honest, and frank constitutional party, and an equally open and frank communistic party, so that the sheep of constitutional government can be separated from the three breeds of wolves of socialism, paternalism, and communism. To-day both parties, within and outside of Congress, are mere bidders at the auction block for the support of every organized class, asking for legislation that if enacted would destroy every vestige of the constitutional government we have inherited.

These are not fanciful words. I am raising no bugaboo in an attempt to frighten the public. I am not tilting at windmills. The proof lies in the fact of the socialism already put into law, of the innumerable bills wholly socialistic that are proposed for enactment into law. To illustrate the situation, only a few weeks ago Mr. BARCLAY, a Representative of Kentucky, and a gentleman highly esteemed by both sides of the House for his ability and personal qualities, in response to an inquiry of mine whether or not—

We could not just as readily, and I would like to have a categorical answer—just as easily under the general welfare clause of the Constitution have a bureau in Washington for the foodless, another bureau for the clotheless, another bureau for the homeless, and under that general welfare clause do anything that the most radical socialist in the world demands.

His reply came apparently without hesitation in the following language:

I am inclined to think that under the general welfare clause Congress could do all those things without violating the Constitution * * *.

Barring myself there was not a man on either side of the House that challenged this statement except Representative SISSON, of Mississippi, who made the very logical statement that—

The very moment a court would put that construction upon it then you have eliminated and destroyed the Constitution entirely, because whatever you think is for the general welfare would then be constitutional. Therefore you would have no Constitution.

And it might be added in this connection that the one thing you would have inevitably, unavoidably, would be a Government in the United States based solely upon the will of a majority in Congress, through an aggregation of States—a tyranny in the long run greater than that we escaped from under King George.

Again, on March 29, in a short colloquy with the honorable Representative BOURKE COCKRAN, I asked him the following question:

Well, whether for charity or otherwise, has this body any constitutional right to do that?—

Voting money for foreign relief—

or to vote money out of the Federal Treasury even for such purposes as the suffering coal miners in this country?

The gentleman asked me if I wanted an answer. I replied to him I should like to have an answer to my question, whereupon Mr. COCKRAN, a distinguished Democrat, replied as follows:

Yes; there is no limit to the power of Congress to appropriate money.

I wondered at the time whether the gentleman was a budding evolutionist, keeping perfect step with the times here and abroad, especially with those of Russia, or had lost all memory of the attitude of his party through more than a century.

I desire to be fair. The menace comes neither from the Democratic side of the House nor from the Republican side alone. Both sides have weakly yielded to the political pressure which communistic classes has put upon them.

Let me pause for a moment and inquire what will be the effect of this paternalistic and communistic legislation upon the respective States and their taxpayers. Although I recognize that this is somewhat of a repetition, yet I do not think that I can mention it too often.

You remember the celebrated saying of that eminent jurist, John Marshall, our first Chief Justice, that "The power to tax is the power to destroy." I know of no expression more pregnant with meaning than these few words. No matter what the form of government, whether democratic or tyrannous, taxation is not only the most vital power affecting a people, but one which affects even their lives, as well as their property. Taxation is the price that is paid to support royalties in opulence or the beneficent government of a free people. It may be wise or it may be vicious and deadly.

It may serve to promote the happiness, prosperity, and contentment of the people, or it may result in misery, destitution, and revolt. It was the question of taxation that led directly to the Revolutionary War. There is no other single concern of government so vexatious, so necessary, and so full of the requirements of justice and wisdom. It can be said beyond successful contradiction that no people are free who do not control the measure of their own taxation. Seeing that our constitutional liberties were born out of the spirit of "no taxation without representation," it is not a matter of wonderment, but of the most natural consequence, that our forefathers should have sought to protect the people from the tyranny of taxation. The ninth and tenth amendments were adopted after a delay of two years before the Constitution of 1789 was agreed to, because they recognized the possibility of a congressional tyranny equal to that of a British king. To-day, both in the Congress and through the Supreme Court, the power of taxation is being gradually taken out of the hands of the various Commonwealths of the Union and reposed in those of a majority of the Congress, for purposes which every student of constitutional history knows were never contemplated when our Constitution was agreed to. The result is that an aggregation of States, perhaps sectional in character, comprising a majority of the national legislature, can tax the other States and exploit them to their heart's content under the plausible justification of "the general welfare." Inevitably the effect of this procedure will be to excite the cupidity of the poor States, and thus exploit the rich States for their benefit. In fact, those who are behind this socialistic program of legislation now crowding the calendars of both Houses frankly use the argument that a rich State should be taxed for the benefit of the poor States, provided the object of the taxation is for some good purpose. Of course, this is the rankest communism. This means, when applied to the individual and reduced to the minimum, that the man who hath shall be deprived of a part of what he hath for the man who hath not; that wealth must be held for the common benefit, regardless of the elements that enter into human productivity and activity—of thrift, intelligence, industry, and ambition. How long would the individual work, how active would he be, what impulse to thrift would he have, what ambition in any calling, if the fruit of his labor was taken away from him by compulsion of law and given to the thriftless and the worthless, even though they were needy?

Outside, however, of the injustice involved in the matter from the standpoint of property or other considerations there is a deeper objection to this socialistic, paternalistic, and communistic legislation, striking, as I conceive it, at the very foundations of individual character, and, therefore, of our American citizenship. It means to destroy the sense of initiative among the people, their conception of civic duty and responsibility, their sense of self-dependence, and ultimately of their sense of freedom itself. Bureaucracy will inevitably, unavoidably sap the very strength of our citizenship, exactly as any human being is enervated and perverted in character when he loses his self-dependence. In the very nature of things, whether in a savage or a civilized man, the feeling of ability to care for one's self marks the man of force as contrasted with the weakling. Again, I wish to repeat that the one lesson taught by the founders of this Government was the lesson of liberty and self-dependence as the only way to produce the strongest citizenship and, therefore, conserve the national character. I maintain that bureaucracy and paternalism will destroy the very means which were so carefully provided to secure such citizenship.

The communistic propaganda is carried on quietly and simultaneously in the several States of the Union and is in part paid for out of the money of the taxpayer by the activities of those upon the Federal pay roll. Nor is there any room for doubt that the communistic influences of Europe are at work in this country, even by money, for the purpose of overthrowing our Constitution. The Attorney General of the United States recently in an official declaration made the statement that he had in his possession evidence of the influences at work in this country supported by foreign money to sovietize labor. Recently both the Secretary of War and the Secretary of the Navy have issued warnings against Bolshevik influences to all of those under their respective departments.

Organization for propagandic purposes has been reduced to a fine art. Does any Member of this House doubt that to-day in the 4,000 counties of the United States the school-teachers are being organized behind the Sterling-Towner bill? Was there any question but that the various women's clubs were organized behind the maternity bill? Does anyone believe when he comes to reflect upon it that these clubs represent the voting strength of the womanhood of the United States? Will anyone upon mature reflection think for a moment that the loyal wifehood and motherhood of the country will divorce themselves from the interests of their husbands and of their children? If a growing burden of taxation is felt by the husband and the father, will not the same burden fall equally upon the wife and the daughter? In passing these communistic measures can

anyone say that the man would have to pay and that the woman will not? The answer is plain. In the home the interests of the husband and the father are inevitably bound up with the interests of the mother and the children. The prosperity of one is the prosperity of the other, and nothing can divorce them.

What is your remedy, your defense, unless, indeed, you approve and are content with an ever-mounting increase in taxation? Do not forget that the producers, the farmer, the manufacturer, all who really make the wealth of the country, will have to foot these altruistic and idealistic bills. Your remedy is to organize in self-defense. Take the women of your household into your confidence frankly, and say to them—unless you are satisfied with your surtaxes and income taxes—that if they desire these costly things in legislation, they will have to deny themselves, and take less of the luxuries of living, sacrifice some of their own wants, in order that you may better bear your burden. Next, quietly see to it that the business men institute a chamber of commerce or a board of trade in every town comprehending the thoughtful and the sensible taxpayers of every community, whose chief purpose shall be by cooperation to keep in their own hands control of taxation. Again, see that your representatives, whether in the National or the State legislature, are opposed to this socialistic legislation that is piling up on the calendars of both legislatures and Congress. Again, when an official gentleman of either party comes around for the money with which to prosecute the campaign, ask him openly what he intends to do with it. Say to him, "If you intend to use my contribution for communizing my country, you go to communists and socialists for your funds."

I earnestly implore you in this crisis not to depend upon Members of the Federal Congress because they have taken an oath to support the Constitution of the United States. Too often, and for the most part generally, seemingly, a Member of Congress has a mental reservation stuck back in his head, amounting to the fact that he alone shall be the interpreter of the Constitution which he swears to uphold. Nor can you rely solely upon the Supreme Court to protect you against socialism, paternalism, and other infractions against the organic law, in view of the hopes confidently expressed only recently upon the floor of the House of Representatives that a bill admittedly unconstitutional would be declared constitutional if the Congress would only pass it. The whole history of our Government shows that the Supreme Court in the long run runs with popular sentiment, and renders its decisions accordingly. Your protection—your only sure protection—lies in making and perpetuating and conserving by eternal vigilance a public sentiment that both Congressmen and members of the Supreme Court shall respect.

In closing, I make no appeal to you on the basis of an academic philosophy to invoke your appreciation of, or to secure your devotion to, constitutional government. I make a final appeal on the good old American grounds of hard common sense and the experience of a century and a half so rich in fulfillment as to satisfy the most ardent founder of this Government were he living to observe it. Again, I say the issue to-day in this country is constitutionalism against communism. Which will you choose?

For the information of the country, the producers, whether on the farm or in the factory, the toiler, the laborer, the business man, the taxpayer of every kind, I desire to put in the RECORD the titles of bills proposed for legislation both on the Senate as well as on the House Calendars, which are permeated with communism, and which, if enacted into law, will burden the people with annihilating taxation. The reason I do this is because I believe that the tax-paying public, which is largely the producing public but which is also that part of the public inherently intelligent, is uninformed as to the actual facts connected with proposed congressional action and the plain communistic purpose betrayed by the proposed legislation found upon the calendars of each House of Congress. They are astounding revelations such as I believe the public, when fully informed, will revolt against.

Senate bill 1839: This is a bill introduced by Senator McCORMICK, called "A bill to create a department of public welfare, and for other purposes."

This bill would create a new department under the Government, with a new Secretary holding a Cabinet portfolio, combining various bureaus under the administration of the new department. More money! More taxation!

Senate bill 2964: This is a bill introduced by Senator LADD, of North Dakota, entitled:

A bill to promote agriculture by stabilizing the prices of certain agricultural products.

This bill seeks to establish a minimum price for cotton, wool, corn, and wheat—the price to be maintained by funds out of the Public Treasury. If this bill should become a law wheat, corn, wool, and cotton would have a fixed minimum price established by law, sustained and maintained out of the taxpayers' pocket. The Delaware fruit, vegetable, poultry, and cattle growers—including all other taxables—would have to stand alone and unaided, lose their crops by drought or frost or other destructive influences, and still be taxed for the benefit of those who grow corn, wheat, cotton, and wool only. I will leave the common sense of the public to characterize properly a measure which coordinate congressional courtesy might condemn if used by me.

Senate bill 622: This is a bill introduced by Senator FLETCHER, entitled:

A bill to establish a national conservatory of music for the education of pupils in music in all its branches, vocal and instrumental, and for other purposes.

What a mental melody when this idea was generated! Would it not be possible to extend the provisions of this bill so as to include the lower animals, with especial view to ameliorating the harsh and strident sounds of a long-eared animal growing more common every day?

Senate bill 524: This is a bill introduced by Senator OWEN, entitled:

A bill to provide for public education upon political questions and for the dissemination of information upon political issues and matters of a political nature of public interest by an authorized publicity pamphlet.

Shades of all the fathers! Be not disturbed. May there yet remain enough of your inherent counsel and wisdom to save the people from the insensate folly of such a measure. More money! More taxation!

Senate bill 523: This is a bill also introduced by Senator OWEN, entitled:

A bill to create a department of education.

This is in line with numerous other bills dealing with the same effect, creating a new department. More money! More taxation!

Senate bill 511: This is still another bill introduced by Senator OWEN, entitled:

A bill to establish a national bulletin.

Having exhausted most things that might be legislated upon, the distinguished Senator wants the Government to go into competition with the press. How in the world did such a comprehensive mind fail to include the establishment of a national church? One must not grumble, however, for without doubt this idea, now that it is in public print, will find some eager mind capitalizing it for purposes of personal fame. More money! More taxation!

Senate bill 981: This is a bill introduced by Senator TRAMMELL, of Florida, entitled:

A bill providing for and establishing scholarships in each of the States as a memorial to the American soldiers, sailors, and marines who gave their lives to their country, and as an expression of appreciation to the brave and loyal men who served in the military and naval forces of the United States in the late war.

The distinguished Senator must have had some compulsion of political desperation or a temporary aberration of mind, if not a total loss of Democratic memory, when he proposed this measure. Why not some thought for the burdened living, for the kinfolk of those who died? How many deserters there are to-day from the ranks of sound democracy? How many scorn the constitutional traditions once fondly cherished? More money! More taxation!

Senate bill 416: This is a bill introduced by Senator CAPPER, entitled:

A bill to provide for the promotion of physical education in the United States through cooperation with the States in the preparation and payment of supervisors and teachers of physical education, including health supervisors and school nurses, to appropriate money, and regulate its expenditure, and for other purposes.

What one wonders at after reading the title of this bill is the meaning of "and for other purposes." How was it that this measure did not include "curators for the lunch boxes," a "provision for bathtubs," "whisk brooms," "shoe shines for the boys," and nice little mirrors with perfumes, paints, and powders for the girls in order to be up to date in this grand social and educational welfare scheme. More money! More taxation!

Senate bill 398: This is a bill introduced by Senator ASHURST, entitled:

A bill to provide Federal aid for indigent tubercular persons and for other purposes.

This is one of those insidious appeals to the sympathies of the public, without a bit of gray matter given to the consideration of the principles involved, or their logical termination. While the philanthropic mind that drafted this bill was about it, why did he not make it inclusive, so that Government hospitalization should be provided for every ill that flesh is heir to? Possibly it was fondly foreseen that the inclusive process would go on,

and eventually the whole dream would be communistically gratified. More money! More taxation!

Senate bill 408: This is a bill introduced by Senator Kenyon, entitled:

A bill to establish a department of social welfare.

Here we have another proposition for another new member of the Cabinet, with all the powers and the prestige of a portfolio official. By this bill it is proposed to safeguard and promote the social welfare of the people of the United States, taking jurisdiction over the Public Health Service; the Hygienic Laboratory; the Bureau of Education; the Children's Bureau; Bureau of Industrial Housing and Transportation; United States Employment Service; United States Employees' Compensation Commission; and Home Economics; with the certainty that as time goes on dozens more of differentiated activities evolving out of those included in the bill would be demanded by the department and granted by a communistic Congress which swears to support the Constitution and at once proceeds to destroy it. More money! More taxation!

Senate bill 526: By Mr. OWEN, entitled:

A bill to establish a Department of Health, and for other purposes.

This would create another department, another Secretary with a place in the Cabinet, possessing all the power of a Cabinet officer. This bill proposes to establish within the new department a "Bureau of Sanitary Research," a "Bureau of Child Hygiene," a "Bureau of Vital Statistics and Publications," a "Bureau of Foods and Drugs," a "Bureau of Quarantine" a "Bureau of Sanitary Engineering," a "Bureau of Government Hospitals," and a "Bureau of Personnel and Accounts." The distinguished author of this bill did not enumerate more possible Government activities, evidently through weariness of the flesh or by some sudden diversion of an active and comprehensive intellect to other matters. More money! More taxation!

House bill 21: This is a bill introduced by Mr. FESS, of Ohio, known as the Fess amendment, entitled:

A bill to amend an act entitled: "An act to provide for the promotion of vocational education; to provide for compensation with the States in the promotion of such education in agriculture and the trades and industries; to provide for cooperation with the States in the preparation of teachers of vocational subjects; and to appropriate money and regulate its expenditure."

For this purpose there would be appropriated, to begin with, the sum of $500,000, "and annually thereafter for nine years an amount for each year equal to the amount appropriated for the year preceding, increased by $250,000, and for the fiscal year ending June 30, 1931, and annually thereafter the sum of $3,000,000." Practically the whole of this money would be for a pay roll—for an unknown number of salaried people to teach what the people of this country taught themselves sufficiently well for 150 years. The conspicuous symptom of a modern-day statesman is to generate a notion and make the poor taxpayer pay for his foolish lucubration! More money! More taxes!

H. R. 25: This is a bill introduced also by Representative FESS, of Ohio, entitled:

A bill to create a national university at the seat of the Federal Government.

There are those who think the seat of the Federal Government is the proper place for every human activity possible to our national life. In spite of marked ability and experience, and even specialized knowledge of our history and of the constitutional principles of our Government, these socialistic iconoclasts, either ignorantly or designedly, either heedlessly or from the impulses of personal ambition, coldly sap the foundations of a Government they have solemnly sworn to maintain. Supreme in their egotism, they have a constitution of their own back of their purposes supplanting the one that exists by proper custom and authority and sworn obligation. More money! More taxation!

H. R. 22: This is a duplication of the Capper bill, Senate 416, introduced in the House by Representative FESS, entitled:

A bill to provide for the promotion of physical education in the United States through cooperation with the States in the preparation and payment of supervisors and teachers of physical education, including health supervisors and school nurses; to appropriate money and regulate its expenditure, and for other purposes.

Whatever distinction there was inscribed in the Senate measure ought to have been left to that body, thereby saving the House of Representatives from the inevitable condemnation of the people when they become aware of the vicious iconoclasm inscribed in the measure. More money! More taxes!

House bill 9292: This bill was introduced by Representative GILLETT by request and is entitled:

A bill to provide for the world-wide extension of education by the cooperation of national governments.

I am especially gratified that this bill was introduced by Mr. GILLETT by request, and that thereby he has no personal responsibility or obligation or approval of the measure. Whoever drew this bill was not devoid of ambition, believing that the taxpayer of this country was perfectly satisfied to pay out money for any purpose whatsoever. He doubtless intended to follow up his scheme by extending his beneficient desire to the inhabitants of the other planets, if he shall by any chance establish communication with them.

H. R. 4108. This is a bill introduced by Mr. RAKER, of California, and is entitled:

A bill to create a bureau for the deaf and dumb in the Department of Labor, and prescribing the duties thereof.

Of course, it was not intended to imply (though it so reads) that there were so many deaf and dumb employees in the Department of Labor that special provision must be made for them. The evident purpose was to create a bureau for the deaf and dumb of the Nation and put it under the Department of Labor. Would it be discourteous to ask why the lame, the halt, and the blind were not included in this benevolent communistic purpose? Or why free food, free clothing, free housing, free movies, free everything was not made a part of a perfect whole? The only reasonable explanation is that as yet no one has had a dyspeptic dream sufficiently invigorating to a disordered intellect as to have had them embalmed in print. More money! More taxes!

H. R. 7. This is a bill introduced by Representative TOWNER, of Iowa, entitled:

A bill to create a department of education; to authorize appropriations for the conduct of said department; to authorize the appropriation of money to encourage the States in the promotion and support of education, and for other purposes.

This bill creates a department—a new Cabinet member—and starts with an initial appropriation of $100,000,000 for the avowed purpose of extending education at a time when the last census shows that illiteracy is steadily decreasing, and that the States and all our private institutions of learning are progressively accomplishing the very purpose of the bill. The measure if enacted into law would Prussianize education in America; place all education in the hands of the Government; and mold the national thought after the whim of the head of a department. The department of education would be a vast political machine operating in every schoolhouse in the land. Its political power would be incalculable by reason of its opportunity for propaganda for any purpose the department might see fit to inaugurate.

The very history of the country would be at its mercy; principles of any kind of political economy could be ingrained in the minds of the new generation, and the whole Nation molded in the same universal form which one man would fashion. It is said that the provisions in the bill specifically preclude any infringement upon the liberties of the States. How imbecile an argument. How insulting to common intelligence. Anyone knows that any man of force with $100,000,000 at his command could have the whole school establishment of the United States eating out of his hands in less than a year if every word of the bill was a proclamation of State liberty and freedom. The power of the Secretary to interfere by mere suggestion; the opportunities for advancement or promotion at his command, if one was compliant; personal ambitions such as manifest themselves in all human life and such as were revealed so clearly in Germany under the same government system affecting the very highest of her distinguished professors in her universities—all would make a mere State superintendent of education with every subordinate compliant and submissive followers of whatever policy the august secretary of education, with his millions, might desire to establish. Millions more money here and more millions to come.

H. R. 4116. This is a bill also introduced by Mr. RAKER, of California, and is entitled:

A bill to make accessible to all the people the valuable scientific and other research work conducted by the United States through the establishment of a national school of correspondence.

This means another bureau, and still more money, more taxation, more nationalization, and more weakening of the fiber of the people by more paternalism. Why did not the distinguished Representative from California include a provision in his bill for a bureau of fashions with a special provision for Parisian styles in all adornment?

It may be said, it will be said, that these bills are not yet enacted into law. True. But six months ago the communistic maternity bill was not a law, but it is a law now. It passed both Houses of Congress by an overwhelming vote, and the President signed it. Why? Everyone knows why—the most cowardly kind of politics. The time will come and is not far

distant when the real power in this land, the millions of men and women who work and who know the hardships of living, who feel acutely the disheartening pinch of taxation, will rise up and repudiate those who now yield their vote to the pressure of socialistic propagandas which do not represent the real men and women who constitute the country's strength and grandeur, as well as its majority. [Applause.]

Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Delaware asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

The CHAIRMAN. The gentleman from South Carolina [Mr. BYRNES] is recognized.

Mr. BYRNES of South Carolina. Mr. Chairman, I yield 10 minutes to the gentleman from South Carolina [Mr. LOGAN].

The CHAIRMAN. The gentleman from South Carolina is recognized for 15 minutes.

Mr. LOGAN. Mr. Chairman, the main question we are concerned with in the pending bill is that provision by which the Secretary of the Navy is required to reduce the enlisted personnel to 67,000 men. The Secretary has advised the Congress that we should have a force of at least 90,000 men and 6,000 apprentice boys. In making this estimate he has acted upon the advice of the most expert, able, and efficient naval officers now in the service.

The Secretary tells us further that if only a Navy with 67,000 enlisted personnel is allowed, not only will we have a smaller Navy than that of Great Britain, but even than that of Japan.

VOTED FOR PEACE CONFERENCE.

I was one of those who voted for the resolution providing for the peace conference, because I could not deafen my ears to the anguishing cries of a world which had been tortured almost to death with war and desired, beyond all things, peace. I hoped that in some way—although I knew all experience of mankind was against it—a method might be evolved through the collective wisdom of the great statesmen who would assemble at the conference by which peace might be assured. But, alas, what were the concrete results of the conference? Simply an agreement that we should abolish our 1916 naval building program, which, if proceeded with, would have given us the greatest and most powerful Navy in the world, that we should scrap some of our finest battleships, upon which millions and millions of dollars of the taxpayers' money had already been expended, that we should be limited to a tonnage for aircraft carriers of 135,000 tons, and that for the immediate present we should be below Great Britain in the amount of naval tonnage we should keep, by something over 100,000 tons, and that eventually the ratio should be on a basis of 5-5-3—in other words, an equality with Great Britain and a superiority over Japan, and, of course, France and Italy, the other two powers parties to the naval treaty.

This is a far cry from disarmament, and in agreeing to a program which will prevent us from being the greatest naval power in the world a heavy responsibility was shouldered by those who have given us this treaty. But I submit that if we are to live under the treaty, then certainly we ought not to have a Navy smaller than that allowed by its terms. I do not think the American people will learn with calmness and equanimity that we are to be less powerful upon the sea than even Japan, and we are assured such will be the case if this bill passes without amendment.

PEOPLE WISH ADEQUATE NAVY.

I am fully aware, Mr. Chairman, of the demand of our people for a reduction in taxation, but I do not believe that the people desire their Navy to be reduced to a point where it will be utterly inadequate and insufficient to protect the business interests of the country and the honor of our flag. It is said by those in charge of this bill, and who have reported it favorably, that the Navy Department would not know what to do with the enlisted strength that is asked for, and yet I hold in my hand a tabulated statement furnished by the department, with which I presume every Member of Congress has been furnished, or could get if he desired, showing precisely and exactly and accurately just how the men asked for would be disposed of.

Take, for instance, what are known as capital ships or first-line battleships. The Secretary of the Navy tells us that if the personnel he asks for is allowed we shall have 18 battleships, all that we can keep under the treaty, fully manned; but if only 67,000 men are given, 12 ships, or 13 at most, can be provided for, and the remaining ships will hardly have upon them more than enough to act as caretakers. I do not believe the people of the United States are willing that this should be so.

NAVY YARDS WILL SUFFER.

We have thousands of the finest and most skilled workmen and mechanics employed at the various navy yards throughout the country. If the Navy is not to be kept up, of course, it is self-evident that there will be no work for the navy yards to do. These highly skilled and splendid workmen will have to find occupation elsewhere, and when the Navy does need their service, as it eventually will, it may take years to bring them back to the yards and reorganize them.

We know, of course, Mr. Chairman, that when the President of the United States called the conference he appointed the ablest naval officers in the country to consider questions affecting their branch of the Military Establishment. I think the President would have done the country a great service if he had dispensed with the officers of the Navy and requested the members of the Subcommittee on Appropriations who have reported this bill, and who claim to know the needs of the Navy Department better than it does itself, to serve in their stead.

Does anyone suppose that if Mr. Denby, the Secretary of the Navy, had not considered the situation a most serious and even desperate one he would have gone to the length of calling attention through the columns of the public press to what would be the effect on this country if the personnel provided for by this bill is all that is allowed?

SECRETARY OF NAVY INDICTED.

The gentleman from Michigan, Governor KELLEY, undoubtedly made a most able and powerful presentation of his side of this case to the committee; but as I listened to his argument I could not but regret that so much force, power, eloquence, and intelligence was being devoted to the ignoble purpose of destroying the Navy of his country. He has even gone to the length, Mr. Chairman, of practically indicting the Secretary of the Navy and the highest officers in the service. He has said, in effect, that when they asked for 29,000 more men than this bill calls for that they did not know what they were talking about; that it simply meant a useless expenditure of millions of dollars, and that the country could not afford it. I submit with all due deference to the honorable Representative from Michigan that the evidence he has submitted utterly fails to sustain his case, and that the sad fact remains that for the first time in its history the position of the United States at sea is inferior even to that of Japan, a country which little more than 70 years ago had practically no intercourse with the world, and whose ports were first opened to commerce through Commodore Perry. I say it is mortifying and humiliating to every true American citizen who loves his country to think of the effort now being deliberately made here to undermine and annihilate the strength of the American Navy.

POSITION OF FRANCE AT CONFERENCE.

Let me call your attention at this point to the position which France occupied at the conference. No one can deny the wonderful and remarkable achievements of the French people as a military nation. Under Napoleon they overran practically the whole of Europe. France's self-sacrifice and the wonderful courage of her people in the Great War are written in imperishable letters of gold upon the annals of time. And yet she occupied the humiliating position at the conference of waiting in the anteroom and having England, Japan, and the United States agree as to what naval force she should be allowed. I sincerely trust that if ever another conference is called the United States will not occupy the position of France.

IMPORTANCE OF SEA POWER.

But we are not considering a new question. The late Admiral Mahan, of the United States Navy, one of the greatest and ablest naval writers who ever lived, points out clearly that whenever in the history of France she had the opportunity to become a great power at sea her footsteps were always fatally directed to land armaments, with the result that she was inevitably consigned to a place inferior to that of England. Spain once possessed enormous colonies from which she drew vast riches, but lacking sea power she lost them all, and has been reduced to so low a station in the family of nations that she was not even invited to the conference. Holland at one time was the equal of Great Britain in sea power, but she, too, was gradually eliminated, until to-day her navy is not even taken into account, and was not considered by the conference.

On the other hand, England has grown to her present dominating position entirely through her sea power, and it has been generally stated that one of the main reasons for her taking part in the Washington meeting was because she foresaw that unless some radical steps were taken the United States was bound to outstrip her upon the oceans of the world.

AT THE PARTING OF THE WAYS.

It seems to me, Mr. Chairman, that we, too, now stand at the parting of the ways; and, alas, we seem bent upon taking the road which has proved so fatal to every nation that has followed it, by crippling the very force which would make us the leader among nations. As by the terms of the treaty we can not have the greatest Navy in the world, then at least let us do the best we can to keep the Navy given us by that treaty in the very highest state of perfection and efficiency.

Among the ships which Secretary Hughes proposed the Japanese should scrap was the greatest battleship in their fleet, and one of the greatest battleships in the world, the *Mutsu*, just completed. That ship had been built as a result of popular subscriptions from all classes of her people, and the Japanese statesmen resolutely declined to destroy it, claiming that their people absolutely would not submit. I am sure the American people have as much love and devotion for their Navy as have the people of Japan for theirs, and they will as resolutely oppose its reduction to a point where it will utterly fail to be that which it was intended to be, a complete safeguard to the Nation.

The gentleman from Michigan has severely censured the Secretary of the Navy as attempting to waste the money of the people, but again I say the evidence does not sustain the charges made.

Take, for instance, our torpedo boats. At the close of the war we had 283 of these vessels. They were the one branch of naval service in which we excelled the world. We have no light cruisers to speak of, and the destroyers had to take their place. These boats, manned by as gallant officers and men as ever set foot upon a deck, were the pride of our Navy; and yet the Secretary, recognizing the need for economy, without the slightest suggestion from this Congress, had determined of his own accord to lay up 157 destroyers. He asked to be allowed to keep 103 with full complements and 23 with 50 per cent complements, and yet you would deny even this.

It is galling to hear the Navy held up to ridicule as it has been in this debate, and I wish to call your attention to at least one instance of its splendid work during the war, so that you may not entirely forget, as some of you seem to wish to do, its heroic and splendid deeds. During the war it became necessary to mine the passage between England and Sweden. It was work of the most dangerous and hazardous character. Seventy-five thousand mines were laid down. It was the greatest mine field ever laid down in the history of the world, and of those mines, 57,000 were placed by ships of the American Navy. It was a magnificent feat and should never be forgotten as long as heroism and bravery are honored among men.

But I have noticed, I think, as word is being gotten to the country of what is sought to be perpetrated here, a disposition among some of those responsible for this legislation to seek to avoid their share of it; but I say you can not run with the hounds and with the hare. If there be any credit to you in giving us a Navy so much smaller than that provided for by the treaty, then you are entitled to it; but if you have committed, in the opinion of the country, a great and grievous wrong, then you must bear the blame. You can not be small Navy men and big Navy men both. You stick to your side of the line and we who believe that we are doing right and are making a desperate fight for the safety of our country and the honor of its flag will stay on our side.

SMALL NAVY DANGEROUS.

Oh, my colleagues, many of you whom I have grown to respect and honor and esteem, with whom I have come to be on terms of friendship during the months that I have been here, I urge and entreat you not to vote for this bill. It is full of harm and danger and disaster. It does not save money. It is an absolute waste of money, because if we do not have a Navy adequate to protect the country, then we almost might as well have no Navy at all.

It is said that after all, even if this is a smaller Navy than we are entitled to, it will be an example to the rest of the world and will point out to them the way to peace. I say that such a Navy as this bill seeks to provide for points out not the way to peace but the way to war. If we are ready and powerful, no nation will seek to attack us. If we are unprepared and weak, on account of our immense riches we become at once the object of the cupidity and greed of other nations.

SAFETY OF THE PEOPLE A SACRED TRUST.

For the time being the people of our beloved land have committed their well-being, their safety, and their protection to our keeping. It is a most sacred trust. If we are false to that trust, we shall deserve, as we shall receive, the deep and lasting condemnation of those we have betrayed. If we keep and hold that trust sacred, we shall be at least entitled to the thanks of those we have cared for.

It is said that this bill will meet with the approval of the great masses of the people. I absolutely deny it. I say the American people are devotedly attached to their Navy, are proud of it, and love it, and they will utterly repudiate those who seek to harm it.

Now, Mr. Chairman, I know that there are thousands of homes in this country where the very word "war" is hated as something odious, unclean, abhorrent, and dreadful—homes to which war has brought sadness and sorrow and the keenest suffering. There are wives who have been widowed, children who have been made orphans, mothers who have lost their sons, dearer to them than life itself. For all of these I have the greatest sympathy. I would that never again the earth would resound to the sound of soldiers marching to battle. I would that the seas would never again be reddened with the blood of those sacrificed in strife; and it is because I do honestly, earnestly, and sincerely desire peace for my country that I shall vote for such a Navy as I believe will bring about that peace and preserve forever the happiness, the prosperity, the honor, and the glory of our country. [Applause.]

Mr. BYRNES of South Carolina. I yield three minutes to the gentleman from Massachusetts [Mr. ROGERS].

Mr. ROGERS. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD by publishing a letter which I have received to-day from Secretary of State Charles Evans Hughes, late chairman of the International Conference on the Limitation of Armament, which letter sets forth his views as to the Navy which is requisite under the treaty obligations of the United States.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent to extend his remarks as indicated. Is there objection?

Mr. GARRETT of Tennessee. It seems to me that the letter might very well be read now.

Mr. ROGERS. I expected to read it on the floor of the House this afternoon, but owing to the jam for time it has not been practicable. I wish to have it in the RECORD, so that Members can read it to-morrow morning.

Mr. GARRETT of Tennessee. I have no objection.

Mr. TINKHAM. Mr. Chairman, I ask unanimous consent that the letter be read.

Mr. KELLEY of Michigan. Mr. Chairman, I will yield three minutes to the gentleman from Massachusetts in order that the letter may be read.

Mr. ROGERS. I want to be sure that the gentleman from South Carolina [Mr. BYRNES] will not regard this as inconsistent with the agreement I made with him.

Mr. BYRNES of South Carolina. I have no objection.

Mr. ROGERS. I send the letter to the desk to be read.

The Clerk read as follows:

MARCH 28, 1922.

The SECRETARY OF STATE,
Washington, D. C.

DEAR MR. SECRETARY: The Committee on Appropriations of the House of Representatives is to recommend in the forthcoming naval appropriation bill for the fiscal year 1923 a reduction from the present enlisted personnel of the United States Navy, some 96,000 enlisted men, to 65,000 enlisted men. I am advised by the Navy Department that this reduction will mean that not exceeding 12 capital ships can be kept in commission. The capital-ship complement allowed the United States by the naval armament limitation treaty of February 6 last is 18. I had supposed—and I think it was generally supposed—that when the United States agreed to reduce its capital-ship force to 18 it was making a very considerable sacrifice, which was nationally permissible only because the other world powers were also limiting themselves commensurately. Now, with the ink scarcely dry upon the treaty, it is proposed to reduce the 18 to 12.

I am writing you not primarily because you are Secretary of State but because you were chairman of the recent Limitation of Armament Conference and because you have necessarily given much study of late to the proper naval program of the United States.

To put the Appropriations Committee proposal in another way, it means that instead of the 5–5–3 ratio established in the naval treaty, we shall have with the new fiscal year a 2½–5–3 ratio, with the United States Navy representing the 2½. In other words, the treaty ratio of the United States capital ships is cut in two and she becomes thereby the third naval power of the world instead of one of the two powers preeminent in naval strength.

I venture to inquire your opinion as to the national and international wisdom of the Appropriations Committee proposal.

Respectfully yours,

_____.

DEPARTMENT OF STATE,
Washington, April 10, 1922.

Hon. JOHN JACOB ROGERS,
House of Representatives, Washington.

MY DEAR MR. ROGERS: I have received your letter requesting my opinion as to the proposed reduction from the present enlisted personnel of the United States Navy to 67,000 enlisted men. You state that you write to me because of my relation to the recent Conference on Limitation of Armament and to the negotiation of the naval treaty which fixes limitations for capital-ship tonnage with respect to the United States, Great Britain, and Japan in the ratio of 5–5–3.

Under this treaty the United States is allowed now to retain 18 capital ships. You say that you are advised by the Navy Department that the proposed reduction in personnel will mean that not exceeding

13 capital ships can be kept in commission. As to this I am not qualified to express an expert opinion, but I have questioned the naval experts with whom the American delegates consulted during the recent conference and whom we found both accurate and in sympathy with the principle of limitation by agreement, and I am advised that the proposed number of enlisted men is far below the number required to maintain our Navy upon the basis contemplated by the treaty. Accepting this statement of fact, the only question would seem to be whether our Navy should be reduced below the treaty standard by a provision of personnel inadequate to maintain it.

To this question I think there can be but one answer. I strongly believe that it would be most injurious to the interests of the United States not to maintain fully the standard of the treaty.

From whatever point of view it is considered the question of appropriate naval strength is a relative one. It was recognized in calling the recent conference that the only sound basis for effecting a reduction in naval armament was through an agreement among the naval powers which would fix suitable limitations for their respective navies in relation to each other. In the invitation to the conference it was said that there seemed to be no ground to expect the halting of the increasing outlays for naval armament "unless the powers most largely concerned find a satisfactory basis for an agreement to effect their limitation." Apparently this was the view of Congress when in the naval appropriation bill approved July 12, 1921, it expressed the opinion that there should be an understanding or agreement between the Governments of the United States, Great Britain, and Japan with respect to their building programs.

What was the purpose of the conference if it was deemed to be a wise policy to cut the Navy irrespective of an agreement with the other powers? The ratification of the conference treaties is important, but it is no less important that the policy which they defined should be adhered to. By agreement of the naval powers, construction programs were virtually abandoned and limitations were fixed. It would be truly extraordinary and a manifest reflection upon the work of the conference if the Navy of the United States were reduced below the standard thus established.

The American delegates were able to effect an agreement in this difficult and important matter because they asked for limitations in proportion to existing naval strength. A very large reduction was thus effected, while national security was left unimpaired. To alter that relation would be a very serious matter for the United States, both impairing its prestige and putting its security in jeopardy.

The American delegates deemed it to be essential that they should stand inflexibly for the ratio shown by existing strength, and thus they insisted upon a replacement schedule which would give equality with Great Britain and a ratio of 5–3 with Japan. This result was achieved. We should have taken a wholly indefensible position had we asked for less. But of what avail are this labor and success if the Navy is not kept up to an agreed standard?

I have been speaking of existing conditions, but what of the future? Upon what basis is the United States to enter future negotiations on the subject of naval armament? Are we to impair our existing relative strength and accept an inferior position? I should suppose that such a proposition would require only to be stated, and that no one would defend it. The United States, in calling the conference, which has had such gratifying results, has shown that reduction can be effected by agreement. We have reduced our Navy, but we have kept our place. Great sums have been saved through the agreed reductions, but to cut under the agreement itself would be likely to prove, I believe, an expensive experiment.

I trust that an adequate personnel will be supplied to maintain the 18 battleships which the United States is entitled to keep, together with the auxiliaries that would be appropriate to such a fleet. Of course, I fully accept the view that the Navy, on the reduced basis, should be highly efficient.

I am, my dear Mr. ROGERS,
Very sincerely yours,

CHARLES E. HUGHES.

Mr. BYRNES of South Carolina. Mr. Chairman, I yield three minutes to the gentleman from Tennessee [Mr. GARRETT].

Mr. GARRETT of Tennessee. Mr. Chairman, as to the size of the Navy there may be room for argument, but I am not prepared to subscribe to the doctrine laid down in the letter if I understand what it means. If I understand, it is the purpose of the Secretary of State to insist that the Congress of the United States is bound to keep the Navy up to the number fixed in that agreement. I do not believe that. I believe all that is binding on this country under the treaty is that we shall not go above the 5–5–3 ratio. [Applause.] We are not bound legally or morally to keep it at that point if in our discretion we deem it wise to go below that 5–5–3 ratio.

Mr. ROGERS. Will the gentleman yield?

Mr. GARRETT of Tennessee. I will.

Mr. ROGERS. Does the gentleman think it is wise to go below the 5–5–3 ratio?

Mr. GARRETT of Tennessee. I say that the size of the Navy may be a matter of argument, but that is not what I am talking about in the three minutes that I have. I want now, at the very threshold of that proposition, with the first official utterance, to challenge the doctrine laid down that the Congress of the United States is bound by this treaty for all time, or for 10 years, or for any time, to keep the Navy up to a certain point. I am willing to agree that we are bound not to go beyond a certain point, but certainly I am unwilling to agree that the discretionary power of the Congress has been taken away by a treaty that will prevent us making it less if we want to. [Applause.]

Mr. BYRNES of South Carolina. Mr. Chairman, I yield three minutes to the gentleman from Texas [Mr. CONNALLY].

Mr. CONNALLY of Texas. Mr. Chairman, I want to ask the gentleman from Massachusetts if that letter came as a surprise to him, or did he ask the Secretary to write it?

Mr. ROGERS. I wrote the Secretary of State a letter, as the Secretary indicates in his reply, and in order that both sides of the correspondence may be available for Members of the House, I will, if the gentleman will permit, ask unanimous consent to print my letter with that of the Secretary of State.

Mr. CONNALLY of Texas. I want to ask the gentleman if the Secretary of State gave out the letter to the papers before it reached the gentleman from Massachusetts?

Mr. ROGERS. I do not know that I can give the gentleman a stop-watch time on it, but I received the letter at noon, and, as I understand, it has appeared in the afternoon papers, although I have not seen it. But that does not seem to be particularly material.

Mr. CONNALLY of Texas. The gentleman does not mind saying whether he knew what the Secretary's reply would be before he received it?

Mr. ROGERS. I had no knowledge of what the Secretary of State would say until I got his letter at noon to-day.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent to print in the RECORD his own letter to the Secretary. Is there objection?

There was no objection.

Mr. BYRNES of South Carolina. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. TAGUE].

Mr. TAGUE. Mr. Chairman and gentlemen of the House, after listening to the letter that has been received from the Secretary of State, I fully agree that this Congress is not to be bound by any document that may be received here, but I want to say that I, for one, am not only willing to subscribe to the document so far as keeping the Navy up to the standard set by the treaty but I am in favor of going further and making the United States Navy the greatest navy in the world. [Applause.]

The chairman of the subcommittee of the Appropriations Committee in charge of the naval bill has made a delightful, balanced argument in favor of the bill as presented to the House for our consideration. I listened with great pleasure to the delivery of his remarks, and in the selfish hope of further enjoyment I have allowed myself the time to read his speech in the RECORD this morning. Of course, the gentleman from Michigan [Mr. KELLEY], owing to his experience as a Member of the House, is qualified to enlighten some of us regarding Navy matters, and from his attainment as a member of the legal profession is particularly gifted in the presentation of his thoughts so that they have the appearance of fact seemingly logical.

To my mind most of the trouble with this appropriation bill is the logicians, the lawyers, and the bankers are setting up their respective and combined opinion against the judgment and expertness of the professional, seafaring Navy men whose interest may be at times biased, but is primarily based upon cold, calm patriotism and an intimate careful study of the needs for national defense. We have an investment in the Navy men (an investment in these Navy men), an investment which started in their seventeenth or eighteenth year. We appropriated money for their education; we, the people of the country, had a hand in the character formation of these men; we have, since they graduated from the Naval Academy, vested them as custodians of our national honor in so far as seas, the highways between nations, are concerned, and at no time have they failed us. No; nor have they deceived us.

Our present situation is one in which we, representing the people, must abide by the traditions we have acquired from the past—a glorious past—for which the people of our country have an admiration greater than they accord Congress.

I agree with the Secretary of the Navy; this bill does not meet the needs of the country, is a challenge to the common people, and should be amended to meet the demands of the experts of the Navy.

Navies are not made up by adding machines, as was said on this floor yesterday by the gentleman from Michigan. We do not want an adding-machine Navy. We want a Navy of men trained to the needs of the service and enthusiastically alive to its traditions. Such men make the ideal custodians of the Nation's honor. Comparisons are odious. Ours is an American Navy, and we have no desire to compare it or its personnel with the English or the Japanese. Our men are of a better caliber, and proved that fact during the World War.

However, since the chairman of the subcommittee and the chairman of the committee itself have seen fit to insert figures of comparison in the report, I would like to take a little time to dissect these figures, from my viewpoint. The estimated appropriation for the British Navy for 1923, converted into dollars at current rates of exchange, is two hundred and thirty-four millions; under this bill the appropriation for the American Navy for the same period is $233,000,000. These figures on their face would suggest a parity of naval strength; but, the British appropriation will carry further because of the lower salaries paid to

British naval officers and the lower rate of wages paid to the enlisted personnel—the British pay scale is approximately one-third lower than the scale in the United States Navy. There is a lower cost of operation resulting from British control of fuel oil and other necessary supplies of a navy. Further, the cost of training naval recruits in the British Navy is lower than is the cost in the American Navy. You can not compare the navies of the world or their operation purely on a dollar sign, or adding-machine basis.

We should have presented to us the figures of the General Board of the Navy, approved by the Bureau of the Budget, before we accept those fixed by the subcommittee on appropriations in charge of this bill. Those figures were prepared by experts and bear firmly the needs of the Navy in accordance with the conference recently held in this city and upon which the treaties have been entered into. The American people have no desire that their Navy be relegated to the third class among the nations of the world. The American people will agree with the experts of our Navy that in order to man the ships allotted to the United States by the treaties of Washington it will require 96,000 men. That its navy yards' service is essential to the proper upkeep of this tonnage and that to quibble about an honest expenditure of money for their maintenance is in contradiction to honest business management, and destructive of the needs of an honest artisan associate of the uniformed force. [Applause.]

Mr. Chairman, while I have a very high regard for the gentlemen of this House who have made a close study of this bill, and who have, to their minds, reported a bill of sufficient money and sufficient personnel to carry out their thoughts, I am willing to take for my information the views of these men who have been trained in the service of the United States Navy for just the purpose that is before us at this time. There can be no question as to the honesty of the men who make up the officer personnel of the United States Navy. Their work has stood out like a beacon light in the past and especially throughout the World War, and their service has been one which has been an inspiration not only to the American people but to the people across the seas. They have given us a Navy that has been a credit to us, and when to-day the question comes as to the reorganization of the Navy of the United States, we should hesitate before we lay aside their views and take the views of civilians whose training has been acquired in this House.

Therefore, Mr. Chairman, I am going to vote for as large a Navy as it will be possible for me to vote for. If it is possible to have a Navy with a personnel of 96,000, I am going to vote for it. If I can not get the 96,000, then I shall vote for 86,000, but I shall never cast my vote for a Navy of 67,000, which, as has been said on the floor of this House, by naval experts, by the Secretary of the Navy, by the Secretary of State, by the Assistant Secretary of State, is inadequate to meet our demands.

Mr. BYRNES of South Carolina. Mr. Chairman, I yield 15 minutes to the gentleman from Louisiana [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Chairman and gentlemen of the committee, a nation may perish as a result of a successful external aggression and attack directed against it, or may pass into the cemetery of dead and gone Empires, States, Kingdoms, and Republics as a consequence of internal revolt and explosion, or may fall into a sleep of oblivion before total annihilation ensues as a result of a process of decay which is quick or rapid in its destruction, in accordance with the spirit and temper of the people that it seeps and undermines. It is the duty of each and every generation in the life of a country to be constantly on its guard against attacks from without and within, as well as from the corroding and deteriorating strokes of time. It is the duty of every generation to preserve, maintain, and add to the inheritance it has received and leave as rich a legacy as possible to its heirs and successors. This obligation must be executed even if war follows its execution.

External attack may come to the United States either from a European power or from an Asiatic source. The Atlantic Ocean lies between Europe and ourselves; the Pacific Ocean rolls between our country and Asia. A Navy is therefore our first line of defense in either case, if we would repel or beat and destroy any European or Asiatic invasion. It therefore becomes pertinent to inquire what class of a Navy does America want before passing to a discussion of internal decay and national death, which I hope to take up on another day.

What think you is the sort of a Navy the people of the United States desire? Do they want a first class, a second class, or a third class Navy? Do they want a Navy that will inspire respect or a Navy that will invite attack? Do they want a Navy that will boldly, dauntlessly, and bravely sail the seas, a symbol of the valor and the invincible courage of our people, or a Navy that will slowly, respectfully, cravenly, cautiously sail out of the sight of the superior navies of the great nations of the world? What is Congress going to do about our Naval Establishment and our position on the seven seas not only as a protection to American commerce but as the sign or emblem of the courage and power of this country to maintain itself as a Republic and as an answer to any challenge that may be in the brooding minds of peoples that look upon our greatness and our glory, our wealth and grandeur with baleful, malevolent, envious, and dangerous eyes? What is the intention of Congress in regard to the size and fighting strength of the United States Navy? It is well that the people of this country should know. The Senate has advised ratification of the treaty which fixes the ratio of the three principal fleets at 5–5–3. Great Britain and Japan are going forward with the maintenance of their fleets at the ratio agreed upon. They are aiming at increasing the efficiency of their personnel so as to make their fleets much more effective as fighting forces than the ratio figure would indicate. They will have smaller but better fleets. The Senate, by consenting to ratification, apparently adopts the view already adopted by the President in making the treaty, namely, that the United States fleet should also be smaller but better, and should be kept up to ratio figure. This ratio agreed upon by the powers provides for a fleet which may in each case be described as a 100 per cent Navy. If the treaty Navy is a 100 per cent fleet, what is the House intending to do? What kind of fleet does it wish to provide? The minimum personnel for an efficient fleet on the treaty basis is 120,000. Secretary Denby's drastic cut down to 90,000 men is all that the Navy can stand with safety, if the national interest is to be protected. He made this cut in order to cooperate in the plan of the administration and Congress to reach the utmost limit of economy in public expenditures. But President Harding, to make the record for economy doubly sure, cut the Navy personnel estimate to 80,000.

The Naval Affairs Committee accepts this view and reports a bill fixing the maximum enlisted strength at 80,000, exclusive of 6,000 apprentices. Thus the Secretary, the President, and the committee cut far below the 100 per cent mark and would provide a personnel capable of making a fleet say, 75 per cent as efficient as the Navy contemplated by the treaty and approved by the Senate and the President. Now, the House subcommittee on appropriations proposes to go the President and the Naval Committee one better in their cut of Secretary Denby's estimate and make a cut still further down to 67,000 against the advice and warning of the executive department which acts on accurate information in both technical and international matters. Obviously the desire for economy has obscured somewhat the factors of national defense and security in the minds of the legislators who compose and make up the subcommittee on appropriations; those on the Committee on Naval Affairs apparently in a lesser degree and that of the President whom they have followed and even that of the Secretary of the Navy, who has reluctantly receded from an attitude which he knows to be sound and unassailable. However well informed committeemen may be, they are not experts in naval questions and can hardly pretend to possess information equal to that possessed by the President in international subjects. Through the State Department and through other channels he is kept informed on the relationship of the nations. The relationship of nations which has so much influence upon the composition of fleets are a sealed book to the members of the subcommittee and the Committee on Appropriations of the House, as well as to the Committee on Naval Affairs.

What is the object of the Government in maintaining a Navy? Either this object should be attained or the Navy should be abolished. By fixing the personnel at 67,000, the Appropriation Committee acknowledge that there must be a Navy of some sort, and thus they admit that there is some object to be attained. Then why not attain it? The curtailment of the Navy below a certain point of efficiency is equivalent to abolishing it, so far as the defense of the Nation is concerned, yet the House committee allows a large sum for 67,000 men. This is an utterly needless waste of public funds, if the object of the House is to do away with naval defense. The appropriation for 67,000 men is a violation of the program for economy, for these men can not do the work cut out for them.

The first object in maintaining a Navy is economy in the truest sense—the avoidance of waste of blood and treasure. If the United States is not fairly well prepared the next war will be so costly that all the savings now contemplated in naval personnel will shrink into nothingness. Even if defeat is averted, and an indemnity to the victor avoided, the United States will have paid for an efficient Navy many times over. Another object in maintaining a Navy is to keep the United

States from becoming a theater of war. The British fleet kept the people of England from the horrors of invasion and devastation, and the German fleet served the same purpose for Germany.

These objects call for the expenditure of money. Congress can not avoid reasonable expenditure for a Navy if it intends to make the national defense secure. The people do not object to paying for their protection. There is no public demand for the scrapping of the Navy. Why or why not? Let us see. Perhaps we may secure some light from recent happenings. Let us turn on all the light possible so that we may see the way. Was the recent conference a disarmament or a limitation on armament conference? Of course, it was for the limitation of armament and other purposes the memorable conference was called.

The stated purpose was to arrive at such a common understanding with respect to principles and policies in the Far East as to permit of a general limitation of armament by common agreement. It was a call upon nations concerned to do that finer, nobler thing which no nation can do alone—to make such sacrifices and to come to such rearrangements as would reduce the likelihood of war in the Far East and thus enable the principal powers to limit their armaments without undue danger to themselves or to those dependent upon them for security.

The general objective of the United States—which was the objective of the conference as a whole—was to improve policies and consequent conditions in the Far East so as to reduce a specific expectancy of war in the Pacific and thus permit of a general limitation of armaments.

It may be said now that the naval limitations agreement does not limit the extent to which future competition may be carried in building submarines, destroyers, cruisers, or any other type of combatant naval vessel in any number, except capital ships and airplane carriers. It virtually does not reduce the present effective force of capital ships in themselves, but merely provides against their further expansion; and it makes specific provisions for expansion of the present airplane carrier forces. As the present effective force of capital fleets in themselves is not virtually reduced, as the expansion of only capital ships and of airplane carriers are limited, and as the expansion in volume of cruiser, destroyer, submarine, or any other naval force is unlimited, it is difficult to see why some have acclaimed this agreement as a tremendous reduction of naval forces. It is merely a limitation upon the future expansion of capital forces. And this mere limitation of capital forces—counting airplane carriers as such—was obtained by the United States in consideration of yielding the right to fortify the Philippine Islands and the island of Guam, which, in the judgment of American students of naval warfare, absolutely transfers the domain of the Asiatic Pacific to Japan, for without a base of operation other than Hawaii it is utterly impossible for the United States to even contemplate an engagement beyond the radius of capital-ship activities, which, under present conditions and battleship power, does not, can not, exceed 2,000 miles. It is utterly impossible for Great Britain, operating from Singapore, to contest the supremacy that has been bestowed upon Japan as a result of the treaties springing from the Washington conference. The best-informed naval thought of this country is that Japan can now laugh at any effort that might have been made one time, but which can have no effect in the future, even though Great Britain and the United States were to take combined action in order to preserve the open-door policy in China or any other policy that might become a vital interest in Asia to the English-speaking world.

And it may not be amiss to say right here it should be realized that if the present personnel of the American Navy were to be assigned only to the ships built and to be retained under the limitation plan, and to their auxiliaries, the fleet could not be 80 per cent manned. This and other economies now make for the fact that the actual ratio between American, British, and Japanese fleets is not 5–5–3 but between 4–5–3 and 3–5–3. The truth of this will be appreciated by those who know the relative training in these three navies, and who realize that ships do not fight each other but that it takes trained men to fight ships.

The ships now in commission are short of officers and men, but in spite of this there are a number of gentlemen in Congress who propose to still further reduce the effectiveness of the fleet by heavy reductions in the personnel.

The country should be aroused to the danger of this, for with it accomplished our Navy would fall well below the ratio of relative strength outlined in the provisions of the Limitation of Armaments Conference. Are we to hand over the sea power of the Pacific to another nation?

In comparing the personnel strength of the various navies, too frequently the error is made of examining the forces concerned on purely a numerical basis. The character and experience of the personnel should be studied before a true estimate of relative strength can be attained.

In this connection investigation will show that the Navy of the United States is largely manned by young men in their first enlistment. In fact on June 30, 1921, there were approximately 98,000 men who were serving in the Navy with no previous service, and with less than four years' experience. When it is understood that on the same date the total strength of the Navy was about 119,000, it is readily seen that a high percentage of new men were in the process of being trained for naval service.

On the same date there were approximately 8,000 men in the Navy with 4 and less than 8 years' service and about 5,000 with 8 and less than 12 years.

Examining the strength of the British Navy for July, 1921, it is seen that out of a total strength of about 103,656 men about 68,000 were serving in a continuous-service period of 12 years and 21,000 were in the 10-year enlistment period following the first 12-year enlistment. But 8,000 were in the short-service period of five years.

The Japanese Navy is organized very much on the same lines as the British. Both these services have reserves of seasoned officers and men in their merchant marine.

The United States Navy, with its short periods of enlistment and heavy yearly turnover in recruits and discharges, is at a disadvantage in its effort to maintain the same relative plane of efficiency and war readiness.

During the fiscal year ending June 30, 1921, there were about 54,000 first enlistments and 16,000 reenlistments, while the discharges amounted to about 57,000 and the desertions to about 10,000.

It is clear from the above that in order for the United States to hold its fleets on the same relative numerical strength as, say, that of Great Britain, setting aside the question of the degree of experience, our Navy should maintain a personnel approximately 15 per cent greater in order to allow for the boys in training barracks and schools of instruction ashore.

This also brings home the fact that, due to the high percentage of new men constantly in our service, the need of experienced officers to train and supervise ship operations is of necessity higher in our Navy than in the other two services that have been under consideration, where the men are more seasoned and of longer sea experience.

Instead of this being the case it will be found upon investigation that but about 600 out of the total officer line strength of our Navy on January 1, 1922, can, from length of service, be considered experienced officers, and that the ratios of officers to men in the British and Japanese Navies is higher than in our own.

With these facts and statements of the leading authorities on naval matters in our country constantly in mind, I ask are we prepared to denude ourselves and by reducing our Navy leave ourselves naked to the world and at the mercy of the powerful and strong?

The so-called Hughes plan for the limitation of armaments provides, in the case of the United States, for the scrapping of ships not yet completed on which no officers and men are now serving. It also includes the junking of many of the older battleships which are now tied up, out of commission, with no officers and men on board. In a similar manner and to a less extent it applies to the other navies concerned.

It must be understood, therefore, that it does not actually reduce the numbers or strength of the ships of the active fleets now in commission belonging to the several nations party to the proposed agreement. New construction is to be stopped, and thereby money will be saved in the future. Old ships, out of commission, are to be sold, and thereby a present saving is to be accomplished.

It is becoming clear that the foreign navies limited in new construction intend to maintain their present active fleets at the highest possible point of efficiency with adequate and contented personnel. The Russo-Japanese war, as well as the recent World War, brought home one lesson very clearly, namely, that ships inadequately manned by poorly trained men are but a wasted effort. To-day, as in former years, it is the quality of the personnel and not the ships themselves that decide victory or defeat for a nation.

The danger faces the United States that its people, misunderstanding the results of the Limitation of Armament Conference, will lend themselves to the dismantling and crippling of their

present active fleet which the agreements of the conference authorize them to retain.

It must also be borne in mind that it takes time to commission a ship and get her up to the point of operating efficiency where she can take her place with success in the battle line. To mold and train the fleet into war harmony and teamwork takes long training and experience. To dissipate the efforts of the last few years in fleet development and war readiness is a matter of very serious moment to the country. It involves such a throwing away of costly effort in the training of officers and men and in material preparation that a pause should be made to consider the consequences and the price to be paid before it is permitted.

There appears to be a tendency in Congress not only to accept what the Limitation of Armaments Conference proposed, but to go much further and reduce the personnel that is required to properly man the ships which the conference plan authorizes the United States to retain. If this should be done it would mean that instead of a naval ratio of 5-5-3 being maintained between the United States, Great Britain, and Japan the United States, by its own act, would lower its position in that ratio by cutting the strength of its present naval personnel, a personnel which already is not sufficient to man fully the fleet permitted to the United States under the provisions of the conference.

These facts should be brought home to the country, for with them go sea power and the initiative in guiding world affairs. Unless a nation is strong and ready, her good intentions and ideals for the betterment of the world are of but small avail. With these facts are also bound up the questions of preparedness and national insurance against war. And what is there in world affairs that should make us feel that there is ample security in what should be, and I know is, intolerable to every American, a second or third class naval position? What is there in the brooding, sullen attitude of Europe and Asia to make us take, assume any other position than a nation on guard with watchmen on the towers night and day?

A second or third position means destruction or tribute or both. The American people do not desire to abandon their Navy because they do not want to pay tribute to anyone. They have not yet given up or grown tired of their old slogan, "Millions for defense but not one cent for tribute." They have not yet given up the idea that their children and their children's children shall be free men, and that this Republic must go on for ages as the land of the free and the home of the brave. They are not willing to be carried away to such an extent by pious utterances, high-sounding sentimentalities, and cries for rigid economy as to make them forget that "eternal vigilance is the price of liberty," and that parsimony and stinginess in appropriations for national defense are the roads over which nations have trod to a craven surrender and vassalage. There is no desire upon the part of the rich or the poor of this land to avoid a governmental expenditure that will insure a proper reverence for the flag of our country in every quarter and spot on this globe. Both the rich and the poor are for an efficient 100 per cent Navy under the terms of the 5-5-3 pact. The United States must always have a Navy that can meet any threat from any quarter whatsoever and can answer and express the attitude of a freedom-loving, liberty-worshiping people who will fight and die for their country and its ideals in such brave words as these:

> Threaten away, for I, too, am proud
> In like manner. Rule me if thou canst!
> Get by the hand the mastery—rule me then!

But not until we are beaten to the earth, and God grant that day may never come, shall we acknowledge the mastery of anyone. We all join in the expression that we are a brave people and will fight to maintain our liberties and freedom. We should all join in providing the machinery, the equipment necessary for the defense of our land and its institutions by our heroic youth if on some tremendous day the invader attempts to place his heel on our shore. The American people do not bluster but wish to point with pride to a Naval Establishment, a first line of defense, that can meet any enemy who looks upon our vast possessions and illimitable wealth with greedy and rapacious eyes. It is Virgil that says, "Wolves wax keener at the bleat of lambs." The American people are not lambs, and they do not and will never bleat. They are not wholly given over to the highly sentimental idea that by pious and uplift declarations they can prevent powerful marauders, whose rise may be as sudden as that of Japan, from hoping to trample us under foot after sacking our cities and ravishing our homes. It was Blucher who said when he was asked what he thought of London during a visit which he paid to that wonderful city, "What a magnificent city to loot; what plunder in its palaces; what booty in its temples and homes." The American people are fully aware of the fact taught by all the tragedies of the past that a highly enlightened and cultured society and civilization should ever be upon its guard from "the lesser breeds without the law," and in direct proportion to the heights it has attained in civilization must it rely upon power and force to maintain itself against assaults from those that would tear it from its position and fling it into the abyss of dead and gone nations which in the heyday of their glory forgot the primal law, "the powerful survive, the strengthless weak decay." The idea that enlightened nations should set an example to those that are less enlightened by disarming to the vanishing point is not advocated by anyone who knows the facts of history and who can see at a glance the utter fallacy, the total lack of logic that lies in such theory or assertion. To carry out such an idea would mean the destruction of the different social grades of civilization in the order of their culture, refinement, wealth, and power, and in quick time the last and least enlightened would be first. The less sentimental and less cultured nation not having reached the point where it laid the foolish notion to its soul that victory, place, and power are won by enlightenment alone, and still depending and relying upon force in the way of naval establishments would soon tear down and hurl from its summit the silly culture that forgot that strength and power are the foundation upon which every civilization must rear and maintain its superstructure of learning and lore.

Each and every naval expert who appeared before the House Committee on Naval Affairs spoke earnestly of his hope that this world might not be cursed again by any conflagration of war, and each and every one declared that as long as human nature is beset by the passions that make for greed, rapacity, envy, jealousy, glory, and the all-powerful desire to rule, commercially, financially, industrially, and otherwise, will it be necessary for the nations to remain on the alert and to see that sentinels are on guard night and day in the towers and turrets of a land that wishes to remain free. Each and every expert uttered a fervent prayer that the world might not again be cursed by such a war as that which drenched Europe in blood, but none of them thought that the millennium is at hand. On the contrary, each one declared it would be safe, prudent, and patriotic to maintain a naval establishment, so that its captains might be able on a moment's notice to answer the call from the country, "We are ready; we are here." Denby, Roosevelt, Coontz, and their associates and aides desire a Navy that will enable us to meet every requirement of the 5-5-3 pact and yet can fearlessly and proudly sail the seas knowing that it is 100 per cent efficient, valiant, and true. Does anyone believe in this Congress or in this country that England—or Great Britain, if that be preferable—will not be 100 per cent in every respect? Does it not follow as night does the day that if we do not keep 100 per cent numerically and efficiently under the terms of the treaty we will have voluntarily made of ourselves an inferior in naval strength? Can not anyone see that if we ever fall to an inferior position and fate ordains we shall meet any one of the great world powers on the sea that we would have to pay in tears, in blood and agony, in disaster and heartbreaking humiliation for a folly for which our children might curse us from the depths of their hearts?

Mr. Chairman, I will not argue the point with any one of the many who say, "Well, suppose we are defeated on sea; can't we hold our own on land?" The reasons for such a position are obvious, and any attempt at an elaboration would prove to be, I know, a work of supererogation.

Does anyone believe that Japan will not keep 100 per cent under the terms and conditions of the pact? If there be such a one, let me endeavor to settle his mind on that subject by solving the doubt with the reading of the following cablegram which appeared in the Washington Star under date of April 2:

SEES UNITED STATES GROANING UNDER NAVY COSTS—JAPANESE PAPER CALLS RATIFYING OF LIMITATION TREATY "ELOQUENT TESTIMONY."

(By the Associated Press.)

TOKYO, April 1.—The unopposed ratification of the naval limitation treaty by the American Senate is "eloquent testimony to the advantage the treaty affords America," declares the Yorozu Choho to-day in commenting on the Senate's action.

Furthermore, the newspaper declares, it is evidence of the fact that America is groaning under the burden of excessive naval expenditure and is intent upon cutting down her armaments to the utmost limit.

WONDER ABOUT SECRET PACT.

"Some Congressmen," it continues, "propose reduction even below the agreed ratio. A similar situation obtains in Great Britain. We do not know whether this indorses the allegation of a secret understanding between Great Britain and America, but, in any event, Japan must not neglect the maintenance of an efficient navy.

"The shifting state of affairs in western countries forbids us to presume that the condition at the moment will last."

Every page of history shows that nations should ever be on the alert for every danger, and that the aphorism, "Beware of

the seeming friend of to-day, for he may be the enemy of to-morrow," should be constantly in the mind of statesmen, who are the trustees for the honor, greatness, and glory of their country. I know, Mr. Chairman, that there are millions of patriotic people in this country, 100 per cent Americans, who believe that there will never be any quarrel between the United States and Great Britain sufficiently grave or irritating as to make for war. They urge with what would appear to be plausibility if it were not that the stern facts of history refute their whole argument that we are members of practically the same family, speaking the same tongue, with the same literature, customs, mental processes, and so forth, and that the chains of commerce and industry are made up in large part by alternating American and British links—sincerity, of course. But when did sincerity restore to life the thousands that have been slaughtered as a result of its errors and blunders? It sometimes takes on a vision which becomes so strained in its search for the Utopia of peace as to destroy itself and the object of its search, the imaginary and intangible thing which is susceptible to the remote possibility of being embodied as a beautiful dream can become only when viewed with the eye of reason. What is there in our relations with Great Britain to justify the sweet hope of those who believe that the dream of Britain is to lie down in amity, love, and affection with the United States of America in anticipation of the millennium and not as the lion with the lamb in the fable, as many thoughtful Americans suspect?

Have Americans forgotten the historic and blistering indictment of English tyranny, oppression, rapacity, atrocities, inhumanity, and savagery, returned by Continental Congress on July 4, 1776, in the immortal Declaration of Independence? Has America forgotten the War of 1812 and the destruction and burning of this very Capitol? Does not everyone know that she was willing to break up and divide this Union during the Civil War, not because she loved the South but because she hated the Union and feared its unified power and force? Was the Venezuelan incident an evidence of her affection for us? Are her recent attempts to accentuate her power and menace the Panama Canal by attempts to control oil fields in Mexico, Colombia, and Haiti an evidence of her love for us, a love which passeth the understanding of Americans familiar with the history of their country? What pages in the history of the world do our visionary friends rely upon to prove that this mighty Kingdom, which has grown into the central figure around which is clustered an Empire on whose vast possessions the sun never sets, has changed its grim and brutal policies and the attitude of the mailed fist? Is it in the crucifixion of India, the degradation of Ireland, the trampling upon South Africa? When did a common language, the same custom, and historic aspects prevent people from clashing when national or aggregate interests required an attitude which precipitated a conflict? Was it in the War of Secession when brother was against brother, and the land was drenched in fraternal blood, undergoing a Golgotha of suffering and agony that lasted long, long beyond the terrible days of the years from 1861 to 1865? Did a common language and the same literature and neighborly proximity prevent England from trampling upon Ireland, generation after generation, since Strongbow first landed on the Irish coast? Did they prevent England from putting the Indian and Hessian upon the American Colonies while struggling for independence—for freedom, for liberty? And since when did we become so certain that Japan has her army and navy merely for show purposes? Since when did we become convinced that she is looking across the Pacific with eyes of affection and love instead of with brooding gaze waiting, waiting for the day to strike? Is not this the same country that put down within recent times two of the most ancient civilizations then on earth—China and Russia? Is not this the country that staggered humanity with its slaughter of the helpless Chinese so as to terrorize them for years to come? Is not this the country that struck with torpedo the Russian fleet without warning or a declaration of war at Vladivostok?

And as a last question, Did we ourselves grow by uplifted eye and soft, soothing, snug expressions of brotherly love, or did we move across the continent from ocean to ocean, as we delight to phrase it, as a result of power?

Mr. Chairman, I do not speak acrimoniously, vindictively, or malevolently of England or Japan in following and yielding to the law of growth, nor do I speak depreciatingly of our own wonderful expansion as a result of force—courage braving its way, overcoming perils, and beating down difficulties. I recognize that England and Japan have grown rich, great, powerful, and strong in accordance with the inexorable law which rules all things:

They shall take who have the power;
They shall keep who can.

I challenge and deny the wisdom of their Governments, but I can not ignore the law of their rise and growth and expansion. Knowing that their remarkable rise, their wonderful ascent, has been through force, and that "kingdoms by blood gained must be by blood maintained," they propose to keep strong and efficient and maintain at least what they claim is theirs to-day. Woe to the nation that does not heed that law; woe, woe to the people that depend upon the soothsayers. For such a people night is at hand, when glory's thrill is o'er, and hearts that once beat high for praise will feel that thrill no more.

There is no use attempting to ignore the facts of human existence without being willing and ready to pay for such blindness. Wars are not over, even though we fought the last war to end wars; at least some emotionals said so and many hysterical and credulous men and women believed it. My tears will mingle with the tears of those who weep for the young men who died like dogs in the mud, and who will never again, in this world, gladden the eyes of the parents that mourn their loss.

I am not a swashbuckler. I want to see my country at peace with all the world, and I would curse with my dying breath the enemy that assails my native land and drenched it in blood. I would gladly, joyfully aid and assist in ringing out the old, old curse of all the ages—wars with their cruelties, their rivers of blood, their tears and lamentations, their sad-eyed orphans, and bent and broken mothers who groan beneath the weight of their anguish. But it is not as clear as when the sun is shining at its zenith to a man who is not blind that a country as rich and as opulent as the United States is invites war, precipitates war, seeks attack and untold slaughter by assuming a weak and defenseless position, for such is the position that necessarily results from a weak naval establishment, which is worse than having no navy at all. For while it is true that without a Navy we would be subject to the unspeakable degradation of paying tribute, we would at least escape the slaughter of a vain resistance which would be a prelude to the destruction of our country after the looting and the sacking and the raping of our great cities.

Mr. Chairman, I am not even remotely a man of blood and iron seeking to conquer other worlds. I join with my countrymen and countrywomen who nightly send up their prayers to our Creator to spare the world the agony and the torture of strife and cruel, cruel war. But I would be defeating that very purpose if I did not pray my country to ever be on guard and always, night and day, mindful of what history teaches from its very dawn until the present hour. As pointed out by a celebrated historian, for a period beginning fifteen hundred years before Christ until the present hour there have been but 240 years of peace, and those years were apparently spent in preparing for the wars that followed them. Historians do not go back or need not go back into the shades of antiquity further than fifteen hundred years before the coming of the Nazarene, for it is plain and clear to the mind that can draw a reasonable inference from facts that it must have been one long, terrible night of strife and war where generation after generation sank beneath the red waves of a sea of slaughter. One continuous warfare of the powerful who felt that they were strong enough to assail the weak and relatively defenseless. No, Mr. Chairman, I am not a swashbuckler in standing for a strong Navy. From my viewpoint a strong Navy will make for peace.

I hope that this Congress will follow, if not the advice of Secretary Denby, then the suggestion of the President of the United States, and amend the bill under consideration so as to make for a personnel of 80,000, exclusive of the 6,000 apprentices. If we do not, and the bill passes in its present shape, I believe that a large number of patriotic men and women will feel that the American Navy has met its first defeat in the House of Representatives of the Congress of the United States. And should ever disaster befall us as a result of a small and inefficient Navy—and God grant that no such disaster or calamity shall ever even darken an hour in the life of this Republic—remember my friends that it will be no consolation to indulge in the gloomy and melancholy reflection that it was no foeman's hand that felled us, that it was our own that struck the blow. My hope, my prayer is that we shall always be on the alert, always vigilant to maintain our rights and prestige and power so that we may hand down to posterity the richest legacy ever left by a generation to its successors since this old earth first began to turn and revolve on its axis.

"Millions for defense, but not one cent for tribute." Better, far better, my countrymen, to drain our mints of money and our mines of their gold than on some terrible, some tremendous day to be laid low and prostrated after having our Navy sent to the bottom of the sea as a result of weakness by some terrible, strong, powerful superior foe in point of the number of men, fighting our brave lads from a more advantageous posi-

tion and with a better equipment with which to discharge the supreme duty of life by fighting and dying for one's native land. Better, far better, to pauperize ourselves than to leave to our children a defeated country; children whose hearts would ache, whose eyes would always be brimming over with tears at the pathetic and tragic thought that it was their ancestors who had dealt to them the terrible blow of humiliation and disaster. Their position indeed would be that of—

> The struck eagle stretched upon the plain,
> No more through rolling clouds to soar again,
> View'd his own feather on the fatal dart,
> And wing'd the shaft that quivered in his heart;
> Keen were his pangs, but keener far to feel
> He nursed the pinion which impell'd the steel;
> While the same plumage that had warm'd his nest
> Drank the last life drop of his bleeding breast.

Mr. OLIVER. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

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

Mr. O'CONNOR. Mr. Chairman, I make the same request.

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

Mr. KELLEY of Michigan. Mr. Chairman, I ask unanimous consent that the gentleman from Illinois [Mr. BRITTEN] may have the privilege of revising and extending his remarks.

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

Mr. TAGUE. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

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

Mr. BYRNES of South Carolina. Mr. Chairman, I ask unanimous consent that the gentleman from Colorado [Mr. TAYLOR] may have permission to extend his remarks.

The CHAIRMAN. The gentleman from South Carolina asks unanimous consent that the gentleman from Colorado [Mr. TAYLOR] may have permission to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. BYRNES of South Carolina. Mr. Chairman, I yield to the gentleman from Georgia [Mr. LANKFORD] such time as he may desire.

Mr. LANKFORD. Mr. Chairman and gentlemen of the committee, I am anxious to help the millions of farmers of the Nation. I know that the farmers of my district in Georgia do not get one-third what they should receive for the products of their farms. They and their wives and children work hard day in and day out and on into the night, and yet they do not get one-third of what they should receive for their labor. They produce an abundance and would produce much more if there was only a reasonably good market for their products. It takes more courage than most of us have to toil when that toil is in vain and when the products of our labor must rot and be lost while a world starves for the very products that rot and are lost to the producer and the rest of the world. While the people of Washington and other large cities are suffering for the vegetables, watermelons, and cantaloupes which my people produce so abundantly, the people of my district are letting these very things rot because they can not get any sort of a fair price for them. My people ought to get twice to three times as much for their products as they do get and should be able to sell easily and profitably all they can produce. Something is wrong somewhere. The watermelons, cantaloupes, and vegetables that get here from Georgia are stale when offered to the consumer and are sold for twice what they should sell for. Something is wrong somewhere. The producer gets too little for his products. The consumer pays too much and gets a stale product. Somebody somewhere gets too much, and entirely too much time is lost getting the product from the producer to the consumer. Our marketing system is wrong.

Oh, if we could only cut out the middleman and sell directly from the producer to the consumer. The producer would get much more for his product. The consumer would buy much more cheaply and there would be less delay and the product would be fresh and wholesome. There would be a greater demand for the article, for it would be so much better for table use. I gave special attention to marketing of watermelons last spring and summer. I spend practically all my spare time going from one retail man to another and from one wholesale concern to another, studying the situation and trying to help sell some watermelons as nearly as possible directly from the producer to the consumer. I finally made arrangements to sell about three carloads of melons each week directly from the producer to a big retail concern here. Of course, I was not seeking any pay for my work other than the pay of being able to help my people get a fair price for their melons. I was happy as I had the first carload shipped. I hoped to be able to find a market in this way in the large cities of the country for all the melons my people could grow. What happened? The car of melons was on the road nearly 10 days and reached here in bad condition. They were beginning to shrivel and rot. The buyer refused to accept them. There I was with an exorbitant freight bill on a car of rapidly decaying melons and no buyer in sight. I finally sold the melons for enough to pay the freight and to pay the owner about what he would have received elsewhere. I was disappointed. I wanted to help the producer get a good price for his melons. I wanted the people here to get some Georgia melons good and fresh like we eat them in Georgia. I was disappointed, but I was not disheartened. I was not able to make another arrangement last season for the sale of melons directly from producer to retail men here. I am not at all satisfied with the situation. I know the matter can be solved some way.

I am convinced that the watermelon marketing system can be greatly improved, and that what can be done with watermelons can be done with cantaloupes and many other vegetables and foodstuffs. Let us talk about watermelons a little more. From actual experience I find freights are too high. This should be remedied. Entirely too much time is taken up hauling a car of melons from south Georgia to Washington or other points. A car of melons ought to come here in 24 hours instead of taking a week or more. Melons are tied up en route on sidetracks and in hands of middlemen for days after they ought to have been used by the consumers.

People here get the idea that a Georgia watermelon is not good. They do not know what a fresh, ripe Georgia watermelon is. I am so sorry that the ones offered for sale here have been hauled and rolled about until they do not look like a Georgia watermelon at all. I see many here with labels showing they were grown in my district, and yet they are shriveled and beginning to rot. I bought a few of them and found they were not fresh and juicy as they once were. The only really good melon I got last year was sent me as a present by my good friends at Adel, Ga. My wife, children, several friends, and I enjoyed this Adel, Cook County, Ga., watermelon very much. I do wish the people all over the country could eat some real ripe, red, juicy Georgia watermelon, then they would know what a Georgia watermelon really is.

If the Georgia folks could only get their fresh, ripe melons directly to the consumers at about half what the consumer now pays, and yet at a much larger price to the producer, what a happy watermelon eating there would be. The people up here do not eat one-fourth the watermelons they would eat if they could be shipped here and delivered in a day or two from the time they leave the vines. The people of Georgia could and would sell every melon it is possible to produce in Georgia if the melons could be shipped by fast freight or express directly from the Georgia fields, then hauled from the cars promptly and directly to the consumers, and then sold at a fair price. Why can not this be done? It would be better for the producer. He would get a much better price and could sell all he could produce for cash. The railroads would haul many times more melons and get much more freight. The consumer would get a good, ripe, fresh melon for much less cost. It can be done. It should be done. It will be done. Why not at once?

I believe that Congress owes it to the producer and to the consumer to make a determined effort to establish the selling of many products directly from the producer to the consumer. This certainly should be done with watermelons, cantaloupes, and other extremely perishable vegetables. If the sale of watermelons, and so on, can successfully be made without a middleman's interference, then the sale of other products could be successfully made directly from the producer to the consumer. I am extremely anxious for the plan to be worked out as to watermelons and cantaloupes, as my State, and especially my district, produces these in abundance. I could and would help and watch the experiment from both Georgia and from Washington.

On the 24th of last month I introduced two bills along the line I have been talking. One deals with watermelons and cantaloupes only and is restricted to Washington. The other is more general in its scope, dealing with all perishable farm products, and authorizes general experiments anywhere in the United States. The watermelon and cantaloupe bill is as follows:

Be it enacted, etc., First, that there is authorized to be appropriated the sum of $25,000 to be expended by the Secretary of Agriculture in experimentation in and in the organization of cooperative marketing or selling organizations of watermelon and cantaloupe producers in Georgia and in the experimentation in and in the organization of cooperative purchasing or buying organizations of watermelon and cantaloupe consumers in the District of Columbia, and in experimentation in and in furtherance of the establishing of the sale

of watermelons and cantaloupes directly from the cooperative organizations of producers directly to the cooperative organizations of consumers, and generally to experiment in and promote and establish the sale of watermelons and cantaloupes directly from the producers in Georgia to the consumers in the District of Columbia. Second, that all laws and parts of laws in conflict with this act be, and the same are hereby, repealed.

Mr. Chairman, I am convinced that in order to carry on effectively and properly cooperative marketing there must be cooperative organizations at both ends of the line. There must be a cooperative organization at the producers' end constituted of producers. It occurs to me that the matter can be best handled by the organization of producers putting part of their organization in the watermelon business, for instance, here in Washington. Let the men representing the producers here make a canvass and get a thousand or ten thousand buyers of melons for Monday delivery. Let them sell as many as possible for delivery on each day of the week. If there are 10 carloads for delivery in Washington each day then 10 cars must leave Georgia each day for Washington. The melons could, by assistance of the railroads, be delivered to consumers in less than two days from the vine. The melons could be delivered at cars or for a small charge be delivered at homes, cafés, and hotels. This would be sales directly from producer to consumers.

The farmer would get twice as much for his melons. The consumer would get melons for much less and get a fresh, ripe, juicy one instead of a shriveled, stale one. Why can not it be done? Milk, butter, and many other items are now delivered at the homes daily. These, though, are handled through middlemen. I believe the producers of milk and butter by proper organization can eliminate the middleman and sell good milk for more to producer and less to consumer. I have introduced another bill, which seeks an appropriation in connection with the sale of milk and other farm products generally directly from the producer to the consumer. I believe all perishable farm foodstuffs at least should be sold directly from producer to consumer. I want the Government to experiment in and help bring about this condition of affairs.

But back to the watermelon proposition. Some one may suggest that people do not want a watermelon every day like milk. They will want them every day if they can get good fresh ones. People of Washington and elsewhere will consume ten times the melons they now eat if they can get them fresh and at a reasonable price. It may be that the matter can be best handled by the cooperative selling organizations selling to retail men here and let them distribute the melons among the consumers. I am of the opinion, though, that the sale should be as nearly as possible directly from the producer to the consumer. I am convinced that the middleman should be eliminated for two reasons: First, he gets a large slice of the ultimate price of the melon for an unnecessary service; second, he causes unnecessary delay in the getting of the melon from producer to the consumer, and thus he injures the melon instead of helping the value of it. In order to help the consumers of the Nation and the producers it seems to me the Government could well afford to employ agents to help carry on the sale of watermelons and other foodstuffs directly from the producer to the consumer. In other words, let the Government, temporarily at least, act as middleman in an effort to bring producer and consumer into a trade relationship. After a reasonable experiment it may be determined that it is a proper function of the Government to help the great consuming public obtain the very freshest and most wholesome food at a reasonable price, and that it is a proper function of the Government to encourage agriculture and to help the producer get a reasonable price for his products.

The laboring man and other consumer should not be deprived of their hard-earned money without receiving a reasonable amount of food or other commodity in exchange. The farmer should not be forced to sell his products for less than a reasonable price. The consumer pays too much. The producer sells for too little. The middleman gets too much. The middleman lives off of the producer and the consumer. As an experiment I want the Government to act as middleman just a little while and determine just what can be done. I believe the middleman can be left off as to all perishable farm products and probably as to other farm products. Why should not the Government, through proper agents, solicit and accept from consumers orders for watermelons or other fruit and vegetables, and then have these orders filled in carload lots directly from the producer? This would be but an extended form of parcel post, registered money, money order, and Bureau of Markets activities. To-day the Government does the same things but in a more tedious way. Let us see what happens now. If I desire to buy a crate of cucumbers from Florida, or a crate of cantaloupes from Georgia, I must write an order to some one who has them for sale and order them. I then go to the Government agent at the post office and buy a money order or register the money. The Government gets the money to the producer and then by parcel post brings the cucumbers or cantaloupes back and delivers them to me. But this method is tedious and risky. Produce shipped in small packages may be damaged. Why not let us and thousands of others order fresh watermelons, cantaloupes, or other produce for delivery on certain days of the week and let the Government, instead of sending thousands of registered letters or money orders, send the money for several carload lots to the producers and then bring the products here, not in parcels but in carloads, and deliver the articles ordered.

I believe this plan can be worked in a way advantageous to producers and consumers, and yet be self-sustaining. The Government could make a small charge such as is made in parcel-post matters, only much less, as the matter would be handled in wholesale lots. Very probably, after the plan is established as practicable, the Government could give the matter up as an experiment and let the producers by cooperative organizations, with the help of the transportation lines, and with the help of the consumers, operate the scheme for the good of all concerned.

I believe that the producers and consumers will eventually work out a system much as I have outlined. I am sure the Government could and should help perfect a marketing system direct from "producer to consumer" much sooner than it would be perfected otherwise. As soon as it was known that the Government was back of such a system it would be a go. The consumers would gladly patronize such a plan and the producers are already fairly well organized. The producers would gladly help perfect any and all necessary organizations. I am asking that the experiment be made as to watermelons only between Georgia producers and Washington consumers. Of course, if the plan is perfected as to watermelons sold and delivered in Washington the plan could be easily extended to cover the whole country and to include farm products other than watermelons. I believe the scheme would finally work best either with Government agents acting as middlemen for all perishable farm products or with a joint organization of producers of all farm products, fruits, and vegetables, with agents of the joint organization of producers in all consuming centers to accept orders for specified deliveries and to make the delivery of the foodstuff ordered. The bill of a general nature which I have introduced is as follows:

Be it enacted, etc., First, that there is authorized to be appropriated the sum of $500,000, to be expended by the Secretary of Agriculture in experimentation in and in the organization of cooperative marketing or selling organizations of producers of farm products and in the experimentation in and in the organization of cooperative purchasing or buying organizations of consumers, and in experimentation in and in furtherance of the establishing of the sale of farm products from the cooperative organizations of producers directly to the cooperative organizations of consumers, and generally to experiment in, promote, and establish the sale of farm products directly from the producers to the consumers. Second, that all laws and parts of laws in conflict with this act be, and the same are hereby, repealed.

Mr. Chairman, I am extremely anxious for some relief to be given the farmer and the consumer. If the bills I offer are faulty, then please, in a spirit of helpful friendship, tell me wherein they are faulty and help me find something better. I invite friendly criticism from the friends of the farmers. I have spent months and years thinking over the great need of the sale of good, wholesome farm products directly from producer to consumer. I now invite the farmers and their friends everywhere to help me solve this problem. If I am on the wrong road, going the wrong way, please tell me so and show me the right way, and I will gladly turn about and pursue the right course. I believe I am offering a proper solution. What have you to offer instead? In God's name let us help the farmer get that which is justly his own. The farmer asks for simple justice; nothing more. [Applause.]

Mr. KELLEY of Michigan. Mr. Chairman, I yield a couple of minutes to the gentleman from Nevada [Mr. ARENTZ].

Mr. ARENTZ. Mr. Chairman, I ask leave to incorporate in the RECORD a letter on the subject now under consideration, addressed to the Women's Club of Yerington, Nev.

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

Following is the communication referred to:

HOUSE OF REPRESENTATIVES,
Washington, D. C., April 11, 1922.

Mrs. CHARLES THRAILKILL,
Corresponding Secretary the Women's Club, Yerington, Nev.

DEAR MRS. THRAILKILL: It gives me pleasure to acknowledge receipt of your communication dated April 1, wherein it is stated: "The members of the above-named club request that you protest what is called a 'five-power treaty,' involving the scrapping of 65 capital ships."

Women everywhere throughout our land and the world should interest themselves in such great national—yes, and international—problems. In every war it is the women who bear the greatest burden, who suffer the loss of husband, son, father, and brother. The wiping out

of lives of dear ones and the return of sick and wounded is borne directly by the patient, long-suffering, and uncomplaining women of all lands.

The war left behind it a wrecked world. Millions of the strongest and best youth of the western world perished in battle. Business was shattered and the purchasing power of all the great markets of Europe was almost destroyed. It is our part as a nation to do the best we can to make better these terrible conditions.

A conference of the principal nations of the world was called to meet at Washington. The three great objects in view were:

The limitation of armaments.

The termination of the Anglo-Japanese alliance.

To discuss far eastern problems.

In these three objects our delegation was successful. This conference marked a turning point in the relations of nations by substituting open-handed and fair proposals for more or less secret bargains. The conference turned upon the attitude of the United States and there could be no doubt of the result when Mr. Hughes made the bold proposal for the limitation of armaments and the cessation of naval competition.

The fact that the strongest naval powers were rivals only a few months ago, dreading the plans of their competitors and feverishly building ships in a ruinously costly race, while they are now in a friendly understanding which is based upon confidence and removal of rivalry, is in itself an achievement of greatest importance for the cause of humanity. The like of this was never seen before.

We so reduced the number of capital ships that at the end of 10 years Great Britain will have 15 ships, the United States 15, and Japan 10. The United States now has 33 capital ships, Great Britain 41, and Japan 21. The capital-ship tonnage of the powers at the present time is: United States, 738,390 tons; Great Britain, 1,015,825 tons; Japan, 494,528 tons. At the end of the 10-year naval building holiday they will have, respectively, 525,000 tons of capital ships, 525,000 tons, and 315,000 tons. This means the end of the naval competition.

This naval treaty, upon which our Navy must be based and continued if we are to keep our word as a nation, means relief from the great burden of taxation which has rested upon all maritime nations because of great naval armaments. Also it will help maintain the peace of the world.

The enormous increase in national expenditures is necessitated to the extent of 93 per cent by the cost of war, the destruction of war, and by preparation for future wars. The cost of the Civil War alone made the startling showing of expense nearly twice as great as all governmental expenditures combined in the 72 years of national existence preceding that war.

The late war has its lessons that are equally striking. It is quite possible that children of the next generation will bear some portion of the cost of that war. At least, the final estimate has not yet been made up. This much is known: It will be as much or more than the total expense of the Government for the preceding 128 years of its existence.

The total estimated cost of this Government down to 1917 was $33,000,000,000. Let us note that in the one month of December, 1918, there was expended for war purposes more than the total cost of the Government in war and peace from 1789 to 1861.

Here is the staggering epitome: For the year ended June 30, 1920, 93 per cent of total appropriations of $5,900,000,000 were for war purposes; 7 per cent, or $400,000,000, was for the peaceful activities of all our people.

The cost of one battleship would provide water for irrigating a million acres of Nevada land. A big Navy meant burdensome taxation for building, but it demanded absolutely ruinous expense for manning and upkeep. After a vessel is built, the expense for it has just begun, and a battleship is obsolete in 10 to 15 years. Admiral Dewey's flagship, the *Olympia*, of which all present-day voters were once so unqualifiedly proud, is a pitiful joke floating beside the *Pennsylvania* of 1920.

The estimated cost for completion of the United States ships now under construction is $150,000,000. Behold the magnificent vessels we now sink in target practice! After completion untold other millions are necessary for maintenance and salaries of personnel, supplies, and fuel to keep these ships afloat. Beyond actual requirements, every additional ship is utter waste. There is no probability that the ships now built could be used in "the next war." The Navy urges us to lose sight of the development of aircraft, which so recently and so readily sunk the first-class and "unsinkable" German battleship *Ostfriesland*.

The five-power naval treaty leaves us proportionately as strong, compared with Great Britain, as we were before. Competition in naval construction and armament is at an end among the great powers for at least 25 years.

We all believe in economy in Government expenditures. We must make ample provision for the disabled and suffering soldiers of the late war. Our duty to these men is beyond anything in the power of money to purchase. It may be noted here that the cost of 15 days of war—actual expense to the United States—was sufficient to meet all the costs of the bonus to our soldiers.

Large expenses will continue as an aftermath of war. We must appropriate for an adequate Navy and at least the nucleus of a strong Army. There is considerable difference of opinion as to what the size of the Army should be. The size of the Navy has been agreed upon in conference with the great powers of the world.

We should be liberal and progressive in the matter of civil expenses. We need to devote more to education, to investigation, to preparation for the material and social future. We must provide for good roads all over our land, for the construction of public works, the development of rivers, the reclamation of waste lands.

Conditions should be made such that no man who is willing to work need hunger, that poverty may be eliminated, illiteracy unknown, labor everywhere receive a fair wage, and the farmer a fair price for what he produces every year.

We must all work to this end. A forward step was taken when the President of our country called the great powers in conference at Washington to end the stupendous waste in preparation for war, that we may direct some reasonable part of our wealth as a nation to the maintenance and upbuilding of the arts of peace.

With kindest regards, I am,

Sincerely yours, SAMUEL S. ARENTZ, *M. C.*

Mr. KELLEY of Michigan. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. TOWNER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 11228, the naval appropriation bill, and had come to no resolution thereon.

CALENDAR WEDNESDAY CALENDAR.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent that the House dispense with business under the Calendar Wednesday rule to-morrow.

The SPEAKER. The gentleman from Wyoming asks unanimous consent to dispense with Calendar Wednesday to-morrow. Is there objection? [After a pause.] The Chair hears none.

EXTENSION OF TIME FOR GENERAL DEBATE ON NAVAL BILL.

Mr. KELLEY of Michigan. Mr. Speaker, I ask unanimous consent that the time for general debate on the naval bill be extended through to-morrow and that half of the time be controlled by the gentleman from South Carolina [Mr. BYRNES] and the other half by myself.

The SPEAKER. The gentleman from Michigan asks unanimous consent that the time for general debate be extended until adjournment to-morrow night, half to be controlled by himself and half by the gentleman from South Carolina [Mr. BYRNES]. Is there objection?

There was no objection.

SENATE BILLS REFERRED.

Under clause 2, Rule XXIV, bills of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 1690. An act to correct the military record of John Sullivan; to the Committee on Naval Affairs.

S. 1790. An act to place national guardsmen who entered the World War otherwise than through the draft on equal basis as to longevity and continuous-service pay with national guardsmen who were drafted; to the Committee on Military Affairs.

S. 2719. An act to reimburse certain persons for loss of private funds while they were patients at the United States naval hospital, naval operating base, Hampton Roads, Va.; to the Committee on Claims.

S. 150. An act to provide longevity pay for reserve officers and National Guard officers serving under orders of the War Department; to the Committee on Military Affairs.

S. 1281. An act for the relief of Capt. Edward T. Hartmann, United States Army, and others; to the Committee on Claims.

ADJOURNMENT.

Mr. KELLEY of Michigan. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 15 minutes p. m.) the House adjourned until Wednesday, April 12, 1922, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

588. A letter from the Assistant Secretary of Labor transmitting a list of useless papers from the Immigration Service to be disposed of; to the Committee on Disposition of Useless Executive Papers.

589. A letter from the Secretary of War transmitting a tentative draft of a bill for the relief of George M. Watson, Finance Department; to the Committee on War Claims.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. KIESS: Committee on Printing. H. R. 9816. A bill to provide for the discontinuance of certain Government publications and to establish branches of the Government Printing Office; with an amendment (Rept. No. 893). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. KLECZKA: Committee on War Claims. H. R. 1965. A bill for the relief of Mrs. D. Montgomery; without amendment (Rept. No. 892). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 10340) granting a pension to Henry Altman; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 10565) granting an increase of pension to Charles A. Streeter; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 10700) for the relief of settlers and claimants to section 16, lands in the L'Anse and Vieux Desert Indian Reservation, in Michigan, and for other purposes; Committee on Indian Affairs discharged, and referred to the Committee on Appropriations.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. WINSLOW: A bill (H. R. 11264) to provide for medical and hospital services for the officers and seamen of the Lighthouse Service; to the Committee on Interstate and Foreign Commerce.

By Mr. WEBSTER: A bill (H. R. 11265) to authorize the maintenance of a bridge across the Pend Oreille River at the town of Usk, in the State of Washington; to the Committee on Interstate and Foreign Commerce.

By Mr. DEAL: Joint resolution (H. J. Res. 305) for the relief of citizens of Truxtun, Va.; to the Committee on Public Buildings and Grounds.

By Mr. WOODRUFF: Resolution (H. Res. 323) authorizing the Speaker to appoint a special committee of 15 Members of the House to investigate all contracts and expenditures made by the War and Navy Departments and the Alien Property Custodian during and since the late war with Germany, and for other purposes; to the Committee on Rules.

By Mr. JOHNSON of South Dakota: Resolution (H. Res. 324) authorizing the Speaker to appoint a special committee of 15 Members of the House to investigate all contracts and expenditures made by the War and Navy Departments and the Alien Property Custodian during and since the late war with Germany, and for other purposes; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROOKS of Illinois: A bill (H. R. 11266) granting a pension to Mary Holmes; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11267) granting a pension to Richard Howe; to the Committee on Pensions.

By Mr. BURROUGHS: A bill (H. R. 11268) for the allowance of certain claims for extra labor above the legal day of eight hours at certain navy yards certified by the Court of Claims; to the Committee on Claims.

Also, a bill (H. R. 11269) granting a pension to Lucius H. Rand; to the Committee on Invalid Pensions.

By Mr. BYRNS of Tennessee: A bill (H. R. 11270) granting an increase of pension to Rachael J. Smith; to the Committee on Pensions.

By Mr. COOPER of Ohio: A bill (H. R. 11271) for the relief of Martha E. Esterly; to the Committee on Claims.

By Mr. GREEN of Iowa: A bill (H. R. 11272) granting a pension to Maggie Lowe; to the Committee on Invalid Pensions.

By Mr. GOULD: A bill (H. R. 11273) granting a pension to Jessie L. Burr; to the Committee on Invalid Pensions.

By Mr. KETCHAM: A bill (H. R. 11274) granting a pension to Sarah Lundy; to the Committee on Invalid Pensions.

By Mr. MURPHY: A bill (H. R. 11275) granting an increase of pension to Orlando Cope; to the Committee on Invalid Pensions.

By Mr. ROACH: A bill (H. R. 11276) granting a pension to Amelia Stegner; to the Committee on Invalid Pensions.

By Mr. YOUNG: A bill (H. R. 11277) authorizing the Secretary of War to donate to the Mount Pleasant school district No. 4, Rolette County, N. Dak., one German cannon or fieldpiece; to the Committee on Military Affairs.

By Mr. TOWNER: A bill (H. R. 11278) granting a pension to Lodesca F. Wertz; to the Committee on Invalid Pensions.

By Mr. WEBSTER: A bill (H. R. 11279) granting a pension to Emma Grace Ridgely; to the Committee on Pensions.

Also, a bill (H. R. 11280) for the relief of Vince P. Brown; to the Committee on the Public Lands.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5037. By Mr. BYRNS of Tennessee: Evidence in support of House bill 11270 granting an increase of pension to Rachael J. Smith, widow of William C. Smith; to the Committee on Pensions.

5038. By Mr. CHALMERS: Petition protesting against the passage of House bill 9753 or any other Sunday bill, such, for example, House bill 4388 or Senate bill 1948; to the Committee on the District of Columbia.

5039. By Mr. CURRY: Petition of 90 citizens of Geyserville, Calif., against the enactment of a Sunday law; to the Committee on the District of Columbia.

5040. By Mr. KELLY of Pennsylvania: Petition of Monongahela Presbytery of the United Presbyterian Church, adopted at Pittsburgh, Pa., urging the early passage of House bill 9753, to secure Sunday as a day of rest in the District of Columbia; to the Committee on the District of Columbia.

5041. By Mr. KENNEDY.: Petition of New England Southern Conference of the Methodist Episcopal Church, indorsing House bill 9753; to the Committee on the District of Columbia.

5042. Also, petition of New England Southern Annual Conference of the Methodist Episcopal Church, indorsing House joint resolution 131; to the Committee on the Judiciary.

5043. Also, petition of New England Southern Conference of the Methodist Episcopal Church, indorsing Senate joint resolution 31; to the Committee on the Judiciary.

5044. By Mr. KIESS: Petition of residents of Potter County, Pa., favoring the passage of the Voigt bill (H. R. 8086); to the Committee on Agriculture.

5045. Also, petition of the American Association for Labor Legislation, New York City, N. Y., relative to the Fitzgerald accident compensation bill (H. R. 10034); to the Committee on the District of Columbia.

5046. Also, petition of Edward Hines Lumber Co., Chicago, Ill., relative to the conservation of forests; to the Committee on Agriculture.

5047. By Mr. MORGAN: Petitions of Presbytery of Mansfield (U. P.) on national reform; to the Committee on the District of Columbia.

5048. By Mr. PRINGEY: Resolution adopted by the district nominating convention No. 6 of the Oklahoma Wheat Growers Association, held April 4, at Enid, Okla., urging the continuance of the War Finance Corporation and urging the President to appoint a dirt farmer on the War Reserve Board and thanking the members of the farm bloc for their effort to date to further the interest of the farmer; to the Committee on Banking and Currency.

5049. By Mr. RIORDAN: Resolution adopted by the Rotary Club, of New York City, indorsing the action of the Senate in attaching the amendment to the Post Office appropriation bill making provision for the reestablishment of the pneumatic tube service in the New York post office; to the Committee on Appropriations.

5050. By Mr. SINCLAIR: Petition of C. Jennejohn and 68 others of Glenburn, N. Dak., protesting against the passage of House bills 9753 and 4388 and Senate bill 1498; to the Committee on the District of Columbia.

5051. Also, petitions of L. H. Fixen and 14 others, of Werner, and John Hollister and 9 others, of Yucca, N. Dak., urging the revival of the United States Grain Corporation and a stabilized price on farm products; to the Committee on Agriculture.

5052. Also, petition of Axel Wahlstrom and P. A. Gajewshi, of Alexander, N. Dak., urging the revival of the United States Grain Corporation and a stabilized price on farm products; to the Committee on Agriculture.

5053. By Mr. SNYDER: Petitions of Rocco Perreta & Co. and John Couzza & Co. against increase of duty on olive oil, cheese, and lemons, and asking that cheese be transferred to a specific basis; to the Commitee on Ways and Means.

5054: Also, petitions of L. G. Hess and Fred C. Foster, of Rome, N. Y., favoring passage of the Chandler bill (H. R. 9198), providing old-age pensions for veterans of the War with Spain; to the Committee on Pensions.

5055. By Mr. TAGUE: Resolution adopted by the port committee of the International Seamen's Union of America, in the city of Boston, urging the opposition of the following sections of the subsidy bill (H. R. 10644), namely, Section A, page 12, and Section B, page 9; to the Committee on the Merchant Marine and Fisheries.

5056. By Mr. TOWNER: Petition of Mr. C. Tuttle and 10 other citizens of Creston, Iowa, protesting against House bill 9753; to the Committee on the District of Columbia.

5057. By Mr. ZIHLMAN: Petition of several citizens of Takoma Park, Md., protesting against the enactment of the proposed compulsory Sunday observance laws for the District of Columbia, namely, House bills 4388 and 9753; to the Committee on the District of Columbia.

SENATE.

WEDNESDAY, *April 12, 1922.*

(Legislative day of Monday, April 10, 1922.)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

DISPOSITION OF USELESS PAPERS.

The VICE PRESIDENT laid before the Senate a communication from the Assistant Secretary of Labor, transmitting, pursuant to law, a list of papers in the files of the Department of Labor, at Ellis Island, N. Y., not needed in the conduct of business and having no historic value, and asking for action looking to their disposition, which was referred to a Joint Select Committee on the Disposition of Useless Papers in the Executive Departments. The Vice President appointed Mr. RAWSON and Mr. CARAWAY members of the committee on the part of the Senate, and directed that the Secretary notify the House of Representatives thereof.

PETITIONS.

Mr. SHEPPARD. Mr. President, I present petitions of 564 citizens of Stephenville, Boyd, Joshua, Henderson, Hughes Springs, Paradise, Tolar, Santo, Perrin, Weatherford, Garner, Chico, Hood County, Palo Pinto County, and Jack County, all in the State of Texas, praying for inclusion in the tariff bill of certain rates of duty on peanuts, peanut oils, and other vegetable oils. I ask that the petitions may lie on the table, and that the text of one of them, which is brief, be printed in the RECORD.

There being no objection, the petitions were ordered to lie on the table, and the body of one was ordered to be printed in the RECORD, as follows:

To the honorable Members of the United States Congress:

We, the residents of Stephenville, Tex., interested in the maintenance, development, and prosperity of the South, realizing the extent to which our agricultural interests, directly, and our entire community, indirectly, are affected by the practically unrestricted flow of foreign-grown peanuts and other agricultural products, vegetable oils, etc., into our country because of the approximately free trade conditions existing before the emergency tariff bill was enacted, and fully appreciating that the failure to include peanuts at 4 cents per pound and peanut oil at 5 cents per pound, as well as a like rate on other vegetable oils in the permanent tariff bill, which is to supersede the emergency tariff bill, will take from the South its one cash crop that has proven a great blessing as a substitute crop for cotton in boll-weevil infested sections where cotton can not be profitably produced on account of this pest, earnestly request your consideration of this vital matter to the end that you help to secure rates stated above, which are not more than sufficient to cover the difference between the cost of production here and abroad.

Mr. WILLIS presented resolutions adopted by members of Toledo (Ohio) Chapter No. 5, Disabled American Veterans of the World War, and by the First Annual Convention of Disabled American Veterans of the World War held at Detroit, Mich., June 30, 1921, favoring the passage of the soldiers' bonus bill, which were referred to the Committee on Finance.

Mr. COLT presented a resolution adopted by the New England Southern Conference, Methodist Episcopal Church, at Pawtucket, R. I., favoring the enactment of legislation prohibiting polygamy, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by the New England Southern Conference, Methodist Episcopal Church, at Pawtucket, R. I., favoring the enactment of legislation providing for compulsory Sunday observance in the District of Columbia, which was referred to the Committee on the District of Columbia.

He also presented a resolution adopted by the New England Southern Conference, Methodist Episcopal Church, at Pawtucket, R. I., favoring the enactment of legislation providing for uniform marriage and divorce laws, which was referred to the Committee on the Judiciary.

REPORT OF ALIEN PROPERTY CUSTODIAN (S. DOC. NO. 181).

Mr. MOSES, from the Committee on Printing, reported the following resolution (S. Res. 274), which was considered by unanimous consent and agreed to:

Resolved, That the report of Thomas W. Miller, Alien Property Custodian, submitted in compliance with Senate Resolution 191, be printed as a Senate document.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BALL:

A bill (S. 3448) to validate an agreement between the Secretary of War, acting on behalf of the United States, and the Washington Gas Light Co.; to the Committee on the District of Columbia.

By Mr. McKINLEY:

A bill (S. 3449) granting a pension to Charles A. Detrick; to the Committee on Pensions.

By Mr. DILLINGHAM:

A bill (S. 3450) granting a pension to Eliza W. Cobb (with accompanying papers); and

A bill (S. 3451) granting a pension to Abbie Holbrook (with accompanying papers); to the Committee on Pensions.

By Mr. LA FOLLETTE:

A bill (S. 3452) for the relief of Hettie Pierce (with accompanying papers); to the Committee on Claims.

A bill (S. 3453) granting a pension to Elizabeth Miller (with accompanying papers); to the Committee on Pensions.

By Mr. KING:

A bill (S. 3454) granting an increase of pension to Edwin Stott; to the Committee on Pensions.

JEWISH NATIONAL HOME IN PALESTINE.

Mr. LODGE. I introduce a joint resolution which I ask may be printed in the RECORD and referred to the Committee on Foreign Relations.

There being no objection, the joint resolution (S. J. Res. 191) favoring the establishment in Palestine of the National Home for the Jewish People, was read twice by its title and referred to the Committee on Foreign Relations, as follows:

Resolved, etc., That the United States of America favors the establishment in Palestine of the National Home for the Jewish People, in accordance with the provisions contained in the declaration of the British Government of November 2, 1917, known as the Balfour declaration, it being clearly understood that nothing shall be done which may prejudice the civil and religious rights of existing non-Jewish communities in Palestine, or the rights and political status enjoyed by Jews in any other country, and that the holy places and religious buildings and sites in Palestine shall be adequately protected.

TARIFF BILL AMENDMENTS.

Mr. SPENCER submitted an amendment and Mr. BROUSSARD submitted two amendments, intended to be proposed by them to House bill 7456, the tariff bill, which were ordered to lie on the table and to be printed.

CLAIMS OF CERTAIN LIBERTY-LOAN SUBSCRIBERS.

Mr. SHEPPARD submitted an amendment intended to be proposed by him to the bill (H. R. 5775) for the relief of Liberty-loan subscribers of the North Penn Bank, of Philadelphia, Pa.; Santa Rosa National Bank, Santa Rosa, Calif.; and Mineral City Bank, Mineral City, Ohio; Robbinsdale State Bank, Robbinsdale, Minn.; and Farmers & Merchants State Bank, Kenmare, N. Dak., which was referred to the Committee on Claims and ordered to be printed.

AGRICULTURAL DEPARTMENT APPROPRIATIONS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 10730) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1923, and for other purposes.

Mr. HARRISON. Mr. President, I have heard it rumored that because of the tariff bill just having been submitted to the minority members of the Finance Committee and they having only a few days in which to study it and not being able to be here to-day, there was some chance of adjourning to-day at half past 2 o'clock. May I inquire if that is in the minds of the leadership on the other side?

Mr. McNARY. I think there is no chance of that, unless by a vote of the Senate. I know we are all anxious to dispose of the unfinished business, and I certainly would oppose a movement of that kind.

Mr. CURTIS. Mr. President, I judge it is the desire of the Senator from Mississippi to attend the opening game of the baseball season this afternoon, and that that is the ground for the rumor to which he refers.

Mr. HARRISON. Several of the Senators who will only have two or three days to study the report of the Finance Committee are anxious to have some time away from the Senate Chamber.

Mr. McNARY. Mr. President, I call for the regular order.

The VICE PRESIDENT. The regular order is called for. The Secretary will continue the reading of the bill.

Mr. McNARY. The next item is on page 8, Bureau of Animal Industry.

Mr. PAGE. Mr. President, will the Senator from Oregon yield to me for a moment?